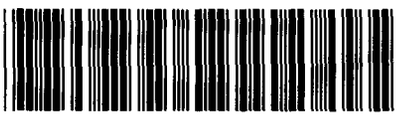

Control Number: 48539

Item Number: 5

Addendum StartPage: 0

PROJECT NO. 48539
PUBLIC UTILITY COMMISSION OF TEXAS

PUBLIC NOTICE OF REQUEST FOR COMMENTS

2018 AUG -9 PM 4:43

FILING CLERK

REVIEW OF THE INCLUSION OF MARGINAL LOSSES IN SECURITY-CONSTRAINED ECONOMIC DISPATCH

The staff of the Public Utility Commission of Texas (commission) requests comments on questions regarding Project No. 48539, *Review of the Inclusion of Marginal Losses in Security-Constrained Economic Dispatch.* Written comments may be filed by submitting 16 copies of such comments to the commission's filing clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 within 45 days of the date of publication of this notice. Comments longer than 10 pages should also be filed in digital native format via the commission's electronic filer at: http://interchange.puc.texas.gov/filer. Reply comments are not requested at this time. All responses should reference Project Number 48539.

Questions concerning this notice should be referred to Mark Bryant at (512) 936-7279 or mark.bryant@puc.texas.gov. Hearing and speech-impaired individuals with text telephones (TTY) may contact the commission through Relay Texas by dialing 7-1-1.

1. What are the benefits of implementing the use of marginal transmission losses rather than average transmission losses in the Electric Reliability Council of Texas' (ERCOT) Security-Constrained Economic Dispatch (SCED) over the long term?
2. Are the benefits identified in response to Question 1 sufficient to justify the near term costs to the market as a whole? Please consider individual stakeholder implementation costs as well as the costs to ERCOT identified in its study.
3. What are the effects on retail customers and the retail market from the implementation of marginal transmission losses?
4. The ERCOT study of using marginal transmission losses instead of average transmission losses in SCED simulated one year. How would cumulative, multi-year impacts of using marginal transmission losses be different, if at all?

5. What costs would be incurred by market participants if marginal losses were implemented in the ERCOT market? Please provide an estimate of the costs that would be incurred by your company or companies or customers represented by your organization. Please describe the elements of those costs.
6. How would a decision to use marginal transmission losses affect your company's market systems?
7. How would a decision to use marginal transmission losses affect your company's internal operations?
8. What are the effects on reliability on the ERCOT grid of using marginal transmission losses instead of average transmission losses in SCED?
9. What effects, if any, would marginal transmission losses have on grid hardening and resilience?
10. What effects would the use of marginal transmission losses in SCED have on grid reliability in regions of the ERCOT grid where non-synchronous generation is more prevalent?
11. How would a decision to implement marginal transmission losses affect investment in new generation resources in ERCOT over the next five years, the next 10 years, and in the years beyond 10 years?
12. How would the implementation of marginal transmission losses affect the composition of the generation fleet in ERCOT?
13. Assuming the Commission decided to go forward with implementation of marginal transmission losses, what are the key issues related to determining the appropriate treatment and allocation of the marginal transmission loss surplus revenues?
14. Does the ERCOT analysis of the benefits of including marginal transmission losses in SCED accurately measure such benefits? Are potential costs to the market or to market participants adequately accounted for?
15. What ERCOT operational changes would need to be made that are not considered in ERCOT's studies?
16. Would the use of marginal transmission losses in SCED change the ERCOT transmission planning process and transmission build-out?

17. Assuming that the implementation of marginal transmission losses results in the location of generation closer to load, what advantages and disadvantages would there be during an emergency event or a market restart to having generation located closer to load?
18. What effects, if any, would the implementation of marginal transmission losses have on the Congestion Revenue Rights (CRR) market?
19. How should the commission direct ERCOT to implement marginal transmission losses in a way that mitigates any deleterious effects on the CRR market?
20. Does your assessment of the incorporation of marginal transmission losses change based on the timeline of implementation?
21. What are the effects of implementing both Real Time Co-optimization (RTC) and marginal transmission losses on reliability and price formation?
22. Are there any synergies that may result from contemporaneous adoption of both RTC and marginal transmission losses?
23. What are the effects on retail customers and the retail market from the implementation of both RTC and marginal transmission losses?

ISSUED IN AUSTIN, TEXAS ON THE 9th DAY OF AUGUST, 2018 BY THE PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES