



## Filing Receipt

**Received - 2022-01-19 03:35:23 PM**  
**Control Number - 52682**  
**ItemNumber - 20**

January 19, 2022

Chairman Peter Lake  
 Commissioner Lori Cobos  
 Commissioner Jimmy Glotfelty  
 Commissioner Will McAdams  
 Public Utility Commission of Texas  
 1701 N. Congress Avenue  
 Austin, Texas 78711

**Re: Project No. 52682 – Project for Commission Ordered Transmission Facilities, Quarterly Reports – Lower Rio Grande Valley Option 2 Update**

Dear Commissioners:

At the September 23, 2021 Open Meeting, the Commission directed ERCOT to move forward with Option 2 to address the reliability needs in the Lower Rio Grande Valley (LRGV). On December 10, 2021, the ERCOT Board voted to endorse Option 2 and designated it as critical to the reliability of the ERCOT System. At the subsequent Open Meeting, the Commission requested an update on January 20, 2022. Therefore, AEP Texas Inc. (AEP Texas), Electric Transmission Texas, LLC (ETT), and South Texas Electric Cooperative, Inc. (STEC) (together the Companies) are providing this update on their transmission facility projects included in the Option 2 LRGV solution.

The Companies have been working to reach agreement on which entity will build the various transmission upgrades, and I am authorized to file this report on behalf of the Companies that they have agreed to the following ownership:

<u>Upgrades Description</u>	<u>Facility</u>	<u>Responsible Entity</u>
Construct a new 345-kV New Substation 1 approximately 69.2 miles east of existing Cenizo 345-kV substation	New Substation 1	AEP Texas
Construct a new 345-kV New Substation 2 tapped into the existing 345-kV line from Lon Hill to North Edinburg approximately 48 miles east of New Substation 1	New Substation 2	AEP Texas
Build a new double-circuit 345-kV line from existing San Miguel substation to New Substation 1	San Miguel-New Sub1 DCKT	STEC
	San Miguel Substation	STEC
Build a new double-circuit 345-kV line from New Substation 1 to existing Del Sol substation	New Sub 1-Del Sol DCKT	~10 miles STEC; remainder 50/50 AEP Texas/ETT
	Del Sol Substation	ETT

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Build a new double-circuit 345-kV line from New Substation 1 to existing Cenizo 345 kV substation	New Sub 1-Cenizo DCKT	50/50 AEP Texas/ETT
	Cenizo Substation	ETT
Build a new double-circuit 345-kV line between New Substation 1 and New Substation 2	New Sub 1-New Sub 2 DCKT	AEP Texas
Build a new double-circuit 345-kV line from existing Ajo substation to New Substation 2	Ajo-New Sub2 DCKT	50/50 AEP Texas/ETT
	Ajo Substation	ETT
Construct a new Frontera 345-kV substation at the existing Frontera 138-kV substation	Frontera 345-kV Substation	AEP Texas
Build a new double-circuit 345-kV line from existing Del Sol substation to new Frontera substation	Del Sol-Frontera DCKT	50/50 AEP Texas/ETT
	Del Sol Substation	ETT
Install two new 345/138-kV transformers at the Frontera substation	Two 345/138-kV transformers	AEP Texas

The Companies are eager to begin construction on these projects that will provide improved long-term reliability to customers in the LRGV. Over the past few months, the Companies have been meeting with their respective vendors for the Environmental Assessment and Routing Analysis required for Certificate of Convenience and Necessity (CCN) filings and have received proposals that are being evaluated for all of the projects. The Companies are working collaboratively to begin making progress on the line projects that will require shared ownership of the transmission line segments. The Companies will also work to coordinate the necessary joint CCN filings.

As communicated during a previous open meeting, AEP Texas, ETT, and STEC are planning for a completion date five years following the ERCOT endorsement. Therefore, a December 2026 completion date is expected. AEP Texas, ETT, and STEC will provide further updates to the Commission as additional information is available during the course of these projects.

Sincerely,



Melissa Gage  
Associate General Counsel  
American Electric Power Service Corporation