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PROJECT NO. 55718

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

TEXAS INDUSTRIAL ENERGY CONSUMERS' COMMENTS

I. INTRODUCTION

Texas Industrial Energy Consumers (TIEC) represents a diverse group of large electricity users throughout the state. Some of TIEC's members have active production in the Permian Basin and will directly benefit from the plan adopted in this project. However, the majority of TIEC members will not directly benefit from the Permian Basin buildout, but will nonetheless pay for the resulting transmission costs. Accordingly, TIEC seeks a balanced and cost-effective approach to meeting the electrical needs of users in the Permian Basin region.

Importantly, the TIEC members who do *not* have load in the Permian recognize that this area has been extremely underserved. Major transmission projects typically take four to six years to complete, but ERCOT's existing transmission planning studies can only accurately estimate system needs one to two years in advance.[1] As a result, demand in the Permian Basin has been significantly under-forecasted and transmission facilities in the region are dramatically insufficient. This has been exacerbated by (a) rapid load growth in the region, (b) a desire to electrify existing facilities, and (c) ERCOT's historical practice of only including large loads who have a signed facilities extension agreement and have posted financial security, which is done relatively close to when oil and gas loads need to be energized. TIEC appreciates that the goal of both HB 5066 and this project is to put the Permian Basin users on more even footing with other types of load that have been reflected in transmission planning.[2] HB 5066 explains that the Permian Basin Reliability Plan must "(1) address extending transmission service to areas where

[1] *Reports of the Electric Reliability Council of Texas*, Project No. 27706, ERCOT Letter to Commissioners – Permian Basin Improvement Idea at 1 (Dec. 5, 2019).

[2] *See e.g., Reports of the Electric Reliability Council of Texas*, Project No. 27706, ERCOT Letter to Commissioners – Permian Basin Improvement Idea at 1 (Dec. 5, 2019) ("The unique nature of the oil and gas industry creates a transmission planning dilemma—a fundamental timing issue between constructing new major transmission infrastructure (*e.g.*, new 345-kV transmission lines) an d the load growth forecast which is driven by the financial commitment of oil and gas customers.").

mineral resources have been found; (2) address increasing available capacity to meet forecasted load; and (3) provide available infrastructure to reduce interconnection times in areas without access to transmission service."[3] As the Commission evaluates ERCOT's proposed Reliability Plan for the Permian Basin, the Commission should consider which option would best achieve HB 5066's requirements that the Reliability Plan increase capacity to meet forecasted load and decrease interconnection delays.

TIEC's chief concern with ERCOT's recommended plan is the proposal to bifurcate approval of the "local" Permian Basin buildout and the construction of import paths to the region. To meet the needs of the region and the requirements of HB 5066, the Commission should approve a single, complete Reliability Plan that can meet the forecasted load growth *through 2038*. TIEC also submits that this plan should be based on 345-kV facilities and should not be contingent upon policy direction on higher voltage elements. TIEC is currently agnostic on the introduction of higher voltage elements and awaits further study and information on the efficacy and cost of EHV facilities in ERCOT. However, TIEC does not believe that it satisfies the requirements of HB 5066 to delay approval of critical import paths into the Permian Basin until the policy questions around introducing EHV lines have been resolved. The forecasted load in the Permian Basin cannot be served without additional import paths—these are an essential part of the plan and should not be "punted" for future deliberation.

TIEC acknowledges that EHV options (500-kV or 765-kV facilities) could potentially provide efficiencies for consumers, but there are many unanswered questions about if and how EHV facilities should be introduced in ERCOT. Importantly, using EHV lines to import power into the Permian Basin is unlikely to be cost-effective or efficient from a planning perspective unless there is a broader buildout of an integrated EHV "backbone" across ERCOT. This is a much larger conversation that will require significant analysis and direction from the Commission. There are many unanswered questions about the supply chain issues that may impact EHV facilities, the reliability consequences of concentrating contingency risk into fewer, larger transmission elements, and the additional transformation equipment and costs required for intermediate access to EHV facilities by generators and load serving entities. TIEC also

[3] PURA § 39.167(b).

understands that the 500-kV and 765-kV options presented by ERCOT are "incomplete" and some additional facilities would need to be built to make those plans actionable. Currently, ERCOT is evaluating the EHV needs as part of its 2024 Regional Transmission Plan, but that analysis will not be completed until December. Further, once ERCOT completes its analysis, it is unclear whether the Commission will have sufficient information to make a determination on whether EHV transmission facilities are cost effective and how EHV lines should be utilized system-wide. This is almost certain to be controversial. Accordingly, making a determination on how EHV facilities effectively fit into the Permian Basin Reliability Plan could take months, if not years. Import path decisions for the Plan should not be delayed while these issues are resolved.

