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**PUC PROJECT NO. 51840**

**RULEMAKING ESTABLISHING § PUBLIC UTILITY COMMISSION  
ELECTRIC WEATHERIZATION §  
STANDARDS § OF TEXAS**

**TEXAS-NEW MEXICO POWER COMPANY'S COMMENTS ON PUBLISHED  
PROPOSED RULE 16 TAC § 25.55**

Texas-New Mexico Power Company ("TNMP") submits the following comments on the Public Utility Commission of Texas ("Commission") proposed Rule 16 TAC § 25.55 as published in the Texas Register. TNMP appreciates the opportunity to provide its comments on electric weatherization standards for investor-owned transmission and distribution utilities ("TDUs"). These comments are timely filed on September 16, 2021.

**I. EXECUTIVE SUMMARY**

TNMP appreciates the opportunity to submit these comments, and respectfully requests that the Commission consider the following suggested revisions to the current proposed rule:

- Under 16 Texas Administrative Code (TAC) § 25.55(b):
  - Revise definition of "cold weather critical component" to reflect importance of resource impacts; and
  - Add new definition for "transmission system(s) and facility(ies)"
  
- Revise Subsection (f) to:
  - Clarify the transmission nature of reference to system and facilities in Subsection (f)(1); and
  - Revise Subsection (f)(1) (A) through (H) to reflect phased implementation.
  
- Revise Subsection (g)(2) to clarify that ERCOT can consider all reasonable factors in determining an appropriate cure period.
  
- Revise Subsection (h) to address:
  - Deferral of Subsection (h) for implementation in a subsequent or second phase of weatherization preparedness criteria;
  - Alternatively, propose deletion of the prior assessment prohibition for engineer qualification;
  - Alternatively propose limiting the prior assessment prohibition to assessments made in the previous five years.

## II. TNMP COMMENTS ON PROPOSED RUE 16 TAC § 25.55

TNMP respectfully recommends that the Commission consider the following suggested revisions to the draft rule in order to provide clarity to the TSPs in the ERCOT region with regard to the intent and requirements of the rule.

### A. Revision to Subsection (b) - Definitions.

1) Revise “cold weather critical component”- TNMP recommends that the definition of “cold weather critical component” in subsection (b)(1) be clarified to reflect the intended scope of components are related to the impacts on generation and energy resources. Thus, TNMP proposes revising the “cold weather critical component” definition as follows:

*Cold weather critical component - Any resource-related component that is susceptible to freezing, the occurrence of which is likely to lead to unit trip, derate, or failure to start.*

2) Add “transmission system(s) and facility(ies)” definition - Proposed Rule 16 TAC § 25.55 refers to transmission system and facility, both singularly and plurally, without definition. Consequently, the phrase(s) potentially include transmission facilities that are not subject to weatherization efforts. For transmission components, TNMP understands the definition to apply to transmission facility components in high-voltage switching stations and high-side load serving equipment within a substation. However, mere transmission lines and poles, though still subject to normal maintenance, should be excluded as those facilities cannot be “weatherized”. TNMP therefore recommends the addition of a new definition for the phrase “transmission system(s) and facility(ies)”:

*(X) Transmission system(s) and facility(ies) – Means a high-voltage switching station equipment or substation high-side load serving equipment.*

**B. Subsection (f).**

1) Clarify Subsection (f)(1) - As proposed Rule 16 TAC § 25.55, for transmission providers, is intended to address electric transmission facilities, TNMP suggests a clarification to the reference in (f)(1) to “... its systems and facilities...” by including the phrase “transmission”. Thus, TNMP proposes the following revision:

*(1) By December 1, 2021, a transmission service provider must complete the following winter weather preparations for its transmission systems and facilities:*

2) Revision of Subsection (f)(1) (A) through (H) to reflect phased implementation – In order to efficiently implement weather emergency preparation, TNMP suggests prioritizing as phase one the transmission facility recommendations from the “Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1-5, 2011” compiled by the Federal Energy Regulatory Commission and the North American Reliability Corporation<sup>1</sup> ( the “FERC 2011 Winter Report”) and address any failures known to a utility due to the recent winter season. Consequently, TNMP proposes retaining subparts (C) through (G) of Subsection (f)(1) for phase one. Remaining subparts (A), (B), and (C) would be removed and deferred to a subsequent phase two implementation.

