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PROJECT NO. 55718

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

**CITY OF GARLAND' COMMENTS ON THE PUCT'S
DETERMINATION OF EXTRA HIGH VOLTAGE IN THE ERCOT REGION**

COMES NOW, the City of Garland, whose municipally owned electric utility operates under the name of Garland Power & Light (Garland), and files these comments in response to the Staff (Staff) of Public Utility Commission of Texas' (Commission or PUCT) questions filed in Project No. 55718 relating to the PUCT's determination of Extra High Voltage (EHV) in the Electric Reliability Council of Texas, Inc. (ERCOT) region.¹ Staff requested comments in response to its questions by February 14, 2025.² Therefore, these comments are timely filed.

I. EXECUTIVE SUMMARY

As requested, Garland has provided a one-page Executive Summary at the end of this submission.

II. COMMENTS

Garland appreciates the opportunity to provide comments relating to the PUCT's determination of EHV in the ERCOT region. Garland is a transmission service provider (TSP) within the ERCOT region and is also one of the TSPs assigned responsibility for ownership, construction, and operation of the transmission facilities associated with the common local projects and import paths identified in the Permian Basin Reliability Plan.³ Given the significant amount of transmission required to meet the forecasted load in the Permian Basin, ERCOT has assessed the relative reliability and economic benefits of constructing a new 765-kilovolt (kV) transmission "backbone" instead of simply expanding the current 345-kV network to meet future system needs.⁴ ERCOT has ultimately concluded the "Texas 765-kV Strategic Transmission Expansion Plan"

¹ Staff Questions on PUCT's Determination of Using EHV in the Electric Reliability Council of Texas, Inc. (ERCOT) Region at 1 (Jan. 31, 2025).

² *Id.*

³ *Identifying Transmission Service Providers (TSPs) for Implementing the Permian Basin Reliability Plan*, Project No. 57152, Report of ERCOT Identifying TSPs Responsible for Implementing the Permian Reliability Plan (Oct. 18, 2024).

⁴ ERCOT's 2024 Regional Transmission Plan 345-kV Plan and Texas 765-kV Strategic Transmission Expansion Plan Comparison, Cover letter at 1 (Jan. 24, 2025).

(TX 765-kV STEP) outweighs the 345-kV option and would provide significant economic and reliability benefits to the ERCOT System.⁵ However, Garland cautions the Commission to consider all the TX 765-kV STEP's potential consequences given uncertainties behind the 765-kV option.

III. RESPONSE TO STAFF'S QUESTIONS

6. Are there any other benefits or drawbacks that have not been brought up and addressed which are critically important for the Commission to consider? Please describe in detail.

Although 765-kV transmission lines are utilized in other regions of the country, they are a new concept for ERCOT, presenting significant uncertainties and potential implementation challenges. A move to incorporate 765-kV transmission corridors into ERCOT is not a decision that should be hurried but should be thoroughly vetted to ensure that all potential complications and unintended consequences are fully understood and addressed and not examined only from a perceived benefit perspective. As such, Garland believes that the following items are critical to the Commission's decision between the TX 765-kV STEP and 345-kV option.

- There is no cost benchmark in ERCOT for 765-kV transmission projects, increasing the risk of materially underestimating already significant construction expenses.
- Introducing a new voltage class in ERCOT will require new system operational training, system integration strategies, spare materials, and maintenance procedures for equipment, resulting in time, effort, and expense that should be incorporated into the cost estimates and timelines for implementing the 765-kV transmission corridors.
- Given the transfer capacity of the 765-kV transmission corridors, an increase in potential disruption to the ERCOT grid may occur if there is an unplanned outage or necessary maintenance on one or more of these 765-kV transmission lines. With the potential widespread impacts on the grid from a loss of one or more 765-kV transmission lines, ERCOT will need to develop redundancy strategies for high-voltage contingencies, which will increase operational complexity. The cost and time to develop these strategies must be incorporated into the Commission's consideration.
- New generation or load desiring to connect at lower voltages will require additional transformation (e.g., 765/345/138-kV substations), adding cost, complexity, and time for these interconnections in an environment where resources and load are already

⁵ *Id.*

experiencing increases in delays and constraints when interconnecting into the ERCOT grid. Will these factors associated with the additional transformation requirements result in new generation and load remaining mostly at existing 345-kV or 138-kV injection locations?

