



Filing Receipt

Received - 2022-03-03 02:10:11 PM
Control Number - 53169
ItemNumber - 9

PUC PROJECT NO. 53169

REVIEW OF TRANSMISSION RATES FOR EXPORTS FROM ERCOT	§ § §	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS
----------------------------------------------------------------	----------------------	--------------------------------------------------------------

TEXAS INDUSTRIAL ENERGY CONSUMERS' COMMENTS

I. INTRODUCTION

Texas Industrial Energy Consumers (TIEC) appreciates the opportunity to comment on the proposed changes to PUC Subst. R. § 25.192(e).

II. COMMENTS

When considering changes to how merchant DC ties are charged to use the ERCOT grid, the Commission should keep in mind that its primary obligation is to ensure reliability for native ERCOT loads. The ERCOT transmission grid was built to serve “native” end-use customers who depend on the ERCOT grid for reliable power. As non-native loads, DC ties are not entitled to access the grid on the same terms as native ERCOT load,¹ and the Commission should set DC tie transmission charges with an eye toward incentivizing DC ties to operate in such a way that they will not negatively impact reliability or increase transmission costs for native ERCOT customers.

TIEC is not necessarily wedded to the exact rate structure for DC tie exports in PUC Subst. R. § 25.192(e). However, aligning price incentives for transactions over DC ties during periods of tighter grid conditions will help ensure that ERCOT’s transmission system can reliably serve native load. If DC tie transmission charges are higher during periods of high demand, this will discourage use of the ERCOT transmission grid to facilitate exports to serve non-native load in other regions during these periods, increasing reliability for ERCOT customers. For ERCOT, peak transmission demand typically occurs in the months of June, July, August, and September. As such, TIEC believes it still makes sense for DC ties to pay more for using the ERCOT grid to facilitate exports to other power regions during those months.

¹ For example, as mentioned at recent Open Meetings, DC tie exports are among the first load to be shed when ERCOT enters emergency conditions. ERCOT Nodal Protocols Section 6.5.9.3.4 (5) (“If the Emergency Condition is the result of a transmission problem, ERCOT shall act immediately to return the ERCOT System to a reliable condition, including instructing Resources to change output, curtailing any remaining DC Tie Load, and instructing TSPs or DSPs to drop Load.”).

III. CONCLUSION

TIEC appreciates the Commission's efforts to review and update the Substantive Rules and looks forward to its continued participation in this project.

Respectfully submitted,

O'MELVENY & MYERS LLP

/s/ Katie Coleman

Katherine L. Coleman
State Bar No. 24059596

Michael A. McMillin
State Bar No. 24088034

John Russ Hubbard
State Bar No. 24120909
303 Colorado St., Suite 2750
Austin, TX 78701

(737) 261-8600
kcoleman@omm.com
mmcmillin@omm.com
jhubbard@omm.com
ommeservice@omm.com

**ATTORNEYS FOR TEXAS INDUSTRIAL
ENERGY CONSUMERS**