For phase one, TNMP supports inclusion of current Subsection (f)(1)(C) as it addresses any cold weather critical component failure encountered by a utility during the most recent winter season. Such failures, if any, of a utility’s transmission switching station or substation equipment should be known to the utility and capable of being appropriately resolved. Likewise, the FERC 2011 Storm Report provides practical transmission service provider (“TSP”) recommendations following a dedicated study of the last significant winter storm incident prior to this year’s Winter Storm Uri. In fact, current proposed subparts (D) through (G) actually cover the transmission facility recommendations on pages 209 and 212 of the

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<sup>1</sup> <https://www.ferc.gov/sites/default/files/2020-04/08-16-11-report.pdf#:~:text=The%20southwest%20region%20of%20the%20United%20States%20experienced.freezing%20temperatures%20throughout%20Texas%20and%20in%20New%20Mexico>

FERC 2011 Winter Report.<sup>2</sup> The only adjustment would be to revise Subsection(f)(1)(D) to clearly address the FERC 2011 Winter Report's recommendation for load shedding procedure training.<sup>3</sup> The phrase "...winter weather preparations..." in Subsection(f)(1)(D) should be replaced with "load shed procedure training" or added to the requirement for clarity.

However, in addition to not being recommended in the FERC 2011 Winter Report, subparts (A), (B) and (H) have considerations that would justify designating those requirements for integration during a subsequent second phase of weatherization preparation criteria. Subpart (A) imposes a duty to prepare for "sustained" operations during winter conditions. Yet, the duration for sustained operations is not defined. Consequently, deferral of this subpart to a phase two implementation would provide time for the Commission and stakeholders to reasonably define what duration would suffice for compliance with this requirement.

Similarly, subparts (B) and (H) both require preparedness based on determination of minimal environmental (temperature, humidity, precipitation, wind, etc.) design and operating conditions. However, the determination of standards would benefit from the weather study currently being conducted by ERCOT and the Office of the Texas State Climatologist.<sup>4</sup> As the Commission intends to include a comprehensive, year-round set of weather emergency preparedness reliability standards in a separate, future project once the weather study is complete, it seems appropriate to sync implementation of utility determination of weather-affected design and operation conditions with the Commission's intended phase two criteria.

Thus, TNMP proposes the following revision of Subsection (f)(1) consistent with the foregoing comments:

***(f) Phase One Weather emergency preparedness reliability standards for a transmission service provider.***

*(1) By December 1, 2021, a transmission service provider must complete the following winter weather preparations for its transmission systems and facilities:*

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<sup>2</sup> FERC 2011 Winter Report, pages 209 and 212 (recommendations 20 and 26).

<sup>3</sup> FERC 2011 Winter Report, page 212

<sup>4</sup> Docket No. 51840, Proposal For Publication For New 16 TAC § 25.55 As Approved At the August 26, 2021 Work Session, Item 68, p.2.

~~(A) All preparations necessary to ensure the sustained operation of all cold weather critical components during winter weather conditions, including ensuring availability of supplies, such as chemicals, auxiliary fuels, and other materials, and personnel required to operate the transmission system and facilities;~~

~~(B) Confirmation of the ability of all systems and subsystems containing cold weather critical components required to operate each of the transmission service provider's substations to ensure operation of each substation within the design and operating limitations addressed in subparagraph (1)(H) of this paragraph;~~

~~(CA) All actions necessary to prevent a reoccurrence of any cold weather critical component failure that occurred in the period between November 30, 2020 and March 1, 2021;~~

~~(DB) Provision of training on winter weather preparations load shed procedures to operational personnel;~~