ERCOT's plan proposes to delay a decision on import paths on the basis that they will not be needed until 2038, but the data does not support this conclusion. The assumptions in ERCOT's 2030 modeling overestimate the output of renewable generation in the region while under-estimating the amount of load seeking to interconnect by 2030. Notably, the S&P study that underpins the Permian Basin Reliability Plan assumes that load will not come on line until after 2030 due to a lack of available transmission. If the transmission is built sooner, the load will likely be there before 2038. Delaying import paths may create a robust local network in the Permian Basin, but this has only limited use if there is not enough power being imported to serve the region.

Instead of waiting to gather more information on EHV options and potentially delaying the goal of HB 5066, the Commission should issue an order approving a single, comprehensive Permian Basin Reliability Plan using facilities rated at 345-kV and below. After the Commission issues an actionable order, utilities can begin filing CCN applications. Under this approach, the utilities will not require any further studies by ERCOT to move forward with developing transmission facilities, but the Commission and ERCOT could still evaluate how EHV infrastructure could benefit the ERCOT system. If the Commission ultimately determines that EHV facilities are cost-effective for consumers, the Commission could assess the status of the Permian Basin Reliability Plan buildout and issue a new order revising it at that time to take into account updates to the topology based on any new transmission or generation developments. But unless and until that happens, the utilities will have a complete, actionable plan for serving the Permian Basin. This approach gives the Commission some optionality without further delaying or undermining the goals of HB 5066.

II. COMMENTS

1. 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?

The Commission should approve a single, complete plan, rather than a phased plan. Critically, bifurcating the reliability plan into two phases increases the risk that the reliability plan will not meet the intended goals of HB 5066 in the near and long term. As explained previously, HB 5066 directed the Commission to work with ERCOT to develop a reliability plan for the Permian Basin,[4] which must ***increase capacity to meet forecasted load*** and reduce interconnection delays.[5] First, the phased approach is likely insufficient to meet the region's needs in 2030 because ERCOT failed to properly account for some of the assumptions in the S&P load growth forecast. As the S&P Global Permian Basin Peak Demand chart (copied below) shows, ERCOT assumed a load growth rate of approximately 6.4% during 2029 and 2032.[6] However, the steep increase in demand between 2029 and 2032 is artificial. Importantly, S&P assumed there would not be enough transmission to accommodate the existing need of oil and gas producers that would like to electrify and bring their operations onto the grid. As such, S&P spaced the load growth out between 2029 and 2032.[7] Under a bifurcated plan, ERCOT should have included the 2032 load as a part of the 2030 phase, instead of assuming a steady 6.4% increase in load levels year over

[4] PURA §§ 39.166, 39.167.

[5] PURA § 39.167(b)("The plan must: (1) address extending transmission service to areas where mineral resources have been found; (2) address increasing available capacity to meet forecasted load; and (3) provide available infrastructure to reduce interconnection times in areas without access to transmission service.").

[6] ERCOT Reliability Plan for the Permian Basin at 6-7.

[7] S&P Global, *Electrification of the Permian Basin* at 4-5, 40 (Dec. 2022).

year. As a result of using the artificially low demand levels in S&P's assumptions, it is unlikely that the 2030 phase can actually meet the needs of the region in 2030.

