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PROJECT NO. 55999

REPORTS OF THE ELECTRIC	§	PUBLIC UTILITY COMMISSION
RELIABILITY COUNCIL OF TEXAS	§	OF TEXAS

**ERCOT UPDATE CONCERNING
BRAUNIG UNIT 3 RELIABILITY MUST-RUN AGREEMENT**

Electric Reliability Council of Texas, Inc. (ERCOT) submits the attached presentation, *CPS Energy Braunig Unit 3 RMR Outage Update and Benefit Analysis*, for filing in this project. ERCOT intends to discuss the information in this presentation at the Commission's April 24, 2025 open meeting and will be pleased to answer any questions the Commissioners may have.

Respectfully submitted,

/s/ Nathan Bigbee

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PUC Project No. 55999, *Reports of the Electric Reliability Council of Texas*

CPS Energy Braunig Unit 3 – RMR Outage Update and Benefit Analysis

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PUCT Open Meeting

ERCOT Public

April 24, 2025



Overview

- **Purpose**

Update the Commission on the Reliability-Must-Run (RMR) Outage of CPS Energy's Braunig Unit 3

- **Key Takeaway(s)**

- CPS Energy has made good progress on the Braunig Unit 3 RMR outage
- ERCOT staff make weekly site visits and are in regular contact with CPS Energy staff to assure outage progress communication
- A significant repair is required to replace the No. 9 Superheater Header
- Braunig Unit 3 is likely not able to return to service for Summer 2025; however, Unit 3 continues to be a key part of assuring system reliability through Summer 2026

