



Control Number: 48629



Item Number: 33

Addendum StartPage: 0

RECEIVED

2018 OCT -1 PM 12:17

PUBLIC UTILITY COMMISSION
FILING CLERK

APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC §
TO AMEND A CERTIFICATE OF §
CONVENIENCE AND NECESSITY FOR §
A PROPOSED 345 KV TRANSMISSION §
LINE WITHIN BRAZORIA, §
MATAGORDA, AND WHARTON §
COUNTIES §

PUBLIC UTILITY COMMISSION
OF TEXAS

**MOTION TO INTERVENE OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Pursuant to 16 Tex. Admin. Code ("TAC") §§ 22.103 and 22.104, Electric Reliability Council of Texas, Inc. ("ERCOT") hereby moves to intervene in the above-captioned proceeding.

I. Authorized Representatives

The names, addresses, and telephone numbers of ERCOT's authorized representatives are as follows:

Chad V. Seely
Vice President and General Counsel
Texas Bar No. 24037466
(512) 225-7035 (Phone)
(512) 225-7079 (Fax)
chad.seely@ercot.com

Juliana Morehead
Assistant General Counsel
Texas Bar No. 24046474
(512) 225-7184 (Phone)
(512) 225-7079 (Fax)
juliana.morehead@ercot.com

Erika Kane
Corporate Counsel
Texas Bar No. 24050850
(512) 225-7010 (Phone)
(512) 225-7079 (Fax)
erika.kane@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

II. Standing to Intervene

As the “independent organization” designated by the Public Utility Commission of Texas (the “Commission”), ERCOT has general authority to oversee the operation and development of the electrical system covering most of Texas, including the broad responsibility to “ensure the reliability and adequacy of the regional electrical network.” *See* Public Utility Regulatory Act (“PURA”), TEX. UTIL. CODE ANN. § 39.151(a)(2). In furtherance of this authority, the Commission’s rules expressly require ERCOT to “conduct transmission system planning and exercise comprehensive authority over the planning of bulk transmission projects that affect the transfer capability of the ERCOT transmission system” and to “supervise and coordinate the other planning activities of [Transmission Service Providers].” *See* 16 TAC § 25.361(d). Furthermore, ERCOT is required to “evaluate and make a recommendation to the commission as to the need for any transmission facility over which it has comprehensive transmission planning authority.” *See* 16 TAC § 25.361(d)(1).

In the present application, CenterPoint Energy Houston Electric, LLC (“CenterPoint”) seeks an amended certificate of convenience and necessity (“CCN”) for a new 345kV double-circuit transmission line in Brazoria, Matagorda, and Wharton Counties connecting the existing Bailey substation to the existing Jones Creek substation (the “Bailey–Jones Creek 345kV line”). The Bailey–Jones Creek 345kV line is the most significant component of a set of transmission upgrades found by ERCOT to be required to reliably serve forecasted Load growth in the Freeport, Texas area. Collectively, these upgrades are referred to herein as the “Freeport Master Plan Project–Option 3.”¹ Acting pursuant to its authority to recommend transmission improvements under 16 TAC § 25.361, the ERCOT Board of Directors (“ERCOT Board”) endorsed the Freeport Master Plan Project–Option 3 in a December 2017 resolution following an analysis by ERCOT staff—as well as review by the ERCOT Regional Planning Group (“RPG”) and endorsement by the ERCOT Technical Advisory Committee (“TAC”)—that a transmission project is needed to avoid North American Electric Reliability Corporation (“NERC”) and ERCOT reliability criteria violations in the Freeport, Texas area in 2022.²

¹ In addition to construction of the Bailey–Jones Creek 345kV line, the “Option 3” facilities include the upgrade of 345kV Dow–Velasco to Jones Creek circuits 18 and 27.

² At the same time it approved the Option 3 facilities, the ERCOT Board approved an additional set of “Bridge the Gap Upgrades” to avoid reliability criteria violations projected to occur in the Freeport area in 2020. Those upgrades are not at issue in this proceeding.

At the time the ERCOT Board endorsed the Freeport Master Plan Project–Option 3, it was found to be the most cost-effective solution for meeting reliability criteria, based on an estimated capital cost of \$214.4 million for all of the Option 3 facilities.³ However, and as reflected in Table 5-2 in Attachment 1 of CenterPoint’s CCN application, CenterPoint now estimates that the cost of constructing the Bailey–Jones Creek 345kV line could total \$481 to \$695 million.

At its September 27, 2018 Open Meeting, the Commission requested that ERCOT staff assist in this matter by providing input on whether Option 3 remains the most cost-effective reliability solution in light of the increased estimated cost. ERCOT staff—both in consultation with CenterPoint as well as independently—are currently conducting a new transmission planning review to determine whether, in light of this increased estimated cost, another transmission option exists that would be a more cost-effective reliability solution. ERCOT expects that this review will take approximately three months to complete, although it is endeavoring to complete the review as soon as possible. ERCOT will report the outcome of this review to the Commission in this docket.

Finally, because this proceeding will necessarily determine whether part of the Freeport Master Plan Project–Option 3 should be constructed and integrated into the ERCOT System, this case directly impacts ERCOT’s “comprehensive authority” over transmission planning under 16 TAC § 25.361, as well as its broader reliability authority under PURA § 39.151. Accordingly, ERCOT has a justiciable interest in the outcome of this proceeding to support this Motion to Intervene.

III. Conclusion

For the reasons stated herein, ERCOT respectfully requests that the Commission grant this Motion to Intervene and allow ERCOT’s participation as a party in this proceeding for all purposes. ERCOT also requests any other relief to which it may be entitled.

³ The “Bridge the Gap Upgrades” that were also endorsed in December 2017 have an estimated capital cost of \$32.3 million.

Respectfully submitted,



Chad V. Seely
Assistant General Counsel
Texas Bar No. 24037466
(512) 225-7035 (Phone)
(512) 225-7079 (Fax)
chad.seely@ercot.com

Juliana Morehead
Assistant General Counsel
Texas Bar No. 24046474
(512) 225-7184 (Phone)
(512) 225-7079 (Fax)
juliana.morehead@ercot.com

Erika Kane
Corporate Counsel
Texas Bar No. 24050850
(512) 225-7010 (Phone)
(512) 225-7079 (Fax)
erika.kane@ercot.com

ERCOT
7620 Metro Center Drive
Austin, Texas 78744

ATTORNEYS FOR ELECTRIC
RELIABILITY COUNCIL OF TEXAS,
INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of this document was served on all parties of record on October 1, 2018 by hand delivery, first-class U.S. mail, facsimile, or e-mail.


