

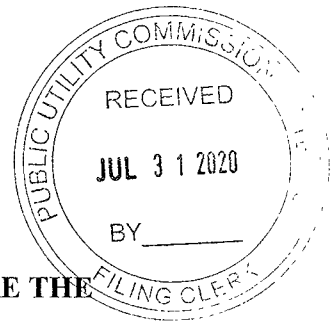


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**PUC DOCKET NO. 51023**

<b>APPLICATION OF THE CITY OF SAN</b>	<b>§</b>	<b>BEFORE THE</b>
<b>ANTONIO TO AMEND ITS</b>	<b>§</b>	
<b>CERTIFICATE OF CONVENIENCE AND</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>NECESSITY FOR THE SCENIC LOOP</b>	<b>§</b>	
<b>138-KV TRANSMISSION LINE IN</b>	<b>§</b>	<b>OF TEXAS</b>
<b>BEXAR COUNTY</b>	<b>§</b>	

**CPS ENERGY'S INITIAL RESPONSE TO ORDER NO. 1**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW the City of San Antonio, acting by and through the City Public Service Board (CPS Energy) and files this Response to Order No. 1 issued by the Public Utility Commission of Texas (Commission) on July 23, 2020.

**I. Notice**

CPS Energy provided notice of its application in this docket in accordance with the Commission's procedural rules and will provide the appropriate affidavits as required by Order No. 1 in the coming days. As an initial matter of clarification, however, in discussing the intervention deadline with Commission Staff prior to filing the application and providing the requisite notices, CPS Energy determined that the appropriate intervention deadline for this proceeding (45 days after the date of filing of the application) is September 8, 2020, because September 7, 2020, is Labor Day. In accordance with PUC Procedural Rule 22.4(a), September 7, 2020, is not a date the Commission is open for business, making the appropriate intervention deadline September 8, 2020. Accordingly, please note that all of the notices provided by CPS Energy for this proceeding state that **September 8, 2020**, is the intervention deadline for the project.

**II. Alternatives to Project**

Order No. 1 departed from the long-established practice by the Commission of requiring a utility applicant in a certificate of convenience and necessity proceeding to respond to questions about the need for the project and alternatives considered in the first order issued in the docket. As recently as Docket No. 50812, on June 4, 2020, the utility applicant was ordered to provide a response to questions regarding project need and alternatives. In the last few weeks, orders issued

in Docket Nos. 50910, 50964, 51016, and this docket, have required Commission Staff, and not the utility applicant, to respond to questions regarding the project need and alternatives considered. In an effort to assist the Commission Staff with its response to Order No. 1, CPS Energy provides the following response to the questions posed regarding the need and alternatives considered for the project:

1. **Has the Electric Reliability Council of Texas (ERCOT) recommended the proposed transmission project as necessary to alleviate “existing and potential transmission and distribution constraints and system needs within ERCOT” in the annual report filed under PURA § 39.155(b)? If not, is there a need for the proposed transmission project?**

The project proposed by CPS Energy in this docket is a new double circuit 138-kilovolt (kV) transmission line extending from the existing Ranchtown to Menger Creek 138-kV transmission line to a new proposed Scenic Loop Substation approximately five miles to the east near the intersection of Scenic Loop Road and Toutant Beauregard Road in northwest Bexar County outside of the municipal boundaries of the City of San Antonio (the Proposed Project). The Proposed Project is not identified in ERCOT’s December 2019 Report on Existing and Potential Electric System Constraints and Needs. As explained in CPS Energy’s response to Questions 4 and 14 of the application, the Proposed Project is a Tier 4 Neutral project pursuant to the classifications established by ERCOT and is not required to be submitted to the ERCOT Regional Planning Group for review and comment. CPS Energy has concluded, however, that the Proposed Project will not result in any violation of North American Electric Reliability Corporation (NERC) or ERCOT performance requirements.

Although the Proposed Project is not an ERCOT constraint relief project, it is needed to address CPS Energy reliability criteria. In particular, the Proposed Project is needed to provide electric service to the proposed Scenic Loop load-serving substation to ensure that the electric service needs of existing and future CPS Energy customers are met in a reliable, efficient, and cost-effective manner. Electric reliability for CPS Energy customers that will be served by, and benefited from, the Proposed Project has steadily declined over the last several years. Without the project, the reliability for CPS Energy customers in the northwest area of Bexar County will continue to decline. Further, based on the load growth forecasted in this area, violations of CPS Energy planning criteria will occur within the next several years. Additional information regarding

the identified need for the Proposed Project is included in response to Questions 14 and 15 and in Attachment 13 to the Application, all of which are incorporated herein by reference.

- 2. If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account considerations of efficiency, reliability, costs, and benefits?**

Yes, the Proposed Project is the best option to address the specified need for electric service based on several analyses, taking into account considerations of efficiency, reliability, costs, and benefits. These analyses included an evaluation of multiple distribution, transmission, and generation alternative solutions. Information supporting this response is provided in the responses to Questions 14 and 15 and in Attachment 13 of the Application, all of which are incorporated herein by reference.

- 3. For utilities subject to the unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?**

CPS Energy is not subject to the unbundling requirements of PURA § 39.051.

- 4. For utilities not subject to the unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?**

The Proposed Project is the best option when compared to employing distribution facilities to meet the specified need. CPS Energy considered and evaluated distribution system-only and distributed generation alternatives and concluded that these alternatives are not adequate or viable for addressing the specified need. Information supporting this response is provided in the response to Question 15 and in Attachment 13 of the Application, both of which are incorporated herein by reference.

Respectfully submitted,

/s/ Kirk Rasmussen

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**ATTORNEYS FOR CPS ENERGY**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document was served on all parties of record on this date via the Commission's Interchange in accordance with the Commission's order in Docket No. 50664 suspending PUC Procedural Rule 22.74.

/s/ Kirk Rasmussen

Kirk D. Rasmussen