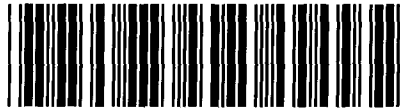




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APPLICATION OF THE CITY OF  
GARLAND TO AMEND A  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY FOR THE RUSK TO  
PANOLA DOUBLE-CIRCUIT 345-KV  
TRANSMISSION LINE IN RUSK AND  
PANOLA COUNTIES

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PUBLIC UTILITY COMMISSION  
BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

**TEXAS INDUSTRIAL ENERGY CONSUMERS' SUPPLEMENTAL BRIEF**

Texas Industrial Energy Consumers (TIEC) appreciates the opportunity to provide this supplemental brief on how the Commission should deal with the Southern Cross Transmission, LLC (SCT) DC Tie becoming the most severe single contingency (MSSC) on the ERCOT system. The Chairman's suggestion to limit operation of the DC Tie to a maximum of 1,375 MW until ERCOT implements new standards and protocols to resolve MSSC-related concerns is a step in the right direction; however, this limitation alone does not go far enough to ensure that both ratepayers and the grid are protected. Instead, the SCT Tie should not be energized until all changes to the current ancillary service procurement and allocation required to directly assign incremental costs to SCT have been studied and implemented.<sup>1</sup>

Energizing the SCT Tie before the operational and coordination difficulties identified in this case have been resolved at ERCOT would be unnecessarily risky and would undermine the PFD's recommendations. In addition to the MSSC problem, the PFD requested that ERCOT develop standards and protocols to govern how the SCT Tie will affect economic dispatch,<sup>2</sup> congestion management,<sup>3</sup> ramp rate restrictions,<sup>4</sup> outage coordination,<sup>5</sup> coordination with other

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<sup>1</sup> See, e.g. Docket No. 45624, Proposal for Decision (PFD) at 65 (July 27, 2016) ("ERCOT asks the Commission to order ERCOT to study the issue of whether ancillary service charges will be needed to reliably interconnect the SCT DC Tie and implement any modifications to ancillary service procurement *as a condition for the interconnection of the SCT DC Tie.*") (emphasis added).

<sup>2</sup> *Id.* at 49.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 53.

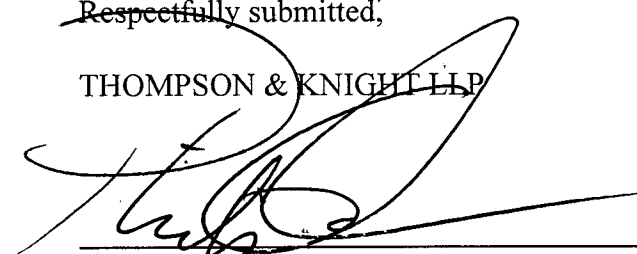
<sup>5</sup> *Id.* at 55.

balancing authorities,<sup>6</sup> and reactive power and primary frequency response.<sup>7</sup> For each of those issues, the PFD required that ERCOT study and develop new policies prior to energizing the SCT Tie and the Garland Project.<sup>8</sup> Placing the SCT Tie in service before these issues are resolved would be just as harmful as allowing the SCT Tie to become the MSSC without first modifying ERCOT's current ancillary service practices. Moreover, as Chairman Nelson's memo observed, the correct forum for many of the issues raised in this case is at the Commission rather than ERCOT. As a result, one or more rulemakings may be necessary to effectuate the Commission's desired treatment of the SCT Tie. These rule changes should also be completed before the SCT Tie is energized. Accordingly, TIEC urges the Commission require that *all* of the issues that require further input from the Commission or ERCOT—including the MSSC issue—be studied and resolved before the SCT Tie is energized.

TIEC appreciates the opportunity to present this additional briefing to the Commission and looks forward to discussing this and other issues at the upcoming Open Meeting.

Respectfully submitted,

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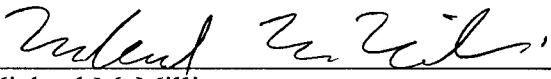
<sup>6</sup> *Id.* at 56.

<sup>7</sup> *Id.* at 59-60.

<sup>8</sup> *See id.* at 50 (economic dispatch issues), 53 (ramp rate restrictions), 55 (outage coordination); 56 (coordination with other balancing authorities), 60 (reactive power and primary frequency response).

## CERTIFICATE OF SERVICE

I, Michael McMillin, Attorney for TIEC, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 22<sup>nd</sup> day of August, 2016 by facsimile, electronic mail and/or First Class, U.S. Mail, Postage Prepaid.

  
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Michael McMillin