~~(EC) Confirmation that the sulfur hexafluoride gas in breakers, metering, and other electrical equipment is at the correct pressure and temperature to operate safely during extreme cold weather, and performance of annual maintenance that tests sulfur hexafluoride breaker heaters by supporting circuitry to assure that they are functional.~~

~~(FD) Confirmation of the operability of power transformers in extreme cold temperatures by:~~

~~(i) Checking heaters in the control cabinets;~~

~~(ii) Verifying that main tank oil levels are appropriate for actual oil temperature;~~

~~(iii) Checking bushing oil levels; and~~

~~(iv) Checking the nitrogen pressure if necessary.~~

~~(GE) Determination of the ambient temperature to which the transmission service provider's equipment, such as fire protection systems, are protected, including accounting for the accelerated cooling effect of wind, and confirmation that temperature requirements are met during operations;~~

~~(H) Determination of minimum design temperatures, minimum operating temperatures, and other operating limitations based on temperature, precipitation, humidity, wind speed, and wind direction for substations containing cold weather critical components.~~

**C. Subsection (g)(2).**

Subsection (g)(2) appropriately affords for ERCOT to provide a TSP a reasonable cure period to address a deficiency identified as a result of an ERCOT inspection. However, the criteria guiding ERCOT's determination of the cure period are limited to only "*... what weather emergency preparation measures the transmission service provider may be reasonably expected to have taken, before ERCOT's inspection, the reliability risk of the transmission service provider's noncompliance, and the complexity of the measures needed to cure the identified deficiencies.*" While those factors should be considered, ERCOT ought to also consider any reasonable factor affecting the TSP's noncompliance and its ability to resolve that deficiency. To avoid an unintentional restriction to ERCOT's determination, TNMP suggests the following revision of Subsection (g)(2):

*(2) ERCOT inspection report. ERCOT must provide a report on its inspection of a transmission system and facilities to the transmission service provider. The inspection report must address whether the system and facilities have complied with the requirements in subsection (f) of this section that ERCOT reviewed for the transmission service provider, and, if the transmission service provider has not complied, provide the transmission service provider a reasonable period to cure the identified deficiencies. The cure period determined by ERCOT must consider any reasonable factors affecting the transmission service provider's noncompliance and ability to cure that noncompliance including, but not limited to, what weather emergency preparation measures the transmission service provider may be reasonably expected to have taken before ERCOT's inspection, the reliability risk of the transmission service provider's noncompliance, and the complexity of the measures needed to cure the identified deficiencies.*

**D. Subsection (h)**

1) Defer Subsection (h) to a Phase Two Implementation - Like portions of Subsection (f) above, the entirety of Subsection (h) should be deferred at this time and included in a second implementation phase. While this subsection defers to ERCOT's future determination the specific circumstances for which Subsection (h)'s requirement would apply, including the scope and contents of any third-party engineering assessment, the basic triggering criteria are both repeated and major weather-related service interruptions.

This effectively encompasses any weather outage. The large, non-contiguous nature of TNMP's service territory can be subject to distinct variances in both typical and extreme weather. For instance, large thunder or ice storms in West Texas and hurricanes or tropical storms along the Texas Gulf Coast. Consequently, TNMP suggests that ERCOT would best accomplish its tasks after it has completed the weather study currently being conducted by ERCOT and the Office of the Texas State Climatologist as referenced above. Once informed by that weather study, ERCOT would be best positioned to determine exact circumstances in which a TSP will be obligated to obtain an engineering assessment including that assessment's scope and content. Subsection (h) should therefore be deleted from proposed Rule 16 TAC § 25.55 and implemented in a subsequent phase.

2) Remove or Limit Prior Assessment Prohibition From Engineer Qualification - If the Commission retains Subsection (h), the qualifications of any third-party engineer should be revised. This subsection's requirement for a professionally licensed engineer not employed by the TSP or its affiliate provide sufficient indicia of unbiased competence. The additional qualification that the engineer must never have previously assessed a TSP's system or facility is an unnecessary and problematic constraint.

