

# **Filing Receipt**

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#### **DOCKET NO. 55718**

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

# WIND ENERGY TRANSMISSION TEXAS, LLC'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Wind Energy Transmission Texas, LLC ("WETT"), files this Response to Commission Staff ("Staff") of the Public Utility Commission of Texas' ("Commission's) First Request for Information ("RFF") and would respectfully show as follows.

## I. <u>INTRODUCTION</u>

On March 21, 2025, Commission Staff filed its first RFI to transmission service providers ("TSPs"). Based on Commission Staff's filing, responses by TSPs are due by no later than March 27, 2025. Accordingly, these responses by WETT are timely filed.

## II. WRITTEN RESPONSES

Attached hereto and incorporated herein by reference are WETT's written responses to the aforementioned requests for information. Each such response is set forth separately beneath a restatement of the relevant request. Such responses are made without waiver of WETT's right to contest the admissibility of any such matters upon hearing. WETT hereby stipulates that its responses may be treated by all parties exactly as if they were filed under oath.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 27th day of March 2025, in accordance with 16 TAC § 22.74.

Dennis W. Donley, Jr.

STAFF 1-1 Provide documentation related to cost estimate information for any import path to which the TSP has been assigned. The cost estimate information should be consistent with the format and categories of data provided to ERCOT in March 2025.

## **RESPONSE:**

ERCOT's October 18, 2024, report identifying TSPs responsible for implementing the Permian Basin Reliability Plan shows WETT responsible for implementing a portion of Project Import A2 - a new 345-kV double-circuit transmission line interconnecting WETT's Long Draw station and Oncor's White River Station. The cost estimate information for that import path is provided below. The information is consistent with the format and categories of data that WETT provided to ERCOT in March 2025. Please note these cost estimates assume there is no material change in material/labor pricing in the ensuing months. Global events outside WETT's control, such as tariffs on steel or other materials, could further alter these cost estimates.

Transmission Upgrades	Voltage A	Aşsumed	Year of Study Case with	Estimated Cost (in SMillions)			From	To	Notes
		Miles	Reliability Need Starting to Appear	Transmission Line	Substation	Total (Approximate Value)	TSP	TSP	
Add a new White River Long Draw 345-kV double circuit line	345	115.0	2038	\$289.1	\$20.5	\$309.6	Oncor	WETT	The cost estimates provided represent WETT's portion (57.5mi) of the transmission line as well as the expansion of WETT's Long Draw 345ky station.

STAFF 1-2 To the extent available, provide any vendor commitment letters related to long lead technical equipment, such as autotransformers or circuit breakers, needed to construct and operate the import path.

#### RESPONSE:

WETT has already ordered the circuit breakers (long lead technical equipment) needed for its White River – Long Draw Permian Basin Reliability Plan project. These were secured through WETT's stock material initiative. Please see **HSPM Attachment A, WETT's Response to Staff 1-2**, for a vendor purchase order for circuit breakers from Hitachi.

WETT has had notable success in greenfield transmission line construction in Texas, where WETT has successfully managed EPC arrangements for over \$1.3 billion in capital facilities over the last 15 years and will be completing an additional \$1 billion in the next four years. WETT designed, financed, and built from scratch approximately 500 circuit miles of 345-kV lines and six substations awarded in the CREZ selection process in just over 24 months. WETT constructed more miles per month than most other CREZ providers, despite encountering unexpected rocky condition on six of the seven segments it was building; the number of crossing and deviations multiplying as planning and construction coincided with the explosion of oil and gas development in WETT's area; and skilled labor constraints associated not just with being scheduled to start construction after other utilities had begun and were rushing to complete their own CREZ projects, but also the migration of skilled labor to the new oil and gas development in the Permian Basin that coincided with WETT's build in the area.

WETT's construction on its first line began October 10, 2011; construction was complete on its last line on January 16, 2014. See CREZ Progress Report No. 17, Final CREZ Report at p. 206-221 (Dec. 2014).

<sup>&</sup>lt;sup>2</sup> For example, on just one parcel, several drill sites and pipelines were constructed on WETT's transmission route between the time WETT surveyed the right of way and purchased the easement.

**STAFF 1-3** To the extent available, provide any vendor commitment letters related to engineering, procurement, and construction or other labor agreements associated with construction of the import path.

### **RESPONSE:**

WETT has strong relationships with the engineering and construction teams at work on its nearby projects, with whom it has discussed the White River to Long Draw project extensively, and expects to be able to proceed with those contractors for WETT's Permian Basin Reliability Plan project. However, as yet it is too early to have secured commitment letters from the engineering and construction entities that WETT will engage for the Permian Basin Reliability Plan project.

In addition, Oncor Electric Delivery Company, LLC ("Oncor") and WETT are also in the process of executing a letter agreement between themselves, and Oncor has retained various routing consultants for their joint efforts on this project.

