



## **Filing Receipt**

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**Item Number - 52**

**PROJECT NO. 55566**

**GENERATION INTERCONNECTION  
ALLOWANCE**

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**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**WATTBRIDGE’S RESPONSES TO PROPOSAL FOR PUBLICATION OF  
AMENDMENTS TO 16 TAC §25.195  
ISSUED ON NOVEMBER 30, 2023**

WattBridge Texas, LLC (WattBridge) appreciates the opportunity to share with the Public Utility Commission of Texas (Commission) our responses to the Proposal for Publication of Amendments to 16 TAC §25.195 issued on November 30, 2023, related to a standard allowance for the cost of interconnection of generation on the transmission system in the Electric Reliability Council of Texas (ERCOT) region.

As one of the most prolific developers, owners, and operators of aeroderivative power plants worldwide, WattBridge, a subsidiary of PROENERGY Holding Company, Inc., provides fast, safe, and cost-effective pathway to a more sustainable energy future. It leverages highly reliable LM6000 gas-turbine engines to deliver large-scale, reduced-emission, peaking-power generation in support of renewable reliability and energy security despite extreme weather conditions. Over 36 months, WattBridge completed \$2 billion in financial closings for gas-peaking assets. The closings amount to 2,400 MW of assets now operating or under construction. WattBridge has contemporaneous experience related to interconnecting these projects in ERCOT, and we offer the pertinent feedback below.

**Transmission Allowance – (f) (3) (A) (i) Cost responsibilities to interconnect generation resources at transmission voltage.**

**WattBridge Response:**

WattBridge urges the Commission to set one interconnection allowance regardless of the transmission voltage.<sup>1</sup> Based on WattBridge’s extensive experience developing within the ERCOT region, the interconnection allowance should be at least \$22,500,000.

To demonstrate the need for a higher transmission allowance, WattBridge outlined its interconnection costs for several projects below.

| Project   | SGIA Signed /Funded | Transmission Provider  | \$       | Interconnection Description                                      |
|-----------|---------------------|------------------------|----------|--|
| Elmax     | Pending             | CenterPoint Energy     | \$22.08M | Switching Station & 1.5 mile line tap                            |
| Remy Jade | Aug-22              | CenterPoint Energy     | \$15.19M | Switching Station & 0.30 mile line tap                           |
| Brotman   | Sep-21              | CenterPoint Energy     | 16.50M   | Switching Station & 0.30 mile line tap                           |
| Topaz     | Apr-20              | Texas New Mexico Power | 11.85M   | New TIF Substation (i.e. Attwater) and 1.99 miles generator lead |

As supported, there is a substantial increase in interconnection costs among WattBridge projects in a short two-year period and therefore, WattBridge does not believe a \$12 million allowance is sufficient. As currently proposed, WattBridge’s Remy Jade and Brotman projects exceeded the proposed \$12 million allowance by over \$3 million. Both projects are located within the Houston zone and close to load. CenterPoint cited this type of interconnection study and proposed project in their reply comments filed on October 25, 2023, stating:

If the allowance is set to cover the interconnection costs for the construction of a one-mile transmission facility in a West Texas rural area but not the construction

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<sup>1</sup> See proposed revisions to 16 TAC §25.195(f)(3)(i) in Project No 55566. WattBridge also agrees with TCPA’s comments that the transmission allowance be collapsed into a single number instead of differentiating the allowance by the transmission voltage.

of a one-mile transmission facility in or around a load center such as Houston, for example, then it is less likely that generation will ever be sited in or around such load centers where such interconnections are needed most, to the detriment of those load centers and the overall reliability of the ERCOT grid.<sup>2</sup>

Furthermore, WattBridge is currently working on a potential development project for the Texas Energy Fund that will interconnect into the CenterPoint system in the Houston zone. CenterPoint provided the estimated cost of this project in December 2023 of \$22 million.<sup>3</sup> This generation resource is in the Houston zone, close to load, and likely at an intended location contemplated under the transmission allowance amendment. By not setting an adequate interconnection allowance, companies will site projects in locations where such interconnection costs are reduced and covered under the proposed allowance. To ensure grid reliability and development of projects, WattBridge proposes a single allowance of at least \$22.5 million regardless of interconnection voltage.

**Proposed rule language:**

(A) The allowance will be calculated by the commission as follows:

- (i) For a generation resource interconnecting ~~at a transmission voltage of 138 kV or less~~, the allowance beginning on January 1, 2026, is based on the 2023 amount of at least \$2242,0500,000 adjusted for subsequent years consistent with clause (ii) of this subparagraph.  
~~For a generation resource interconnecting at a transmission voltage~~

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<sup>2</sup>CenterPoint Energy Houston Electric, LLC, Reply to Comment (Oct. 25, 2023) at 1 <https://interchange.puc.texas.gov/search/documents/?controlNumber=55566&itemNumber=35>.

<sup>3</sup> The project will interconnect at the 138 kV level and involves a 1.5 mile tap line.

~~higher than 138kV, the allowance beginning on January 1, 2026, is  
based on the 2023 amount of \$22,500,000 adjusted for subsequent  
years consistent with clause (ii) of this subparagraph.~~

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WattBridge appreciates the opportunity to provide this feedback given its experience in developing, financing and quickly implementing fast ramping dispatchable generation to help achieve reliability in ERCOT.

Dated: January 3, 2024

Respectfully submitted,

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WattBridge Texas LLC  
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**PROJECT NO. 55566**

**GENERATION INTERCONNECTION  
ALLOWANCE**

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**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**EXECUTIVE SUMMARY FOR WATTBRIDGE'S RESPONSES TO PROPOSAL FOR  
PUBLICATION OF AMENDMENTS TO 16 TAC §25.195**

**ISSUED ON NOVEMBER 30, 2023**

WattBridge Texas, LLC is a leading active developer of fast-start dispatchable thermal generation in ERCOT with 2,400 MW in operation or under construction, having financed \$2 billion in capital during the last 36 months.

**Transmission Allowance – (f) (3) (A) (i) Cost responsibilities to interconnect generation resources at transmission voltage.**

WattBridge urges the Commission to set one interconnection allowance regardless of the transmission voltage. Based on WattBridge's extensive experience developing within the ERCOT region, the interconnection allowance should be at least \$22,500,000.

To demonstrate the need for a higher transmission allowance, WattBridge outlined its interconnection costs for several projects below. By not setting an adequate interconnection allowance, companies will site projects in locations where such interconnection costs are reduced and covered under the proposed allowance.

| <b>Project</b> | <b>SGIA Signed<br/>/Funded</b> | <b>Transmission<br/>Provider</b> | <b>\$</b> | <b>Interconnection Description</b>                               |
|----------------|--------------------------------|----------------------------------|-----------|--|
| Elmax          | Pending                        | CenterPoint Energy               | \$22.08M  | Switching Station & 1.5 mile line tap                            |
| Remy Jade      | Aug-22                         | CenterPoint Energy               | \$15.19M  | Switching Station & 0.30 mile line tap                           |
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