



Control Number 45624



Item Number 401

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PUC DOCKET NO. 45624
SOAH DOCKET NO. 473-16-2751

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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
OF TEXAS**
FILING CLERK

PUC PROJECT NO. 46304

**OVERSIGHT PROCEEDING
REGARDING ERCOT MATTERS
ARISING OUT OF DOCKET NO. 45624
(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
OF TEXAS**

DRAFT ORDER CREATING AND SCOPING PROJECT

This Order addresses directives to the Electric Reliability Council of Texas (ERCOT) arising out of the final order in Docket No. 45624. In that docket, the Commission approved, as statutorily required, the City of Garland's application for a certificate of convenience and necessity (CCN) to build a new 38-mile-long, 345-kilovolt transmission line connecting ERCOT to a DC tie in Louisiana. In order to accommodate this new DC tie, which will have a capacity of approximately 2,100 MW, the Commission directs ERCOT to complete the tasks listed below.

In the final order in Docket No. 45624, the Commission forbids Southern Cross Transmission LLC or the City of Garland from energizing the Rusk-to-Panola transmission line until ERCOT completes the below tasks. Therefore, the Commission urges ERCOT to complete these tasks expeditiously, without compromising the quality of the work or proper procedure and process. ERCOT will periodically update the Commission, and the Commission will monitor the

process at ERCOT in order to ensure there is not undue delay. The public interest requires that ERCOT and the Commission, immediately begin the process of updating rules, protocols, and standards so that the reliability of the ERCOT system is not jeopardized and cost responsibilities are properly placed on market participants. The Commission notes that Southern Cross Transmission LLC is required to pay ERCOT's costs to perform these tasks. Some of these issues may require stakeholder input.

Directives to ERCOT

1. ERCOT shall determine the appropriate market participation category for Southern Cross Transmission LLC (creating a new one if necessary), implement the modifications to the standard form market participant agreement and its protocols, bylaws, and systems required for Southern Cross Transmission LLC's participation, and determine the appropriate market segment for Southern Cross Transmission LLC.
2. ERCOT shall execute a coordination agreement or agreements with the independent system operator/regional transmission organization and/or reliability coordinator on the eastern end of the Southern Cross line. ERCOT shall consult Southern Cross Transmission LLC as needed during negotiations of such agreement(s) for technical input and guidance.
3. ERCOT shall determine what ramp rate restrictions will be necessary to accommodate the interconnection of the Southern Cross DC tie and must implement those restrictions and shall certify to the Commission when it has completed these actions.
4. ERCOT shall develop and implement a methodology to reliably and cost-effectively coordinate outages following the interconnection of the Southern Cross DC tie and shall certify to the Commission when it has completed these actions.
5. ERCOT shall study and determine how best to model the Southern Cross DC tie in its transmission planning cases, make any necessary revisions to its standard and protocols as appropriate, and certify to the Commission when it has completed these actions.
6. ERCOT shall study and determine what transmission upgrades, if any, are necessary to manage congestion resulting from power flows over the Southern Cross DC tie and shall certify to the Commission when it has completed these actions.
7. ERCOT shall (a) study and determine whether some or all DC ties should be economically dispatched or whether implementation of a congestion management plan or special protection scheme would more reliably and cost-effectively manage congestion caused by DC tie flows, (b) implement any necessary revisions to its protocols and standards as appropriate, and (c) certify to the Commission when it has completed these actions.

8. ERCOT shall (a) study and determine whether Southern Cross Transmission LLC or any other entity scheduling flows across the Southern Cross DC tie should be required to provide or procure voltage support service or primary frequency response, or their technical equivalents, (b) implement any necessary standard revisions as appropriate, and (c) certify to the Commission when it has completed these actions.
9. ERCOT shall (a) evaluate what additional ancillary services, if any, are necessary for the reliable interconnection of the Southern Cross DC tie, (b) implement any needed modifications to ancillary services procurement, and (c) certify to the Commission when it has completed these actions.
10. ERCOT shall study price formation issues to determine whether any changes to pricing within the ERCOT market during emergencies are necessary and certify to the Commission when it has completed these actions.
11. ERCOT shall periodically update the Commission regarding its progress in completing the above tasks.
12. ERCOT shall, as soon as practicable, notify the Commission of reasonable completion dates for the above tasks and shall report any changes to those completion dates as changes become known.

Signed at Austin, Texas the _____ day of _____ 2016.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY MARTY MARQUEZ, COMMISSIONER