- The Texas Legislature is currently discussing issues and considering bills related to the stability of the ERCOT grid – which revolve in part around large loads, renewable energy resources, and dispatchable generation – that could significantly affect the landscape of the ERCOT grid and potentially influence the proposed 765-kV transmission corridors. A decision should not be made by the Commission as it relates to the TX 765-kV STEP until this legislative session is complete in order to analyze the effect of passed legislation or until specific direction has been provided by the Legislature. At a minimum, the Commission should incorporate flexibility into its process to revisit its decision if made prior to the end of the legislative session to include analysis of passed legislation that affects the ERCOT grid.

It is ultimately the ratepayer that receives the electric service and incurs the costs, whether the Commission decides to continue maintaining 345-kV transmission as the highest voltage in ERCOT or incorporate a 765-kV transmission option. As the owner of a municipal electric utility, it will be the City of Garland that ultimately charges and recovers the cost for the transmission improvements from its customers and will directly interact with those customers and their questions and concerns regarding their electric utility bill and the provision of electric service on the grid. Consequently, Garland wants to be able to affirm to its customers that the Commission's decision-making process was transparent, comprehensive, and examined all potential complications and unintended consequences of incorporating the TX 765-kV STEP, and it also wants to assure its customers that the benefits provided by this transition more than offset its cost rather than continuing with the known and understood 345-kV transmission system. Given the significance of this decision, it is imperative that the Commission consider all potential outcomes.

IV. CONCLUSION

Garland appreciates the opportunity to comment on Staff's questions related to the PUCT's determination of EHV in the ERCOT region and looks forward to future work sessions, discussions, and opportunities for stakeholder engagement.

Date: February 14, 2025

Respectfully submitted,

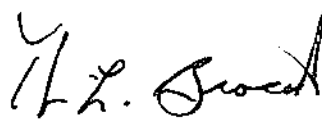
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ATTORNEYS FOR THE CITY OF GARLAND

**GARLAND'S EXECUTIVE SUMMARY FOR ITS RESPONSE TO STAFF'S
QUESTIONS RELATED TO THE PUCT'S DETERMINATION OF EHV IN THE
ERCOT REGION**

- 6. Are there any other benefits or drawbacks that have not been brought up and addressed which are critically important for the Commission to consider? Please describe in detail.**
- The Commission must consider the following issues when making its decision between the TX 765-kV STEP and simply expanding the existing 345-kV network due to uncertainties behind the 765-kV option:
 - There is no cost benchmark for 765-kV transmission projects in ERCOT, which increases the risk of materially underestimating already significant construction expenses.
 - Introducing a new voltage class will require new system operational training, system integration strategies, spare materials, and maintenance procedures for equipment, resulting in additional time, effort, and expense that must be incorporated into future cost estimates and timelines.
 - Given the transfer capacity of the 765-kV transmission corridors, an increase in potential disruption to the ERCOT grid may occur if there is an unplanned outage or necessary maintenance on one or more of the 765-kV transmission lines. Consequently, ERCOT will need to develop redundancy strategies for high-voltage contingencies, and the cost and time to develop these strategies should be incorporated into the Commission's consideration.
 - New generation or load desiring to connect at lower voltages will require additional transformation, which will add cost, complexity, and time for these interconnections.
 - The Commission should not make a decision as it relates to the TX 765-kV STEP until the legislative session is complete in order to analyze the effect of passed legislation or until specific direction has been provided by the Legislature. At a minimum, the Commission should be able to revisit its decision if made prior to the end of the legislative session to include analysis of passed legislation that affects the ERCOT grid.