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PROJECT ON POWER OUTAGE ALERT CRITERIA

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

LCRA AND LCRA TSC'S RESPONSE TO COMMISSION <u>STAFF'S REQUEST FOR COMMENTS</u>

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

The Lower Colorado River Authority ("LCRA") and LCRA Transmission Services Corporation ("LCRA TSC") appreciate the opportunity to offer comments to aid in the scoping of this project.

I. <u>INTRODUCTION</u>

LCRA is a political subdivision of the State of Texas, created and functioning as a nonprofit conservation and reclamation district under the Texas Constitution. LCRA has no taxing authority, receives no general funds in the legislative appropriation process, and relies on its own authority to generate revenues to provide its operating funds. LCRA's wholesale power business owns and operates more than 3,300 MW of diverse generation resources in the Electric Reliability Council of Texas ("ERCOT") wholesale market, serving 33 municipally owned utilities and electric cooperatives. LCRA TSC owns and operates transmission facilities, including more than 5,500 circuit miles of transmission lines and approximately 420 substations in the ERCOT region.

II. <u>RESPONSE TO QUESTION 1</u>

Question 1:

Government Code § 411.301(a) states the alert should "be activated when the power supply in this state may be inadequate to meet demand." Should the Public Utility Commission of Texas interpret this to mean that an alert will be activated when there is inadequate system-wide power supply to meet system-wide load demand? Should the commission also interpret this to mean that an alert will be activated when there are regional constraints that only restrict power supply to certain regions?

The Commission should develop criteria for activating the alert system when a power supply or delivery system issue is anticipated to cause a significant electric service interruption, on either a statewide or regional basis. An event like Winter Storm Uri affected the entire state, including electric consumers in the ERCOT region, as well as those in the Southwest Power Pool ("SPP"), Midcontinent Independent System Operator ("MISO"), and Western Electricity Coordinating Council ("WECC") regions. In other instances, severe weather events may impact only portions of certain regions (e.g., a hurricane that may damage transmission facilities and result in service interruptions across portions of ERCOT and MISO). In still other cases, the potential service interruption may be driven by system deliverability or voltage issues that impact only a portion of the interconnected electric grid (e.g., a transmission emergency requiring controlled load shed in the Rio Grande Valley within ERCOT, as seen in 2014).

III. <u>RESPONSE TO QUESTION 2</u>

Question 2:

Government Code §411.301(b) states, "The criteria must provide for an alert to be regional or statewide." How should the different regions be defined?

Outside of understanding when issues resulting in loss of service are specific to the ERCOT, SPP, MISO, or WECC interconnections, other attempts to pre-define regions may be of limited usefulness. Instead, determining how broadly to disseminate the alert should depend on the precipitating cause of the alert. If the cause for the alert is related to severe weather, then the area forecasted to be impacted by the severe weather should define the boundaries of the regional alert (similar to how the National Weather Service issues severe weather alerts by county). In these instances, the potential loss of electric service could result from storm-related damage to transmission or distribution facilities, which is more likely to occur as the weather is forecasted to be more extreme (e.g., hurricanes and tornadoes) or when adverse conditions are likely to persist for a longer duration (e.g., a week-long event such as Winter Storm Uri that impacts the ability of

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utility crews to perform restoration efforts). As noted above in response to Question 1, weatherdriven emergency alerts may be statewide, or specific to a region (e.g., all of ERCOT), or confined to a single geographic area such as a county or a group of counties.

If the cause for the alert is related to a system topology issue, such as a transmission emergency impacting only a portion of the ERCOT grid, then it is appropriate to tailor the alert to electric consumers who will likely be impacted by the issue, as determined by the independent system operator for the affected region. Like weather-related alerts, these types of regional alerts should also use references such as counties, cities, or other geographic features to help customers understand the area affected by the issue.

Loss of service could also result from demand being forecasted to exceed supply, resulting in the need for the system operator to call for controlled outages. These service interruptions may or may not be weather-driven, but will generally impact consumers on a more regional basis (e.g., ERCOT-wide) given the interconnected nature of the grid. In these instances, it is appropriate for the alert to be disseminated to customers within the affected power region, as determined by the independent system operator.

IV. <u>RESPONSE TO QUESTION 3</u>

Question 3:

Government Code §411.301(b) states, "The Public Utility Commission of Texas by rule shall adopt criteria for the content, activation, and termination of the alert." At what threshold should the commission choose for the alert to be activated? Terminated? What content would be the most helpful for inclusion in the alert?

Most commonly, activation of the energy emergency alert will be triggered by significant, foreseeable events such as forecasted extreme weather that are known to result in load shed orders, power delivery disruptions, or the potential loss of power generating facilities. Alerts should not

be activated for energy conservation notices alone (although calls for conservation should remain a tool in the independent system operator's toolkit to utilize when appropriate).

When these types of significant events are forecasted, alerts should be issued proactively, with sufficient notice for the public to take recommended precautionary measures. The alert should provide practical information to the public in a timely and transparent manner. Unlike the types of highly technical alerts that are issued to market participants by the independent system operator, alerts issued to the public should be user-friendly and descriptive enough for people to understand how severe the situation may be, how long the potential adverse situation may last, and what actions they should take in response to the potential emergency. Recommendations to the public should be relevant to the time of year and should take into account existing weather and other conditions both at the time of the notice and for the duration of the event.

An alert should be updated as necessary to account for changing conditions, and should be terminated after the independent system operator is forecasting a return to normal operations and the system is expected to fully accommodate expected customer load. Terminating the alert too early could result in additional power outages as customers quickly increase their use of electricity, potentially creating another emergency condition.

V. <u>SUMMARY AND CONCLUSION</u>

LCRA and LCRA TSC appreciate the Commission's consideration of these comments and look forward to working with the Commission Staff and other stakeholders to develop appropriate rules to enhance the Commission's development of power outage alert criteria. Respectfully submitted,

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