

Filing Receipt

Filing Date - 2024-01-11 11:27:01 AM

Control Number - 55718

Item Number - 9



PERMIAN BASIN PETROLEUM ASSOCIATION

Kathleen Jackson, P.E. Interim Chair Public Utility Commission of Texas 1701 North Congress Avenue, 7th Floor Austin, Texas 78711

Chair Jackson:

The members of the Permian Basin Petroleum Association greatly appreciate Commission efforts and presence at the workshop in Midland, Texas that brought together local elected officials, oil and gas operators, trade associations, transmission service providers, and the public at large to discuss the challenges and opportunities that the implementation that House Bill 5066 offers for the Permian Basin.

HB 5066, authored by Rep. Charlie Geren, sponsored by Sen. Charles Schwertner, and signed by Governor Abbott instructs the PUC with the unique opportunity to direct ERCOT to develop a Permian Basin specific plan that seeks to determine transmission inadequacies in the region and determine how to address them in a timely manner.

As you know, the Permian Basin Petroleum Association ("PBPA") is the largest regional oil and gas association in the United States. We represent the men and women who work in the oil and gas industry in the Permian Basin, the largest inland oil and gas reservoir and the largest oil and gas producing region in the world and are supportive of these efforts to improve infrastructure needs across the Permian Basin.

As the Commission is well aware, these are existential challenges to an industry as our members seeks to address a series of planning issues to ensure the ability to produce the abundant, affordable, and reliable commodities that are found in the Permian Basin.

We greatly appreciate the effort of the PUC and its staff, as well as the work of ERCOT staff, to understand the unique planning challenges that upstream oil and gas operators contend with in natural resource development, as well as the effort of the transmission service providers to begin to understand existing load seeking interconnection that is served by onsite generation; and the ability to forecast future load in the area where mineral development is occurring.

We further appreciate Commissioner Cobos', PUC staff, and ERCOT staff, for attending, participating, and engaging directly with stakeholders in Midland, Texas. We fully support the Commissions recent adoption of Commissioner Cobos' Memorandum that outlines a timely and robust effort to ensure that not only the agency complies with the legislation, but reflect the interest

of the Governor in signing the legislation and the interest of the legislators with their near unanimous support.

PBPA and our members emphatically support your efforts and we will continue to work with you, PUC staff, ERCOT staff, and other stakeholders to quickly ensure the accuracy of the data and begin the important work of planning for the needs that this data determines is appropriate. Planning for existing and future load is important and it is our hope the plan produced by ERCOT is robust, bold, and aggressive in order to address existing inadequacies as expeditiously as possible.

We also wish to express our sincere thanks to all of the Commissioners and their staff for understanding the importance of this issue. Together, through communication and collaboration, PBPA understands that we can ensure that this vital energy sector can continue to innovate, invest, and produce prosperity in and for the Lone Star State.

Sincerely,

Ben Shepperd President, PBPA

CC: Commissioner Lori Cobos Commissioner Jimmy Glotfelty