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PUC PROJECT NO. 55718

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

**LCRA TRANSMISSION SERVICES CORPORATION'S
RESPONSE TO QUESTIONS FOR COMMENT**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

LCRA Transmission Services Corporation (LCRA TSC) submits these comments in response to Commission Staff's questions on the 2024 Regional Transmission Plan (RTP) alternatives published by the Electric Reliability Council of Texas (ERCOT) for consideration in this project.

I. INTRODUCTION

LCRA TSC is a non-profit organization and one of the largest transmission service providers (TSP) in the ERCOT power region. As a TSP, LCRA TSC owns and operates over 5,000 circuit miles and has equipment at over 400 substations. LCRA TSC owns and operates facilities within more than 70 counties in Texas from far West Texas, across Central Texas, and extending to the Gulf Coast. LCRA TSC is authorized under the Public Utility Regulatory Act (PURA)¹ to build, acquire, and operate needed transmission facilities statewide.

On July 25, 2024, ERCOT issued its Permian Basin Reliability Plan study report under PURA § 39.167.² Many of the projects identified by ERCOT connect to or between existing LCRA TSC facilities. On October 7, 2024, the Commission issued its Order Approving the Reliability Plan for the Permian Basin Region.³ Since that time, ERCOT presented the Commission with a report listing potential TSPs for implementing the Permian Basin Reliability Plan (the ERCOT

¹ Tex. Util. Code Ann. §§ 11.001-66.017 (PURA).

² *Reliability Plan for the Permian Basin Under PURA § 39.167*, Project No. 55718, ERCOT Permian Basin Reliability Plan Study Report (July 25, 2024).

³ Project No. 55718, Order Approving the Reliability Plan for the Permian Basin Region (October 7, 2024).

Project Report).⁴ The ERCOT Project Report appropriately identifies LCRA TSC as the TSP responsible for all or a portion of approximately 20 of the listed projects.⁵

II. COMMENTS

LCRA TSC fully supports the Commission’s Permian Basin Reliability Plan and applauds the collaborative work of the Commission, ERCOT, Transmission Service Providers, the oil and gas community, and numerous other stakeholders in developing, reviewing, and finalizing the plan. The remaining policy question about the appropriate transmission voltage for the new transmission import paths needed to support the Permian Basin region—765-kV or 345-kV—is a complex issue and one that has garnered significant stakeholder attention.

LCRA TSC is fully a committed partner and will fulfill its obligations to safely and reliably construct, own, operate, and maintain its facilities regardless of which voltage the Commission chooses. LCRA TSC also underscores that, regardless of whether the Commission chooses to order construction of 765-kV or 345-kV transmission import paths to serve the Permian Basin, the question remains whether the 2024 RTP, and particularly the Strategic Transmission Expansion Plan (“STEP”), provides a fully actionable and appropriately vetted plan for the remainder of the ERCOT region outside of the Permian Basin.

At this early stage in the process, LCRA TSC appreciates the opportunity to offer its initial reactions to the 2024 RTP and encourages the Commission and all stakeholders to fully evaluate the assumptions informing the alternatives presented in the that plan. However, LCRA TSC is unable at this time to fully respond to the questions posed by Commission Staff, without having a better understanding of ERCOT’s assumptions on issues ranging from detailed design specifics, such as the right-of-way widths needed for the 765-kV transmission corridors, to larger feasibility questions, such as whether the paths identified in the plan are capable of being constructed. For example, the proposed rights-of-way for the eastern portion of the 765-kV network traverse heavily

⁴ *Identifying Transmission Service Providers for Implementing the Permian Basin Reliability Plan*, Project No. 57152, Report of the Electric Reliability Council of Texas, Inc. Identifying Transmission Service Providers Responsible for Implementing the Permian Basin Reliability Plan (Oct. 18, 2024).

⁵ Project No. 57152, LCRA TSC’s Response to ERCOT Report Identifying Transmission Service Providers Responsible for Implementing the Permian Basin Reliability Plan (Nov. 8, 2024). One additional project (which does not require a CCN amendment and is not impacted by the issue of whether 345-kV or 765-kV import paths are approved) is the subject of a pending dispute in Docket No. 57384.

populated and developed areas, particularly the 765-kV path from Howard Road to Bell County East to Watermill, a nearly 300-mile line along the I-35 corridor from south San Antonio to Dallas.

Similarly, it will be helpful for stakeholders to unpack the assumptions that inform the 2024 RTP regarding material availability, cost, and associated timelines. Based on the ERCOT-hosted 765-kV vendor workshop and additional supplier outreach and market research that LCRA TSC has performed, LCRA TSC anticipates that its current supply base would need to be supplemented with additional providers to be able to meet all the design, construction, materials, and equipment requirements for 765-kV. Sourcing, contracting, and onboarding activities could potentially delay project starts, as compared to 345-kV projects where LCRA TSC already has in place established long-term supplier contracts to meet that demand.

Having a clear understanding of how ERCOT's analysis addressed these uncertainties will assist all stakeholders in evaluating the relative costs and benefits of the 765-kV plan for the larger ERCOT region.

III. CONCLUSION

LCRA TSC appreciates the Commission's consideration of these comments and looks forward to further discussions with stakeholders at the upcoming workshop and in subsequent meetings and formal comments.

Respectfully submitted,

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