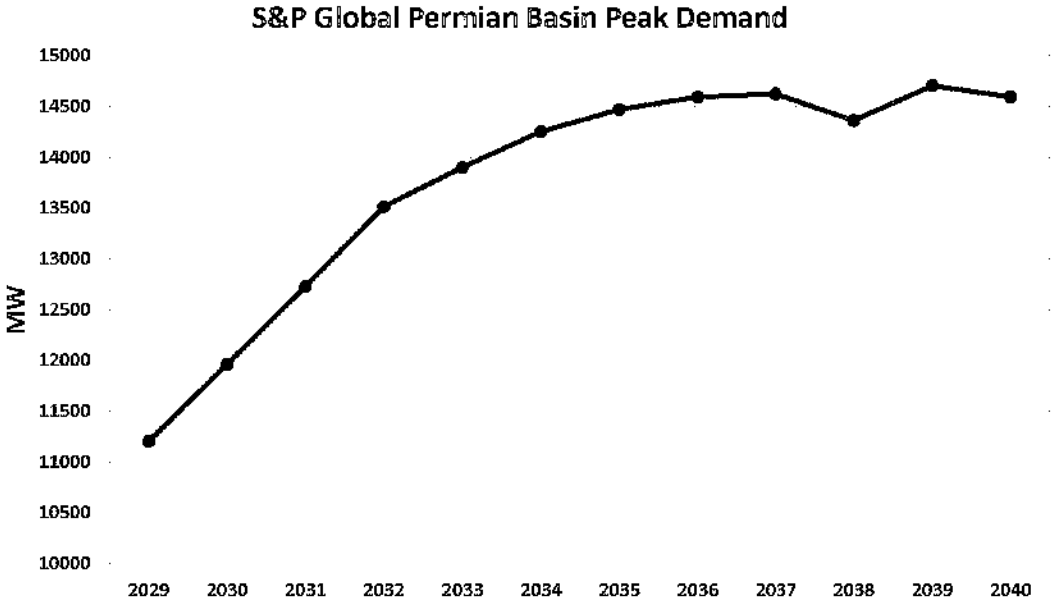

Figure 2.2: S&P Global Permian Basin Peak Demand by Year

Even if ERCOT's 2030 forecast were accurate, it is unlikely that the first phase will be effective because there is not enough power being generated in the local region. Notably, ERCOT's modeling includes relatively few import paths to serve ***23,659 MW*** in 2030. ERCOT has instead assumed the load will be served through arguably unrealistic assumptions about renewable output. As ERCOT explained in its Reliability Plan, the Permian Basin region is located at the remote most western part of the ERCOT system, and while there is significant renewable generation, conventional generation is concentrated in the eastern, coastal, and central areas of Texas near the load centers.[8] In situations where renewable facilities cannot produce energy (i.e. the sun is not shining or the wind is not blowing), there must be sufficient import paths to service the forecasted load. However, ERCOT's 2030 phase defers most of the import transmission facilities to 2038. Notably, ERCOT's suggested approach seems devoid from reality when 2038 requires building three to five additional import paths to meet a peak demand that only increases by 2.7 GW between 2030 and 2038. [9]

[8] ERCOT Reliability Plan for the Permian Basin at 32.
[9] ERCOT Reliability Plan for the Permian Basin at v-ix.

ERCOT's 2030 modeling minimizes the need for import paths prior to 2038 based on unrealistic assumptions about renewable output. For example, ERCOT assumes all solar units will be dispatched up to 76% of their installed capacity.[10] While solar facilities may ***on average*** provide 76% of their installed capacity, after the sun sets, those resources will not provide any energy. Unlike traditional transmission planning, ERCOT's modeling should not rely on average renewable outputs because much of the forecasted load in the Permian Basin is industrial load with a load factor of around 90% (oil and gas facilities, data centers, etc.). This means the new load will have a near-constant demand that will not fluctuate when solar or wind facilities cannot provide power. Utilities will continue to delay interconnecting future customers if there is a risk of insufficient power in the region. Functionally, this results in undermining the benefits of a phased approach.

As a result, this "phased" plan would not effectively meet the goals of HB 5066. Instead, the Commission should adopt a complete, actionable plan using 345-kV facilities. Critically, adopting a complete plan does not bar the Commission from considering state-wide EHV options in the future. Once decisions regarding EHV facilities are finalized, the Commission can reassess the status of the Permian Basin buildout to identify whether EHV elements can be incorporated. This would be similar to reassessments that occurred during CREZ—after the buildout was approved, but before some of the elements had actually been constructed. The utilities will not complete the Permian Basin Reliability Plan overnight, so there will likely be an opportunity to substitute or add some EHV elements if the Commission ultimately decides that is an appropriate direction.

2. **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?**

3. **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.**

[10] ERCOT Reliability Plan for the Permian Basin at 5.

At this stage, it is premature to approve a plan that includes a mixture of 345-kV and EHV options, and the Plan *should not be delayed* to await a decision on whether and how EHV facilities will be introduced.

Importantly, additional analysis is necessary before the Commission can consider whether EHV systems are efficient and cost-effective from a consumer standpoint. For example, using EHV lines to import power to the Permian Basin is only efficient if there is an existing state-wide EHV backbone system. TIEC understands that certain elements needed to serve the Permian Basin are not identified in the plans ERCOT has submitted because this would need to be part of a larger EHV analysis of the ERCOT region. TIEC agrees that it would not make sense to consider EHV lines for the Permian Basin without considering the potential introduction of EHV lines in the context of the entire ERCOT system. This will involve considering a significant number of practical and policy issues. For example, EHV lines will consolidate contingency risk and limit access for interim interconnections for loads and generators. The Commission would need to decide on how it plans to utilize EHV facilities system-wide, and how this affects cost and reliability for consumers, before approving any 500-kV or 765-kV lines.

