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PUC PROJECT NO. 45663

RECEIVED

PROJECT TO IDENTIFY ISSUE §  
PERTAINING TO LUBBOCK POWER §  
& LIGHT'S PROPOSAL TO BECOME §  
PART OF THE ELECTRIC §  
RELIABILITY COUNCIL OF TEXAS §

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS  
2016 APR 11 AM 11:18  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**LOWER COLORADO RIVER AUTHORITY'S RESPONSE TO THE COMMISSION'S REQUEST FOR COMMENTS**

The Lower Colorado River Authority (LCRA) submits the following comments, in response to the Public Utility Commission of Texas's (PUC or Commission) Request for Comments, dated March 3, 2016, in Project No. 45633, *Project to Identify Issue Pertaining to Lubbock Power & Light's Proposal to Become Part of the Electric Reliability Council of Texas.*

**I. Introduction**

LCRA is a political subdivision of the State of Texas, created and functioning as a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution. LCRA has no taxing authority, receives no general funds in the legislative appropriation process and relies upon its own authority to generate revenues to provide its operating funds. LCRA is a significant participant in the Electric Reliability Council of Texas ("ERCOT") wholesale power market, owning and/or operating directly or indirectly more than 4,000 MW of diverse generation resources. LCRA serves the power needs of more than 35 significant wholesale customers, making LCRA the primary wholesale power provider in Central Texas. Through a non-profit corporation, LCRA Transmission Services Corporation, it owns and operates over 5,100 miles of transmission line located in 70 counties in Texas.

**II. Comments**

LCRA appreciates the opportunity to provide these comments. As the wholesale supplier of electricity to electric customers in Central Texas and an owner/operator of transmission facilities across ERCOT, LCRA believes that expanding the electric load served in ERCOT provides economic and reliability benefits to the existing customer base. LCRA believes that these benefits exist, and that developing reliable service to new ERCOT customers should be encouraged, regardless of whether it results from expansion of native load through business or population

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growth, or from allowing large, contiguous loads such as Lubbock Power & Light (LP&L) to join the ERCOT region. LCRA also believes that integrating LP&L into ERCOT would result in a significantly more robust transmission system in west and northwest Texas. For example, preliminary results of ERCOT's technical assessment of interconnection alternatives point to a more stable transmission system and an increase in the amount of Panhandle generation that can be delivered to the rest of ERCOT.

LCRA encourages the Commission and ERCOT to conduct a thorough inquiry into the technical requirements associated with integrating LP&L into ERCOT. LCRA believes that integrating new load, such as LP&L, into ERCOT should receive a similar level of technical scrutiny as is provided for the addition of large native load or the interconnection of new generation resources within ERCOT. ERCOT should perform a reliability assessment, evaluate the transmission system impact, and proceed with transmission system project improvements depending on the study results. Additional scrutiny or consideration of extraneous market impacts or effects on other reliability regions that are not otherwise required for new native load additions or generation should also not apply to LP&L.

It is important to note that, pursuant to Section 40.051 of the Public Utility Regulatory Act, LP&L as a municipal utility may decide whether to opt in to competition when and if, it is in the best interest of its citizens. LP&L should be left to their decision on this issue.

Finally, LCRA supports the current ERCOT process for determining the appropriate transmission service providers to facilitate the infrastructure build out that would be necessary in order to integrate LP&L into ERCOT. Typically, the owners of the interconnecting end points, or their designees, are given the opportunity to construct new facilities that may expand their footprint and build their asset base.

### **III. Conclusion**

LCRA appreciates the opportunity to comment on the Commission's Project No. 45633 rule and will be happy to answer any questions the Commission may have with respect to these comments.

Respectfully submitted,

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