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**SOUTH TEXAS ELECTRIC COOPERATIVE, INC.’S RESPONSES TO
COMMISSIONER COBOS’ QUESTIONS ON RIO GRANDE VALLEY
TRANSMISSION SOLUTIONS**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW, South Texas Electric Cooperative, Inc. (“STEC”) and hereby timely files this response to Commissioner Cobos’ memorandum filed on September 14, 2021, requesting additional information from transmission service providers (“TSPs”) on potential near-term transmission solutions in the Rio Grande Valley (“RGV”). Commissioner Cobos requested that TSPs submit responses to her questions by September 20, 2021. Therefore, STEC’s responses are timely filed.

I. INTRODUCTION

STEC is a member-owned generation and transmission cooperative that provides transmission services for its nine member distribution cooperatives in the Electric Reliability Council of Texas, Inc. (“ERCOT”) power region under certificate of convenience and necessity (“CCN”) number 30146.

STEC appreciates the opportunity to provide comments to the Public Utility Commission of Texas (“PUCT” or “Commission”) on potential near-term transmission solutions to improve reliability in the RGV. Upgrades to existing transmission facilities, and the build out of new transmission facilities, will substantially enhance reliability in the RGV and alleviate chronic

transmission congestion in the RGV. While these initiatives will increase the load that can be served at N-0 contingency in the region, these initiatives alone will not reduce the need for continued investment in existing and new transmission facilities necessary to support the RGV at N-1 contingency, such as a new, fourth line into the RGV. The N-1 contingency that would be solved through a fourth line to the Valley is a current risk. A continued focus on expediting the approval of beneficial and necessary transmission projects for the RGV, however, will help ensure that the RGV reliability will be improved during extreme weather events or due to other exigent circumstances.

II. STEC'S RESPONSES

STEC provides responses below to the following questions identified in the Commissioner Cobos' September 14, 2021 memorandum.

- 1. The estimated timeline required to place into service their respective portion of the new second circuit and new transmission facilities to close the loop (i.e., how many total estimated months it will take to place these new transmission facilities into service). including:**

- a. The timeline required to obtain a Certificate of Convenience and Necessity (CCN) from the Commission:**

STEC owns approximately 42 miles of a 345-kV transmission line, which runs from the San Miguel Power Plant through STEC's Fowlerton substation, and continues to an ownership change point with AEP Texas, Inc. toward the Lobo switching station. STEC's responsibilities would include adding the second circuit from the San Miguel Power Plant to the ownership change point with AEP Texas. STEC would also be responsible for the construction of the terminal facility additions at San Miguel and Fowlerton.

STEC estimates that it would take approximately 18 months to obtain Commission approval of an amendment to its CCN for the addition of the second circuit.

b. The estimated timeline for constructing the new transmission facilities: and

Following approval of the CCN application, STEC estimates that it would take approximately 24 months to install the second circuit and associated terminal additions.

c. Any other assumptions factored into the estimated timeline to place the new transmission facilities into service.

If no CCN application is required, STEC estimates that the total time to complete the second circuit installation and the associated terminal additions is 30 months. The construction timeline is six months longer than in 1(b), above, because STEC generally performs some of the necessary engineering, design work and materials procurement before and during the CCN process.

The outages of the San Miguel switching station buses required to modify the 345-kV terminal equipment will need to be scheduled while the power plant is down for maintenance. STEC does not anticipate any conflicts that may impact the coordination of the station outages with the plant maintenance outages. However, if there are unanticipated ERCOT outage scheduling conflicts, then project construction and completion may be delayed.

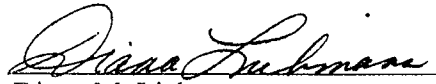
2. The total estimated cost to place into service their respective portion of the new second circuit and new transmission facilities to close the loop.

STEC estimates the total cost for the second circuit and the associated terminal facility additions to be \$31,750,000.

III. CONCLUSION

STEC appreciates the Commission's review of these important issues and looks forward to continuing to work with the Commission to enhance reliability in the RGV.

Respectfully submitted,

A handwritten signature in cursive script, reading "Diana M. Liebmann", written in black ink.

Diana M. Liebmann

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