Critically, the Commission cannot easily replace 500-kV lines with 765-kV lines partway through the planning process. As Oncor explained in Project No. 55249, if the Commission prefers to treat EHV lines similar to the 345-kV system, which is heavily networked with loads and generation directly interconnecting to the higher voltage, 500-kV lines are more effective. Unlike 700-kV lines, 500-kV lines can be broken or segmented easier because station and endpoint facilities are more available at the 500-kV voltage.[11] Alternatively, 765-kV facilities can deliver more power over longer distances at a lower cost per MW and at greater efficiency. However, the advantages associated with 765-kV facilities are substantially reduced if the line is segmented into shorter runs by directly interconnecting load and generation. These issues will have a major impact on how EHV facilities are integrated and it will take time for ERCOT, the Commission, and stakeholders to deliberate on these questions. Accordingly, the Commission should (a) approve an actionable 345-kV plan to serve the Permian Basin through 2038 *now*, and (b) reserve the ability

[11] Project No. 55249, Oncor Responses to Questions for Comment at 2 (July 29, 2024).

to revisit how EHV options might be substituted or added incrementally to the plan in the future, based on the status of the Permian Basin buildout once these broader decisions have been resolved.

AFFORDABILITY AND COST

4. 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?

The Commission has numerous existing tools that can be leveraged to protect ratepayers. First, after the Permian Basin Reliability Plan is approved, the utilities will still be required to submit individual projects for Certificates of Convenience and Necessity (CCNs). The CCN review process involves a determination of need, so if there are major changes to the facts underlying the Plan that surface after it is approved, this can be raised in the individual CCN proceedings. The major benefit of the Plan is to avoid repeated restudy at ERCOT, but it does not excuse the utilities from justifying moving forward with the projects based on the facts known at the time. In addition, after the projects are constructed they will be subject to a prudence review in the utilities' rate cases. If the projects are inefficiently planned or constructed, the utilities will be subject to disallowance risk. TIEC believes these well-established consumer protections can provide meaningful cost controls for the Permian Basin buildout.

The Commission should also require the utilities to file monthly or quarterly progress reports, similar to the requirements for utilities constructing the commission ordered transmission facilities in Project No. 52682. This provides important transparency into any issues that arise with the construction process.

Importantly, the Commission ***should not*** introduce any type of competitive bidding process for the Permian Basin Reliability Plan. Such a construct is antithetical to the ERCOT rules for assigning projects to the TSPs as well as SB 1938, and it would risk unnecessary delays. Introducing a competitive bidding process would require substantial deliberation and rules around the bidding process itself and how to hold utilities to their bids while ensuring high-quality infrastructure. This has been a major challenge in jurisdictions where competitive bidding exists. To the extent that there are limited controversies over who has the right to build a project, these should be addressed in an expedited contested case as discussed below.

5. 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?

TIEC does not have specific information on any missing costs, but anticipates that there are likely some "hidden" or undocumented costs associated with EHV facilities that will be elucidated further during the EHV study process. In particular, ERCOT has not conducted a dynamic analysis of the EHV systems, so ERCOT's assessment does not include any reactive devices. The utility comments in Project No. 55249 also suggest there may be other unknown costs. For example, Oncor explains that the sparse cost inputs for 765-kV projects creates uncertainty,[12] and AEP notes that MISO's Cost Estimation Guide differs from some of AEP's assumptions. However, this proceeding is not the appropriate venue to figure out the exact costs associated with EHV facilities. That analysis should be conducted in Project No. 55249, *Regional Transmission Reliability Plans.*

6. 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:

a) Load forecast, because this will be the first time the Commission will rely on load forecast methodology based on PURA§ 37.056(c-l).

b) Cost estimates, because projects will not be vetted through ERCOT's Regional Planning Group, the stakeholder committee that regularly reviews proposed transmission projects.

As noted above, the backend process for Commission review of the individual projects in the Permian Basin Reliability Plan offers an opportunity to protect customers against unnecessary facilities or excessive costs. First, the Commission always has the power to review the Plan and issue a new order if it determines that the facts have changed substantially. This was done previously during the CREZ process when the Gillespie to Newton line was found to be unnecessary and cancelled during the CCN process, after the CREZ orders were adopted.[13] The Permian Basin Reliability Plan is meant to provide an actionable plan for the utilities to serve the

[12] Project No. 55249, Oncor Responses to Questions for Comment at Attachment 1.

