Filing Receipt

Filing Date - 2025-03-27 02:16:46 PM

Control Number - 55718

Item Number - 86

ercot
Your Power. Our Promise.

TAYLOR
2705 West Lake Dr.
Taylor, Texas 76574
T: 512-248-3000
F: 512-225-7079

AUSTIN
8000 Metropolis Dr.
Bldg. E, Suite 100
Austin, Texas 78744
T: 512-225-7000
F: 512-225-7079

ercot.com

March 27, 2025

Public Utility Commission of Texas
Chairman, Thomas J. Gleeson
Commissioner Kathleen Jackson
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* Update Following March 7, 2025 Workshop

Dear Chairman and Commissioners:

At the March 7, 2025 workshop on the Permian Basin Reliability Plan, I committed to provide some additional information regarding updated cost figures for the 345-kV and 765-kV import path options identified in the plan. In this letter, I am providing that information along with some additional historical information regarding 345-kV transmission line outages that I believe may be useful to the Commission.

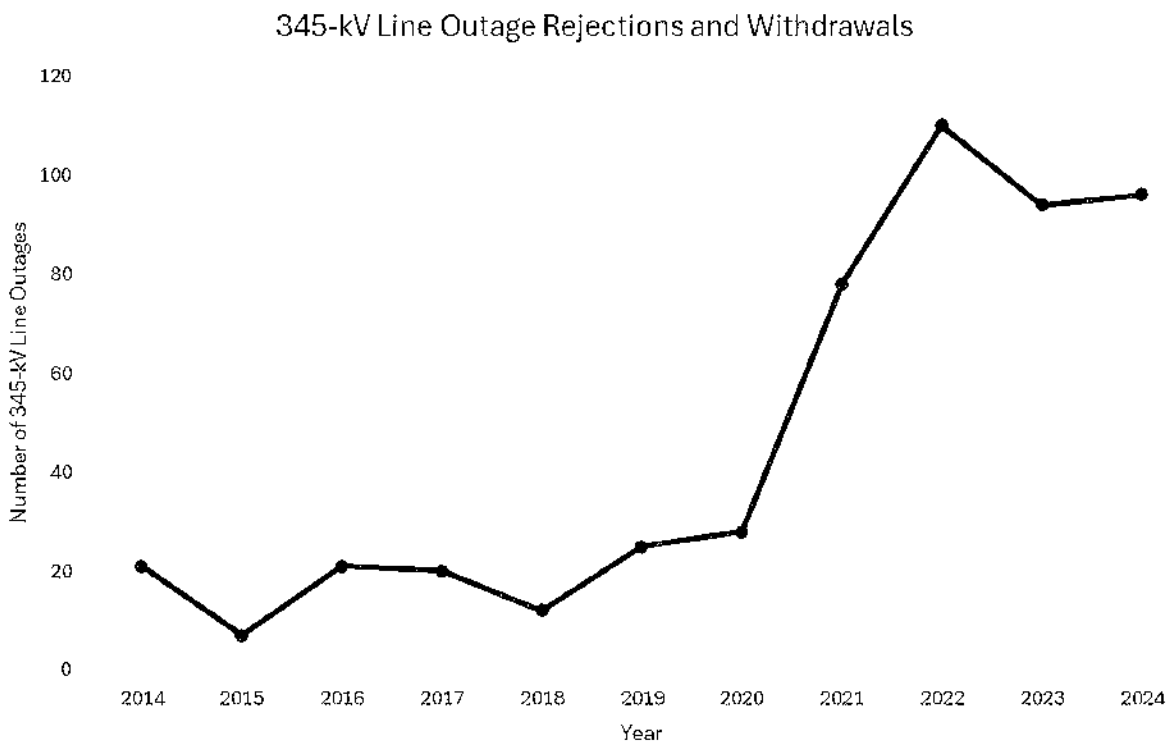
As you may recall, the costs of the import paths ERCOT identified in the Permian Basin Reliability Plan Study Report filed on July 25, 2024 were based on cost figures ERCOT assembled in May 2024, including publicly available cost estimates for 765-kV facilities that the Midcontinent Independent System Operator (MISO) posted on May 1, 2024. In its October 7, 2024 order approving the Permian Basin Reliability Plan, the Commission authorized the Transmission Service Providers (TSPs) responsible for the projects in the plan to "begin preparing CCN applications for all eight transmission import paths," including the three 765-kV paths and the five 345-kV paths. As part of that preparation work, some of the TSPs received updated information about the costs of the facilities they were directed to construct. Earlier this month, ERCOT inquired with each of the eight responsible TSPs regarding any updates to project costs. Four of the TSPs—Oncor Electric Delivery Company, LLC; AEP Texas, Inc.; LCRA Transmission Services Corporation; and CPS Energy—notified ERCOT that the costs of their respective portions of the 345-kV and 765-kV import paths had changed from the initial cost estimates. The responses from the other four TSPs—Garland Power & Light; Lone Star Transmission, LLC; Texas-New Mexico Power Company; and Wind Energy Transmission Texas, LLC—indicated that their costs had not changed from their 2024 estimates.

The revised total costs of the 345-kV and 765-kV import path options are shown in the following table, along with the initial costs identified in ERCOT's July 2024 Permian Basin Reliability Plan Study Report:

	345-kV Import Path Projects		765-kV Import Projects	
	Initial 345-kV Cost Estimates provided by TSPs in 2024	Updated 345-kV Cost Estimates provided by TSPs in 2025	Initial 765-kV Cost Estimates derived from MISO estimates	Updated 765-kV Cost Estimates provided by TSPs in 2025
Transmission (including ROW)	6,773	7,144	7,656	7,772
Substations (including transformers and shunt reactors)	921	1,133	1,404	2,342
Total	7,694	8,277	9,060	10,114
Change from 2024 Estimate	+7.6%		+11.6%	

These updated cost estimates resulted in a total cost increase of $583 million for the 2038 345-kV import path option and an increase of $1.054 billion for the 2038 765-kV import path option, compared with the initial 2024 estimates. Based on information provided by the TSPs, ERCOT understands that the increase in cost for the 765-kV plan is largely attributable to increased costs for substations and shunt reactors.

In addition to the above cost information, I also would also like to provide some information that illustrates a recent troubling trend concerning 345-kV transmission facility outages. The chart below shows the number of requests for 345-kV line outages over the past decade that were either rejected or withdrawn by ERCOT's Outage Coordination group after working with the TSP. These data demonstrate that it has become increasingly difficult in recent years to support planned outages of 345-kV transmission lines. This difficulty is largely attributable to the higher incidence of tight grid conditions and the need to maintain real-time transmission security. This illustrates the urgent need for additional transmission capacity on the system to facilitate continued maintenance and outages needed to support the state's growth.



I hope you find this information useful to your evaluation of the 345-kV and 765-kV import path options. As always, I would be pleased to provide you any further information you may need. I will be available at the Commission's April 3, 2025 open meeting to discuss this information.

Respectfully submitted,

/s/ Kristi Hobbs
Kristi Hobbs
Vice President, System Planning & Weatherization
kristi.hobbs@ercot.com