



Control Number: 47576



Item Number: 318

Addendum StartPage: 0

APPLICATION OF THE CITY OF  
LUBBOCK THROUGH LUBBOCK  
POWER AND LIGHT FOR  
AUTHORITY TO CONNECT A  
PORTION OF ITS SYSTEM WITH  
THE ELECTRIC RELIABILITY  
COUNCIL OF TEXAS

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BEFORE THE PUBLIC UTILITY COMMISSION  
FILING CLERK  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
2019 JUN -9 PM 4:02

**OFFICE OF PUBLIC UTILITY COUNSEL'S  
ERRATA TO THE DIRECT TESTIMONY OF WILLIAM STARNES**

The Office of Public Utility Counsel (OPUC) files the following errata to the Direct Testimony of William Starnes. Mr. Starnes' testimony is revised as follows:

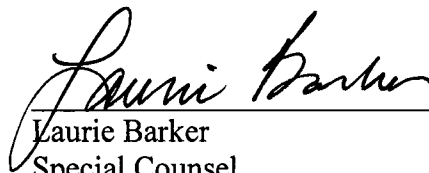
Page 5, Line 8: Delete "or production"

Page 15, Line 18: Delete "or production"

Clean and redline versions of pages 5 and 15 are attached.

Respectfully submitted,

Tonya Baer  
Public Counsel  
State Bar No. 24026771



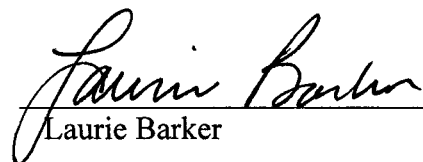
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ATTORNEYS FOR THE  
OFFICE OF PUBLIC UTILITY COUNSEL

**CERTIFICATE OF SERVICE**

PUC DOCKET NO. 47576

I certify that today, January 9, 2018, a true copy of the Office of Public Utility Counsel's Errata to the Direct Testimony of Mr. William Starnes was served on all parties of record via United States First-Class Mail, hand-delivery, facsimile, or electronic mail.

  
\_\_\_\_\_  
Laurie Barker

1 **Q. WHAT IS THE SCOPE OF YOUR TESTIMONY?**

2 A. My testimony addresses the potential costs and benefits to residential and small  
3 commercial customers in Texas.

4 **III. SUMMARY AND RECOMMENDATIONS**

5 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS IN THIS PROCEEDING.**

6 A. First, I recommend that the Public Utility Commission (Commission) approve LP&L's  
7 application for entry into ERCOT, but require as a condition of approval that LP&L hold  
8 ERCOT customers harmless for any immediate increases in transmission costs as a result  
9 of the integration. To the extent any cost increases occur, the costs should be borne by  
10 LP&L.

11 Second, I recommend that the Commission require ERCOT to undertake a  
12 process for the establishment and implementation of an entry and/or exit fee for entities  
13 seeking to move their load and facilities in or out of the region in order to mitigate any  
14 costs that may be incurred on the remaining ERCOT market participants and customers  
15 as a result of such movement. Alternatively, the Commission could initiate a rulemaking  
16 proceeding to address the issue. Because ERCOT does not currently require an entry  
17 and/or exit fee to recover any costs imposed by entities entering or leaving the ERCOT  
18 system, I recommend that the Commission require as a condition of approval that LP&L  
19 commit to remain within the ERCOT region until an entry and/or exit fee process is  
20 established and implemented.

21 Finally, I recommend that the Commission require as a condition of approval that  
22 LP&L fund an independent study under the direction of the Commission or a party of the

1 anticipated reserve margin of 16.8% in 2022 to 13.1%.<sup>30</sup> The IMM acknowledged that  
2 this analysis did not include 2,300 MW of the over 4,000 MW of retirements announced  
3 by Luminant. The IMM went on to state that inclusion of these additional megawatts of  
4 capacity would reduce the reserve margin by an approximate additional 3%.<sup>31</sup>

5 **Q. DO YOU HAVE ADDITIONAL CONCERNS REGARDING LP&L'S REQUEST?**

6 A. Yes. The request to move some of LP&L's system load into ERCOT, while having  
7 positive cost impacts for LP&L customers will have negative cost impacts to existing  
8 ERCOT customers. However, the full potential of the cost increase to existing ERCOT  
9 customers is unknown at this time and will vary based on future decisions concerning the  
10 South Plains Project as well as market changes within ERCOT. Nevertheless, because of  
11 the timing issues involved with LP&L's current contract, the Commission is asked to  
12 make a determination in this case based on an incomplete record and upon certain  
13 assumptions.

14 **Q. WHAT DO YOU RECOMMEND GIVEN THESE CONCERNS?**

15 A. Because the financial consequences of this application cannot be identified with a  
16 reasonable degree of certainty, I recommend that the Commission approve LP&L's  
17 application for entry into ERCOT but require as a condition of approval that LP&L hold  
18 ERCOT customers harmless for any immediate increases in transmission costs as a result  
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20 LP&L.

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<sup>30</sup> [http://www.ercot.com/content/wcm/key\\_documents\\_lists/103998/8\\_Independent\\_Market\\_Monitor\\_\\_IMM\\_Report.pdf](http://www.ercot.com/content/wcm/key_documents_lists/103998/8_Independent_Market_Monitor__IMM_Report.pdf)

<sup>31</sup> [http://www.adminmonitor.com/tx/ercot/board\\_of\\_director\\_meeting/20171017/](http://www.adminmonitor.com/tx/ercot/board_of_director_meeting/20171017/)

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