Presumably, the prior assessment prohibition is intended to bolster the engineer's impartiality. Yet, since the language is not clear, the prior assessment could have been performed by or on behalf of another entity or regulatory agency. The assessment may have been performed years in the past for a different owner of the TSP or the facility at issue. In fact, no partiality inherently arises merely because an engineer has gained knowledge about a system or facility due to the prior assessment. The prior assessment could have been critical of the TSP permitting the engineer in a subsequent engagement to opine on the ability of the TSP to address prior or long-standing challenges in the second assessment. Typically, the fact that an engineer is familiar with the subject matter on which he/she opines renders such expert more knowledgeable; not less.

Further, the prior assessment prohibition is problematic in other ways. While the general pool of professional engineers might be large, TSP will unsurprisingly seek licensed engineers with experience in transmission operation, construction, or system design in Texas. Having chosen the most qualified expert



for an assessment, Subsection (h) requires the TSP to thereafter cast that engineer aside for any future assessment no matter how qualified or competent. For TNMP, an engineer that evaluates a substation outage in the Gulf Coast is forever barred from opining on a subsequent outage assessment of a West Texas switching station even though the incidents are unrelated, arise from distinct causal circumstances, and are separated by extreme distance. In short, the prior assessment prohibition restricts the use of knowledgeable engineers and little else. It should be struck from this Subsection (h).

Alternatively, if the Commission finds that the prior assessment prohibition has value, TNMP urges that the prohibition be restricted to a reasonable time frame. TNMP suggests that a prohibition on assessment in the previous five years is reasonable. The temporal separation between assessments would dissipate any perceived bias that might arise from a more frequent engagement of that engineer. It would also permit qualified engineers who have obtained some knowledge of a TSP's transmission system or facility to provide the benefit of that knowledge to the extent relevant to such subsequent assessment.

Accordingly, TNMP, if the Commission does not defer Subsection (h) to a subsequent implementation phase, proposes the following revision removing the prior assessment prohibition:

***(h) Weather-related failures by a transmission service provider to provide service.** For a transmission service provider with a transmission system or facility that experiences repeated or major weather-related forced interruptions of service, including forced outages, derates, or maintenance-related outages, the transmission service provider must contract with a qualified professional engineer who is not an employee of the transmission service provider or its affiliate ~~and who has not participated in previous assessments for this system or facility~~ to assess its weather emergency preparation measures, plans, procedures, and operations and submit the assessment to the commission and ERCOT. ERCOT must adopt rules that specify the circumstances for which this requirement applies and specify the scope and contents of the assessment. A transmission service provider to which this subsection applies may be subject to additional inspections by ERCOT. ERCOT must refer to the commission for enforcement any transmission service provider that violates this rule and fails to cure the identified system or facility deficiencies within a reasonable period of time.*

Alternatively, TNMP would limit the prior assessment prohibition to 5 years as follows:

***(h) Weather-related failures by a transmission service provider to provide service.** For a transmission service providers with a transmission system or facility that experiences repeated or major weather-*

*related forced interruptions of service, including forced outages, derates, or maintenance-related outages, the transmission service provider must contract with a qualified professional engineer who is not an employee of the transmission service provider or its affiliate and who has not, in the last five years, participated in previous assessments for this system or facility to assess its weather emergency preparation measures, plans, procedures, and operations and submit the assessment to the commission and ERCOT. ERCOT must adopt rules that specify the circumstances for which this requirement applies and specify the scope and contents of the assessment. A transmission service provider to which this subsection applies may be subject to additional inspections by ERCOT. ERCOT must refer to the commission for enforcement any transmission service provider that violates this rule and fails to cure the identified system or facility deficiencies within a reasonable period of time.*

### III. CONCLUSION

TNMP appreciates the opportunity to comment on proposed Rule 16 TAC § 25.55 in this project. The Commission's time and attention to this matter are greatly appreciated.

Respectfully submitted,

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