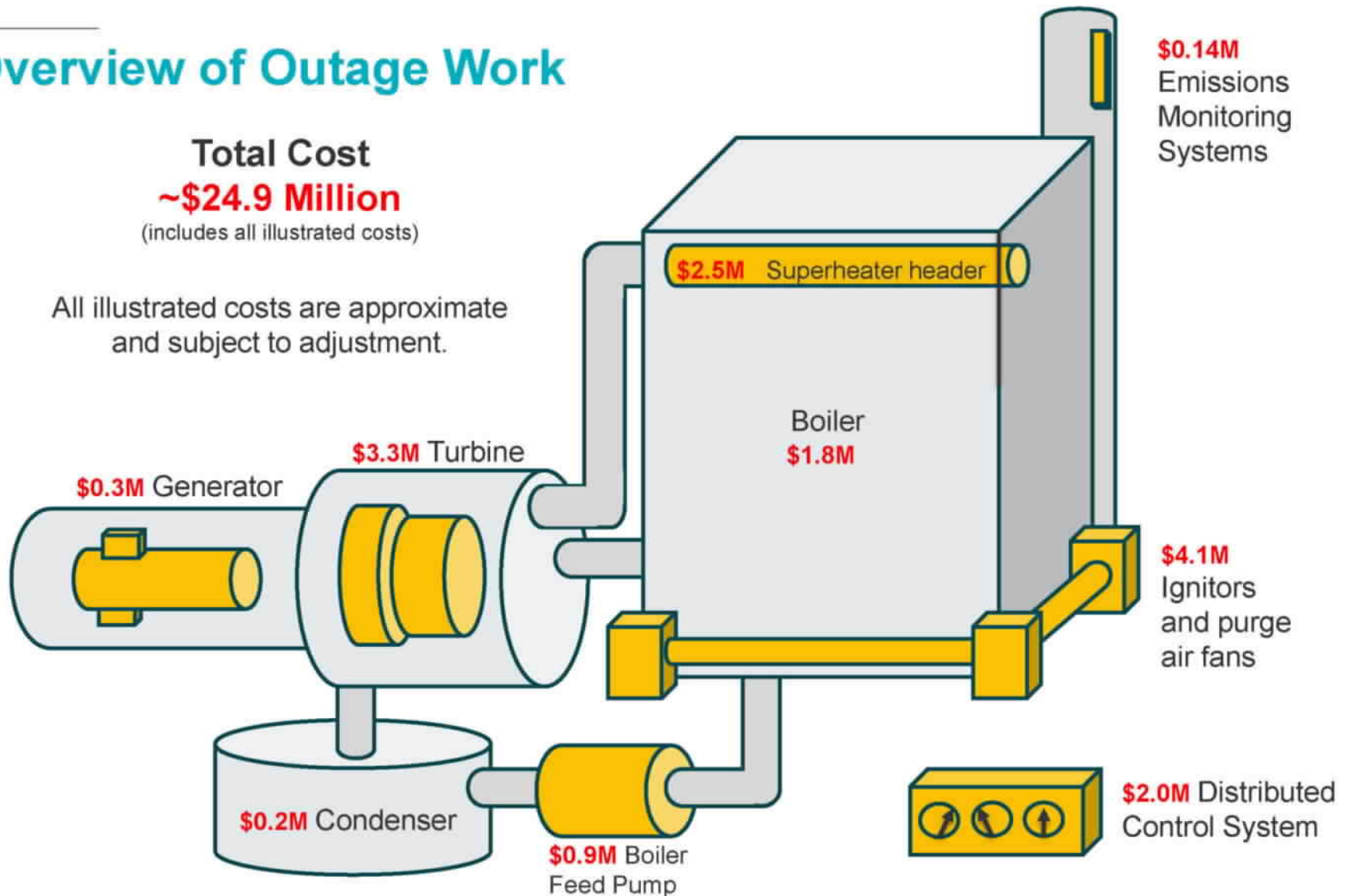
Overview

- December 3, 2024: ERCOT Board approved CPS Energy's Braunig Unit 3 for RMR Service to mitigate local and potential system-wide load-shedding projected to occur in 2025 and 2026 if the Braunig units retire.
- March 3, 2025: Braunig Unit 3 outage began and has made safe, steady progress on all planned activities.
 - March 28, 2025: Significant discovery of unacceptable cracking on the Unit 3 Number 9 boiler superheater outlet header that resulted in a determination that the header must be replaced.
 - CPS Energy is pursuing several options to procure fabrication and installation of a replacement header.
 - All current options will result in a significant extension of the outage – potentially as long as spring 2026.
- All other outage work continues unabated with consideration for cost optimization potentially afforded by the extended schedule.

Overview of Outage Work

Total Cost
~\$24.9 Million
(includes all illustrated costs)

All illustrated costs are approximate
and subject to adjustment.



