



## **Filing Receipt**

**Filing Date - 2025-05-07 02:00:27 PM**

**Control Number - 55999**

**Item Number - 123**

**PUC PROJECT NO. 55999**

<b>REPORTS OF THE ELECTRIC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>RELIABILITY COUNCIL OF TEXAS</b>	<b>§</b>	
	<b>§</b>	<b>OF TEXAS</b>
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**SOUTH TEXAS ELECTRIC COOPERATIVE INC.'S COMMENTS ON ERCOT'S  
REQUEST FOR GOOD CAUSE EXCEPTION FOR 2025 REGIONAL TRANSMISSION  
PLAN**

COMES NOW, South Texas Electric Cooperative, Inc. ("STEC") and files the below Comments on the Electric Reliability Council of Texas, Inc.'s ("ERCOT") Request for Good Cause Exception for the 2025 Regional Transmission Plan.

**I. INTRODUCTION**

STEC recommends that the Public Utility Commission of Texas ("Commission") grant ERCOT's request for a good cause exception to 16 Texas Administrative Code ("TAC") 25.361(b)(16) to enable ERCOT reduce its estimated load forecast. STEC appreciates the Commission's consideration of stakeholder comments in response to ERCOT's request.

**II. COMMENTS**

**A. ERCOT's unadjusted load forecast reflects large loads that are unlikely to materialize.**

ERCOT concludes that the use of transmission service provider ("TSP") officer letters as a method of measuring future load growth results in an inflated load forecast. This aligns with STEC's experience as a TSP. Due to the long lead time for many transmission interconnection projects, it is not uncommon for data centers and other large loads to pursue multiple siting options for interconnection. Even a minimal amount of duplicative counting of data centers and other large loads will significantly inflate the projected load forecast. Additionally, officer letters frequently reflect load amounts for multiple phases of a project that are implemented at a much later date or never materialize. This is partially reflected in ERCOT's analysis showing that from 2022-2024 large loads were, on average, delayed in coming online by approximately 220 days.

STEC has consistently raised these issues in stakeholder discussions regarding the use of officer letters in the load forecast calculation.

**B. An accurate load forecast is necessary for prudent transmission planning.**

Absent the proposed adjustment, ERCOT states that “the TSP’s forecasts suggest an increase in demand to 218 gigawatts (GW) by 2031, which is multiple times ERCOT’s current historical peak load of approximately 86 GW.”<sup>1</sup> Over-investment in transmission system build out will result in tens of billions of dollars of unnecessary expense for ratepayers. Furthermore, it will lead to inefficient transmission system planning that does not accurately prioritize infrastructure investment needs. Because the inflated load forecast is primarily attributable to data centers and other large loads, these loads will be overrepresented in transmission planning and implementation timelines. Thus, ERCOT will likely experience an overbuild of transmission infrastructure in some areas while simultaneously dealing with continued congestion and under-investment in other areas due to the inflated transmission investment to accommodate the unconfirmed large loads.

Accurate load forecasting is exponentially more important now that the Commission is undertaking implementation of 765-kV extra-high voltage transmission lines. The benefits of 765-kV transmission lines are maximized when the lines are “looped” and the system is fully built out. As the Commission considers future upgrades and new builds of 765-kV transmission infrastructure, it is imperative that the evaluation of need is based on an accurate load forecast to ensure that the value of 765-kV systems is fully realized and ratepayers are not saddled with unnecessary investment.

**C. Continued evaluation of the load forecast is needed.**

ERCOT’s drastic proposed adjustment to the load forecast is indicative that further evaluation of the load forecast methodology is needed to ensure accurate transmission planning and prudent investment of ratepayer funds. STEC recommends that, to the extent the load forecast does not exclude STEC’s loads as further discussed below, the Commission approve ERCOT’s request for good cause exception as a short-term solution for calculating the load forecast. However, STEC further recommends that additional scrutiny of the planning methodology is

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<sup>1</sup> *Id.* at 1.

needed as ERCOT proceeds with future load forecasting. ERCOT indicates that it is “hopeful” that it will have a process in place to avoid the need to request future good cause exceptions. Because the ERCOT load forecast is a building block of transmission planning and generation investment in the ERCOT region, it is imperative that the load forecast is developed in an accurate and timely manner. STEC urges the Commission to direct ERCOT to prioritize evaluation of its load forecast methodology.

**D. Cooperative load forecasts should remain part of ERCOT’s adjusted load forecast.**

ERCOT calculated its adjusted load forecast by removing loads submitted by transmission-only TSPs. ERCOT should further clarify that the “transmission-only TSP” for which ERCOT limits the load forecast by reasoning that “such TSPs do not have a service area to provide retail delivery service,”<sup>2</sup> does not include electric cooperatives that serve distribution cooperatives. As a generation and transmission electric cooperative, STEC provides transmission service to its nine member distribution cooperatives that serve retail electric customers across South and Central Texas. Having STEC provide the estimated load on behalf of its member cooperatives reduces duplication of forecasted loads across its member service territories. In addition to residential and small commercial customers served at the distribution level by its member cooperatives, STEC provides transmission level service to industrial customers and other large loads. ERCOT should clarify that “transmission-only TSPs” refers to investor-owned utilities that do not serve at distribution voltage levels.


### **III. CONCLUSION**

STEC appreciates the opportunity to provide comments in response to ERCOT’s Request for Good Cause Exception for the 2025 Regional Transmission Plan. STEC recommends that the Commission grant ERCOT’s request, and require clarification that “transmission-only TSPs” does not refer to electric cooperatives.

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<sup>2</sup> Update on ERCOT’s Adjusted Load Forecast and Request for Good Cause Exception for 2025 Regional Transmission Plan at 4 (May 1, 2025).

Respectfully submitted,

A handwritten signature in cursive script, reading "Diana Liebmann".

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