[13] *Application of LCRA Transmission Services Corporation to Amend its Certificate of Convenience and Necessity for the Gillespie to Newton 345-kV CREZ Transmission Line in Gillespie, Llano, San Saba, Burnet, and Lampasas Counties, Texas*, Docket No. 37448, Order at 1 (April 28, 2010) ("[B]ased on a weighing of the factors set out in PURA § 37.056 and P.U.C. SUBST. R. 25.101, the Commission determines that no route proposed in the application meets the statutory and regulatory requirements.").

Permian, but that does not mean the Commission, stakeholders, or the utilities can (or should) ignore how the facts actually develop between now and the time of the Plan's completion. Accordingly, the Commission could use its authority to direct ERCOT to restudy any circuits if it has concerns in the future with significant changes on the system. Based on ERCOT's findings, the Commission could modify or adjust the Reliability Plan. This same process could be used to integrate EHV elements if the Commission determines it is appropriate, based on the status of the build-out at the time.

Secondly, the CCN and rate review process should provide additional discipline to control costs, as noted above. The need determination required as part of the CCN process for each of the projects will allow the utilities, stakeholders, and the Commission to consider any major changes from the assumptions in the Commission-approved Permian Basin Reliability Plan that could undermine the need case. For example, the utilities will have to consider the existing topology, changes in demand, new generation, etc. Similarly, during the rate cases, intervenors can challenge any facilities that are not "used and useful" or that were imprudently constructed. If a new facility substantially deviated from the utility's estimates without sufficient justification, the Commission may disallow the expenses. TIEC believes these processes provide the necessary tools to continually monitor the need for the projects in the Permian Basin Reliability Plan prior to their construction and to control spending on those projects as they are complete and put in rates.

CCN PROCESS

7. 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?

After the Commission approves a plan for the Permian Basin, ERCOT can work with utilities to break down the plan into specific projects and identify which utilities are responsible for each element based on the "endpoint" criteria in PURA § 37.056(e)-(f). TIEC understands that even under this test, there may be some disagreements between utilities about which utility has a legal right to a project. These issues should be expeditiously resolved to avoid delaying the CCN and construction process. TIEC anticipates that most of these disputes will be purely legal in nature (i.e., identifying the "endpoints" and who has the right to a particular endpoint) and should not involve factual disputes. As a result, where possible the Commission should resolve these issues based on briefing without a referral to the State Office of Administrative Hearings (SOAH).

If there are limited fact issues, the Commission can open a contested proceeding about the specific line(s), but this should be the exception rather than the expectation. The Commission could either handle all of these disputes in a single "Permian Basin Reliability Project Assignment" docket, or in individual dockets. In any event, these proceedings should be resolved within 60 days or less to avoid any delays.

8. Should the Commission consider any procedural changes to its traditional CCN process to account for the complexity and magnitude of the CCN cases?

TIEC has not identified any procedural changes needed for the traditional CCN process at this time, and believes this process is an important backend review for the projects in the Plan. Notably, during the 88th Legislative Session, the Legislature shortened the timeline for CCN proceedings to 180 days,[14] which should expedite processing of the projects in the Plan.

FINAL ORDER

9. 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?

The Commission's final order should include a comprehensive plan to serve load through 2038, and it should make clear that utilities can begin applying for CCNs without the need for any additional studies by ERCOT or in the Regional Planning Group (RPG) process. While the Commission may want to consider EHV options further, the Commission should not let that analysis impede the timely implementation of the Permian Basin Reliability Plan. If any EHV elements are later considered for inclusion in the Permian Basin Reliability Plan, this can be achieved at the Commission by amending the prior order. ERCOT may be required to conduct studies to inform this order but the ultimate decision, and order modification, should occur at the Commission and the order should not be contingent on any further ERCOT or RPG review or a future determination on EHV facilities.

As noted above, TIEC also believes it would be beneficial to require quarterly status updates similar to what was done for the reliability projects that the Commission ordered for South Texas. This should be included as an ordering paragraph when the plan is approved.

[14] PURA § 37.057.

OPEN QUESTIONS

10. 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?