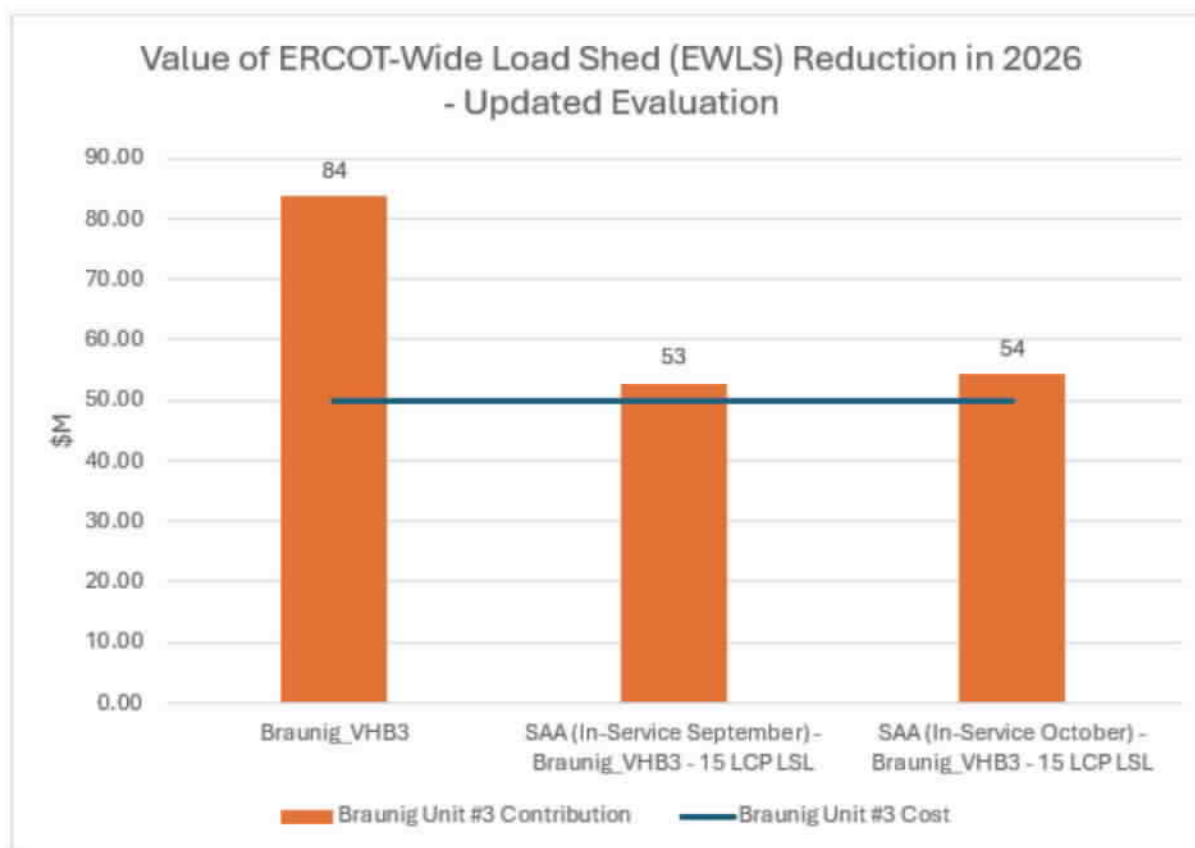
\$9.6M Misc. repairs, upgrades, and required capitol projects across the balance of plant

Updated UPLAN 8,760 Evaluation for 2026

- Initial UPLAN 8,760 case* was updated to reflect eligible Generation and Load additions near the study area
- ERCOT conducted an updated 8,760 UPLAN evaluation for 2026 with the following updates:
 - 2,198 MW of Load addition (454 MW LFL)
 - 336 MW of Load addition in the Coast Weather Zone
 - 961 MW of Load addition in the South Central Weather Zone
 - 70 MW of Load addition in the West Weather Zone
 - 831 MW of Load addition in the South Weather Zone
 - 5,278 MW of 6.9(1) Eligible Generation Addition
 - 1,456 MW in the Coast Weather Zone
 - 1,787 MW in the South Central Weather Zone
 - 2,035 MW in the South Weather Zone
- Braunig Unit #3 unavailable until February 15, 2026
- Results of the updated study demonstrated similar economic savings characteristics from the initial 8,760 UPLAN evaluation for 2026

*Initial case used for the ERCOT RMR exit strategies report

Value of Reduced ERCOT-Wide Load Shed (EWLS) – Updated Evaluation



- Based on the updated UPLAN evaluation, Braunig Unit #3 showed a EWLS reduction savings of ~\$12M for all of 2026 from the previous analysis
- When the San Antonio South Reliability II project Acceleration (SAA) is modeled in-service, the Braunig Unit #3 and 15 Life Cycle units are modeled as retired

Updated UPLAN 8,760 Evaluation for 2026

- Total EWLS risk was reduced from 33.20 GWh to 27.95 GWh
- Braunig Unit #3 economic savings reduced to ~\$84 M for 2026
- The 15 LCP Units' economic savings increased to ~\$78 M for 2026
- Acceleration of the San Antonio South Reliability II project (SAA) incremental economic saving reduced to ~\$134 M

