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September 20, 2024

Public Utility Commission of Texas
Chairman, Thomas J. Gleeson
Commissioner Kathleen Jackson
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Courtney K. Hjaltman
1701 N. Congress Avenue
Austin, TX 78711

Re: PUC Project No. 55718, *Reliability Plan for the Permian Basin under PURA*
§ 39.167

Dear Chairman and Commissioners:

Following up on your discussion of the Permian Basin Reliability Plan at the Commission's September 12, 2024 open meeting, I wanted to provide some additional perspective that may be helpful to you as you chart a path forward on a decision. Much of the open meeting discussion was focused on how best to allow for continued consideration of both the 345-kV and 765-kV import path options while also ensuring material progress toward implementation of a solution for the Permian Basin. ERCOT agrees that balancing these two interests presents a challenge. In fact, ERCOT had communicated with a number of stakeholders—the Transmission Service Providers (TSP), Commission Staff, and the various consumer organizations affected by the reliability plan—prior to the last open meeting to assist in identifying potential solutions to this challenge that might be informally recommended to Commissioner Cobos in her role as the lead Commissioner on this initiative.

As part of these discussions, ERCOT communicated with Commissioner Cobos's office to suggest that some further efficiency might be gained by allowing TSPs to proceed with the advance work needed to prepare applications for certificates of convenience and necessity (CCN) for the three common import paths that offered interchangeability among both the 345-kV and 765-kV import path options. Upon further internal evaluation, however, ERCOT now believes that identifying the specific transmission facility elements that could be utilized for either 345-kV or 765-kV import options would require further engineering study by ERCOT's planning department, which could result in additional delay of at least several months. Given the additional time that will be needed for the proceeding to decide responsibility for constructing the transmission additions and the existing workload of ERCOT's planning staff, conducting further studies of possible common interchangeable paths does not appear to be a viable option, and ERCOT therefore no longer recommends it. Because Commissioner Cobos had proposed this option in her

memorandum at ERCOT's recommendation, I would prefer that the record in this proceeding be clear that ERCOT no longer believes this approach to preserving optionality in the plan is feasible.

However, assuming the Commission decides to move forward with approval of the reliability plan at its next open meeting, the Commission may wish to consider an alternative related approach in which it would allow the TSPs to proceed with CCN preparation work for all eight import paths—i.e., the five 345-kV import paths and the three 765-kV import paths. Under this approach, the Commission could consider excluding landowner public meetings from the scope of allowable CCN preparation work for the import paths to reduce the risk of confusion to landowners during the interim period the Commission will use to consider the import path voltage. While ERCOT does not decide line routing, these paths would still likely include hundreds of miles of right of way that is common to both the 345-kV and 765-kV import path options. ERCOT would of course be pleased to support the Commission under this approach or in any other approach it may choose.

I plan to be available at your September 26, 2024 open meeting to answer any questions you may have. Please do not hesitate to contact me before that meeting with any questions or to request additional information that may be useful to your decision.

Respectfully submitted,

/s/ Kristi Hobbs
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