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PROJECT NO. 55718

RELIABILITY PLAN FOR THE	§	PUBLIC UTILITY COMMISSION
PERMIAN BASIN REGION UNDER	§	OF TEXAS
PURA § 39.167	§	

ERCOT'S RESPONSE TO STAFF'S QUESTIONS ON THE PLAN

Electric Reliability Council of Texas, Inc. (ERCOT) hereby submits the below responses to Staff's questions on the submitted reliability plan for the Permian Basin.

Q1: SHOULD THE COMMISSION APPROVE A *PHASED* PLAN FOR THE PERMIAN BASIN? IN OTHER WORDS, SHOULD THERE BE A FIRST PHASE TO BE IMPLEMENTED BY 2030 AND A SECOND PHASE TO BE IMPLEMENTED BY 2038? OR SHOULD THE COMMISSION APPROVE A SINGLE, COMPLETE PLAN?

ERCOT supports a phased plan for the Permian Basin that would approve the common local transmission projects needed for 2030 in first phase and approve the import paths and associated projects needed for 2038 in second phase.

Q2: TO EXPEDITE THE BUILDOUT OF IMPORT PATHS INTO THE PERMIAN BASIN WHILE RESEARCH AND DISCUSSION OF THE OPTIMAL USE OF AN EXTRA HIGH VOLTAGE (EHV) NETWORK IN ERCOT SYSTEM IS UNDERWAY IN PROJECT NO. 55249, SHOULD THIS RELIABILITY PLAN CONSIDER A MIXTURE OF 345 KV AND EHV OPTIONS?

ERCOT did not consider combined 345-kV and Extra High Voltage (EHV) options. Combining 345-kV and EHV options may not result in any added technical benefit and may significantly increase the cost associated with providing import paths into the Permian Basin area. If EHV is the preferred option, ERCOT may consider constructing the import lines to meet EHV standards and temporarily operate them to 345-kV.

Q3: WHAT WOULD BE THE IMPACT TO IMPLEMENTATION OF THE PLAN IF THE COMMISSION APPROVES THE PLAN FOR ALL THE COMMON LOCAL TRANSMISSION PROJECTS TO PERMIT THE UTILITIES TO EXPEDITIOUSLY FILE

CCN APPLICATIONS BUT DELAYED THE APPROVAL OF THE IMPORT PATHS UNTIL AFTER ERCOT COMPLETED ITS EHV STUDY IN 2024? PLEASE ADDRESS IN DETAIL BOTH THE BENEFITS AND RISKS OF THIS POTENTIAL PROCESS.

ERCOT does not anticipate significant impact to delaying the approval of the import paths until after ERCOT completes its EHV Study in 2024. The common local transmission projects will be needed to ensure the near-term reliability of the Permian Basin Area.

Q4: WITH THE UNDERSTANDING THAT THE COST OF THESE PROJECTS WILL BE PASSED ALONG TO ALL THE RATEPAYERS IN ERCOT, WHAT CONSIDERATIONS SHOULD THE COMMISSION ADDRESS TO MINIMIZE RATE IMPACTS? ARE THERE ANY GUARDRAILS THE COMMISSION SHOULD IMPLEMENT?

No response.

Q5: ARE THERE SPECIFIC COSTS NOT CAPTURED IN ERCOT'S STUDY, SUCH AS REACTIVE COMPENSATION DEVICES, AUTO TRANSFORMERS FOR EHV IF THE COMMISSION CHOOSES EHV, AND SERIES COMPENSATION EQUIPMENT? IF SO, WHAT ARE THOSE COSTS?

ERCOT included various static reactive devices to address the reliability need of serving new loads in the Permian Basin, dynamic reactive devices (e.g., Synchronous Condenser) and auto transformers needed for EHV. There could be a need for additional reactive devices (based on the EHV design) to support EHV operations and maintenance that is not identified in this study. MISO 2024 Transmission Cost Estimation Guide was referenced for the EHV options (500-kV or 765-kV).

Q6: IN APPROVING THIS PLAN, HOW CAN THE COMMISSION ENSURE COST EFFECTIVENESS FOR THE LISTED PROJECTS? PLEASE EXPLAIN IN DETAIL AND SPECIFICALLY ADDRESS RISKS AND OFFER POTENTIAL MITIGATION SOLUTIONS RELATING TO:

No response.

Q7: HOW SHOULD THE COMMISSION ADDRESS ANY PROJECT IN THE PLAN IN WHICH MORE THAN ONE TRANSMISSION SERVICE PROVIDER CAN CLAIM THE LEGAL RIGHT TO BUILD IT?

No response.

Q8: SHOULD THE COMMISSION CONSIDER ANY PROCEDURAL CHANGES TO ITS TRADITIONAL CCN PROCESS TO ACCOUNT FOR THE COMPLEXITY AND MAGNITUDE OF THE CCN CASES?

No response.

Q9: WHAT, IF ANY, SPECIFIC ITEMS SHOULD THE COMMISSION'S FINAL ORDER INCLUDE TO PROVIDE CLEAR AND CONSISTENT DIRECTIONS FOR THE IMPLEMENTATION OF THE PLAN TO THE TSPS, ERCOT, AND STAFF?

ERCOT anticipates that Commission guidance will be needed regarding TSP responsibility for upgrades. TSPs have not universally agreed as to which TSPs should be responsible for constructing which facilities under a given option. Because the statutory criteria do not explicitly speak to responsibility for each of the upgrades identified in the Reliability Plan, ERCOT recommends that the Commission consider establishing a process to resolve these questions of TSP responsibility.

Q10: WHAT UNINTENDED IMPACTS OR RISKS MIGHT ARISE OUT OF APPROVING OR IMPLEMENTING ERCOT'S PROPOSED PLAN? HOW COULD THEY BE AVOIDED OR MITIGATED? ARE THERE ANY LESSONS FROM THE COMPETITIVE RENEWABLE ENERGY ZONES IMPLEMENTATION THAT THE COMMISSION SHOULD CONSIDER?

No response.

Q11: ARE THERE ANY OTHER ASPECTS OF ERCOT'S PROPOSED PLAN THE COMMISSION SHOULD CONSIDER?

ERCOT is currently evaluating either significant expansion of the existing 345-kV network or building a new EHV backbone infrastructure (500-kV or 765-kV) to meet the long-term reliability, resiliency, and growth needs as part of the 2024 Regional Transmission Plan (RTP). The 345-kV or EHV transfer path solutions proposed in this Permian Basin Reliability Plan may be further optimized or changed to meet the overall system need in the RTP final plan. The final 2024 RTP plan will be completed no later than December 2024.

In addition, any new dispatchable generation addition in the Permian Basin area will likely impact or delay the projected timeline and need for the import paths identified in the plan.

Respectfully submitted,

/s/ Anna Berlin

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