Year	2026				2026 - Updated Evaluation			
Scenario	EWLS Risk (GWh)	Cost of EWLS Risk (\$M)	Incremental Benefits of Unit		EWLS Risk (GWh)	Cost of EWLS Risk (\$M)	Incremental Benefits of Unit	
			(GWh)	(\$M)			(GWh)	(\$M)
1 (Base Case)	33.20	1162	-	-	27.95	978	-	-
2 (Braunig_VHB3)	30.46	1066	2.74	96	25.56	894	2.39	84
3 (Braunig_VHB3 + 15 LCP LSL)	28.78	1007	1.68	59	23.33	816	7.14	78
4 (SAA - Braunig_VHB3 - 15 LCP LSL)	22.68	794	7.78	213	19.50	682	10.97	134

Next Steps for Braunig 3 Outage

- Continue to pursue the best schedule and cost-effective execution of the Braunig Unit 3 RMR outage.
- Complete outage activities that can appropriately be completed in coming months.
- Pursue expeditious fabrication of a new superheater header at a domestic shop.
- Once header is installed, complete outage work and test facility in preparation for potential RMR dispatch periods starting as early as practicable.

Appendix

Selected Outage Related Photographs



Steam Turbine High Pressure / Intermediate Pressure HP/IP Rotor
Shop Runout Inspection Completed
Internal Boresonic Inspections Complete

Selected Outage Related Photographs



Ignitor Scanner Air Fans and Piping



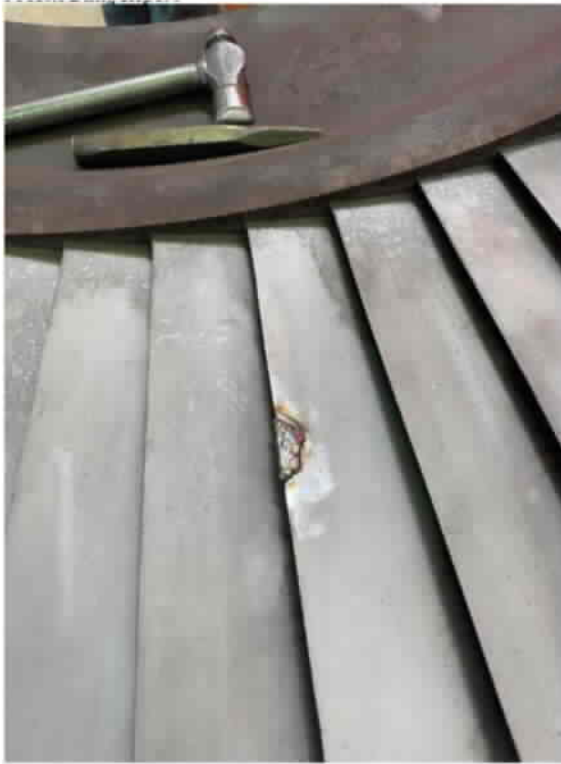
Generator Exciter Field on Lathe
For Ring Machining

Selected Outage Related Photographs



Three Views of the Number 9 Boiler Superheater Header with Superheater Piping Connections

Selected Outage Related Photographs



17th Stage Stationary
Blade Repair



13th Stage Stationary
Blade Repair



Lapping and Contact
Checking on Re-heat Seal
Valve Pressure Seats

Selected Outage Related Photographs



Natural Gas Burners on Boiler Corners

Selected Outage Related Photographs

U3 APH Seal Replacement Project

- Continued to install the bypass seals on the air side of hot and cold ends, completed by lunch time.



- Started to install the bypass seals on the gas side of hot and cold ends, 90% was completed by the end of shift.



Air Preheater Seal Replacements

Selected Outage Related Photographs



Cleaning Turbine Valve
Gasket Surfaces



Turbine front standard covers installed for
lube oil flushing