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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)	§ § § § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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COMMISSION STAFF’S RESPONSE TO ORDER REQUESTING STATUS UPDATE

On February 25, 2016, in Docket No. 45624, the City of Garland (Garland) filed an application for a certificate of convenience and necessity (CCN) to construct a double-circuit 345-kV transmission line in Rusk and Panola Counties.¹ On February 25, 2016, Southern Cross Transmission LLC (Southern Cross) intervened in that docket.² On May 23, 2017, the Public Utility Commission of Texas (Commission) issued a revised order creating and scoping this project.³ The revised order required the Electric Reliability Council of Texas, Inc. (ERCOT) to provide periodic updates concerning 14 directives. To date, ERCOT has submitted nine status updates. The most recent status update was filed on September 10, 2021.

On November 4, 2021, the Commission ordered the parties to file an update regarding the remaining actions that need to be taken by Garland, Southern Cross, ERCOT, or the Commission to complete regulatory review in accordance with the revised order creating and scoping Project No. 46304, filed on May 23, 2027. The Commission’s order set a response deadline of 30 days after its issuance, which falls on December 6, 2021.⁴ Therefore, this pleading is timely filed.

¹ *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*, Docket No. 45624 (May 23, 2017)

² *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*, Docket No. 45624, Motion to Intervene of Southern Cross Transmission LLC (Feb. 25, 2016).

³ Revised Order Creating and Scoping Project, Docket No. 45624 (May 23, 2017) (filed in this project on the same date).

⁴ The 30th day after November 4, 2021 is Saturday, December 4, 2021. Accordingly, under 16 Texas Administrative Code § 22.4(a), the response deadline is Monday, December 6, 2021.

I. COMMISSION STAFF'S RESPONSE

At present, Commission Staff has not been called upon to provide assistance to the parties with respect to this project. However, Commission Staff remains able and willing to provide whatever assistance may be required.

Of the 14 directives assigned to ERCOT, only one—Directive No. 11—explicitly suggests that action be taken by the Commission. Specifically, Directive No. 11 recites:

ERCOT shall study and recommend appropriate responsibility for, and allocation of, the costs identified in the Commission's final order in Docket No. 45624, including costs common to the ERCOT system and extraordinary costs that are specific to the Garland line and Southern Cross DC tie, and shall identify any existing protocols that need to be modified or new protocols that need to be created, or (if appropriate) any existing Commission rules that need to be modified or new rules that need to be enacted, to appropriately address those costs.⁵

Commission Staff has not yet received a recommendation from ERCOT but will act upon any such request expeditiously.

Although Commission Staff is not aware of any request from ERCOT to modify the Commission's rules, it notes that, shortly after the opening of this project, the Commission opened a rulemaking proceeding that proposed amendments to several parts of 16 Texas Administrative Code § 25.192 (related to transmission service rates).⁶ In that rulemaking project, Commission Staff provided the Commission with a proposal for publication of rule amendments that would have appropriately addressed the allocation and recovery of DC tie-related costs in a manner consistent with the Commission's decisions.⁷ Although the Commission did not explicitly reject that proposal, it decided at that time to not move forward with the rulemaking project. If directed to do so, Commission Staff could reopen Project No. 46393, or create a new rulemaking proceeding to make similar changes to the Commission's rules. However, Commission Staff does not recommend this course of action until it has received further guidance from the other parties.

II. CONCLUSION

Commission Staff stands ready to assist as needed.

⁵ Revised Order at 3.

⁶ *Rulemaking Proceeding to Repeal and Replace 16 Texas Administrative Code § 25.192, Relating to Transmission Service Rates*, Project No. 46393 (opened on Aug. 6, 2016).

⁷ Proposal for Publication, Project No. 46393 (Feb. 8, 2018).

Dated: December 6, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on December 6, 2021, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ R. Floyd Walker
R. Floyd Walker