The most significant "issue" that arose from the CREZ buildout was the major cost overruns. However, as TIEC has noted above, there will be a robust backend process that will allow the Commission to better control the costs of the Permian Basin Reliability Plan. Notably, the CREZ facilities were all "deemed necessary" and could not be challenged based on need in the individual CCN proceedings.[15] The same status was not given to the Permian Basin Reliability Plan projects. Rather, the goal of the Plan is to expedite the ERCOT review process, but still observe the traditional CCN need analysis for all of the elements of the Plan as they are brought to the Commission for a CCN and ultimately constructed. This provides added consumer protection against unnecessary facilities.

Further, an important distinction relative to CREZ is that the Permian Basin Reliability Plan is designed to integrate new loads—and these loads are expected to be on most of the time, with a high load factor. As a result, these new loads will pay into TCOS and defray incremental rate increases for other customers resulting from the Plan. While this will not be one-for-one and there will likely be cost increases, this is fundamentally different from CREZ where renewable generation was being added with limited additional load/demand.

As noted above, TIEC generally believes the existing process will provide opportunities to revisit the assumptions underlying the Permian Basin projects as they are brought forward for CCNs, and the prudence of the utilities' construction of these projects can be reviewed in their rate cases. This should provide cost discipline and will require the Commission, the utilities, and stakeholders to continue evaluating the facts as they develop—including the addition of future generation or changes in demand forecasts that may occur before the Plan is fully completed.

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[15] Acts 2005, 79th Leg. 1st C.S., ch. 1 (SB 20), § 3, *repealed by* Acts 2023, 88th Leg., R.S., ch. __ (HB 1500), § 46(a)(4)) (former PURA § 39.904(h)) ("In considering an application for a certificate of public convenience and necessity for a transmission project intended to serve a competitive renewable energy zone, the commission is not required to consider the factors provided by Sections 37.056(c)(1) and (2).").

11. Are there any other aspects of ERCOT's proposed plan the Commission should consider?

TIEC has nothing further at this time.

III. Conclusion

TIEC appreciates the opportunity to provide these responses to Staff's questions and looks forward to further discussion on developing the Permian Basin Reliability Plan.

Respectfully submitted,

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ATTORNEYS FOR TEXAS INDUSTRIAL ENERGY CONSUMERS

PROJECT NO. 55718

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

TEXAS INDUSTRIAL ENERGY CONSUMERS' EXECUTIVE SUMMARY

- Texas Industrial Energy Consumers (TIEC) represents a diverse group of large electricity users throughout the state. Accordingly, TIEC seeks a balanced and cost-effective approach to meeting the electrical needs of users in the Permian Basin region.
- As the Commission evaluates ERCOT's proposed Reliability Plan for the Permian Basin, the Commission should consider which option would best achieve HB 5066's requirements that the Reliability Plan increase capacity to meet forecasted load and decrease interconnection delays.
- TIEC's chief concern with ERCOT's recommended plan is the proposal to bifurcate approval of the "local" Permian Basin buildout and the construction of import paths to the region. To meet the needs of the region and the requirements of HB 5066, the Commission should approve a single, complete Reliability Plan that can meet the forecasted load growth through 2038. The Permian Basin Reliability Plan should be based on 345-kV facilities and should not be contingent upon policy direction on higher voltage elements.
- Delaying the approval of critical import paths into the Permian Basin to consider policy questions around EHV lines will undermine the effectiveness of the Reliability Plan. The phased approach is likely insufficient to meet the region's needs in 2030 because ERCOT's modeling overestimates the output of renewable generation in the region and underestimates the amount of load seeking to interconnect by 2030. While moving forward with local transmission upgrades may create a robust local network in the Permian Basin, the facilities will only have limited use if there is not enough power being imported to serve the region.
- TIEC is currently agnostic on the introduction of higher voltage elements and awaits further study and information on the efficacy and cost of EHV facilities in ERCOT. Although EHV options could potentially provide efficiencies for consumers, there are many unanswered questions about if and how EHV facilities should be introduced in ERCOT. It is premature to consider using EHV lines to import power into the Permian Basin because it would require an integrated EHV "backbone" across ERCOT. This is a much larger conversation that will require significant analysis and direction from the Commission.
- Instead of waiting to gather more information on EHV options and potentially delaying the goal of HB 5066, the Commission should issue an order approving a single, comprehensive Permian Basin Reliability Plan using facilities rated at 345-kV and below. After the Commission issues an actionable order, utilities can begin filing CCN applications. If the Commission ultimately determines that EHV facilities are cost-effective for consumers, the Commission could assess the status of the Permian Basin Reliability Plan buildout and issue a new order revising it at that time to take into account updates to the topology based on any new transmission or generation developments.