Moreover, as noted above, WETT has had notable success in greenfield transmission line construction in Texas, where WETT has successfully managed EPC arrangements for over \$1.3 billion in capital facilities over the last 15 years and will be completing an additional \$1 billion in the next four years. WETT designed, financed, and built from scratch approximately 500 circuit miles of 345-kV lines and six substations awarded in the CREZ selection process in just over 24 months.<sup>3</sup> WETT constructed more miles per month than most other CREZ providers, despite encountering unexpected rocky condition on six of the seven segments it was building; the number of crossing and deviations multiplying as planning and construction coincided with the explosion of oil and gas development in WETT's area;<sup>4</sup> and skilled labor constraints associated not just with being scheduled to start construction after other utilities had begun and were rushing to complete their own CREZ projects, but also the migration of skilled labor to the new oil and gas development in the Permian Basin that coincided with WETT's build in the area.

<sup>&</sup>lt;sup>3</sup> WETT's construction on its first line began October 10, 2011; construction was complete on its last line on January 16, 2014. See CREZ Progress Report No. 17, Final CREZ Report at p. 206-221 (Dec. 2014).

<sup>&</sup>lt;sup>4</sup> For example, on just one parcel, several drill sites and pipelines were constructed on WETT's transmission route between the time WETT surveyed the right of way and purchased the easement.

STAFF 1-4 Provide current import path construction timeline estimates necessary to meet the forecasted load requirements documented in the Permian Basin Reliability Plan. If the TSP intends to construct the import path faster than what would be required under the Permian Basin Reliability Plan, please provide the relevant information.

### **RESPONSE:**

WETT's target date to complete its portion of the Permian Basin Reliability Plan project will be roughly 30 months from the issuance of a final order approving a route in the CCN amendment application case that will be necessary for this project. This projection is based on WETT's actual ongoing performance acquiring land and constructing its portion of the nearby Bearkat-North McCamey 345 kV transmission line project, a critical reliability project in which the Commission issued its final order<sup>5</sup> approving a route in December 2023. For this project, WETT began construction around July 2024 and anticipates construction to be complete on time around June 1, 2026, with virtually all right-of-way secured and structure foundations installed as of March 2025. For the Bearkat-North McCamey project, WETT purchased long lead technical equipment needed to construct and operate its portion of the line before the CCN approval was issued; WETT has taken similar steps for the White River – Long Draw project and expects similar results. However, the White River - Long Draw project travels a much greater distance and may negotiate more complicated topography, so all phases of preparation (engineering design, material procurement, land acquisition, and construction) may take comparatively longer. In addition, these time spans assume there is no material change in procurement/availability of materials. Global events outside WETT's control, such as supply chain issues, could further impact these timing estimates.

<sup>&</sup>lt;sup>5</sup> Joint Application of LCRA Transmission Services Corporation and Wind Energy Transmission Texas, LLC to Amend Their Certificates of Convenience and Necessity for the North McCamey-to-Bearkat 345-kV Transmission Line in Glasscock, Reagan, and Upton Counties, Docket No. 55120, Order (Dec. 14, 2023).

STAFF 1-5 If the TSP does not have responsive information to Staff 1-2 through Staff 1-4, provide an affidavit or sworn statement by the TSP's highest level official attesting to the TSP's preparedness to design, build, and energize the import path in time to meet the Permian Basin Reliability Plan load forecast irrespective of voltage level.

### **RESPONSE:**

As WETT offered responsive information to Staff 1-2 through Staff 1-4, an affidavit or sworn statement is not required, and will not be provided, in response to this request.

However, WETT, the ninth largest Texas TSP in terms of gross revenues, has its facilities concentrated in ERCOT's Far West Load Zone, where it is already a major contributor of transmission facilities needed to serve the growing load in the Permian Basin. WETT takes pride in being able to source materials both domestically and internationally (with international sources lately including from Mexico, India, Spain, Italy, Germany, Turkey, and South Korea) which provides diversity of supply when sourcing long lead items. WETT's material procurement from abroad for the construction of its legacy lines resulted in early procurement costs being almost \$23,000,000 under budget (circa 2010). While sourcing material globally helps achieve the best possible results, worldwide supply and delivery of long-lead high voltage equipment has been constrained since 2020 – a concern which has been mitigated by WETT's practice of ordering common or stock equipment in advance of any expected deployment so as to have it on hand when needed.

**STAFF 1-6** Provide any new data or information related to cost or timelines the TSP believes would assist the Commission's final determination on the Permian Basin import paths.

#### **RESPONSE:**

WETT and its joint applicant, Oncor, have already begun a routing study for the White River – Long Draw transmission line and are preparing to conduct Open Houses in late spring or early summer 2025 to enable the finalization of potential route segments and development of a joint CCN amendment application to implement the construction of this project. Beyond this, as noted above, WETT has already sourced certain long lead technical equipment needed for the project and is already negotiating with the engineering and construction teams that will likely be involved in WETT's Permian Basin Reliability Plan project.