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PROJECT NO. 55999

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

RESPONSE TO ERCOT'S REQUEST FOR GOOD CAUSE EXCEPTION FOR 2025 REGIONAL TRANSMISSION PLAN

Oncor Electric Delivery Company LLC ("Oncor") files this response ("Response") to the Electric Reliability Council of Texas Inc.'s ("ERCOT") Request for Good Cause Exception for 2025 Regional Transmission Plan ("Request"), respectfully showing as follows:

I. INTRODUCTION

Oncor appreciates ERCOT's efforts to accurately forecast load growth and understands that ERCOT does not intend to impede the development of new loads and the transmission required to serve them. However, Oncor is concerned that ERCOT's proposed methodology, which seeks to greatly discount Transmission and/or Distribution Service Provider ("TDSP") officer letter-attested load values used in the 2025 Regional Transmission Plan ("RTP") base cases, is contrary to clear statutory direction. Both S.B. 1281 and H.B. 5066 manifest the Legislature's clear intent that the Public Utility Commission of Texas (the "Commission") defer to TDSPs' load forecasts when evaluating utility projects in CCN proceedings.[1] Commission rules expressly recognize ERCOT recommendations in these proceedings.[2] Consequently, ERCOT is also obligated to recognize TDSPs' load forecasts and has done so through TDSP responses to requests for information and officer-letter load submittals by TDSPs. Nothing in the existing Commission or ERCOT rules contemplates that ERCOT could adjust the TDSP load forecasts as it has, and Oncor agrees that the Commission must grant a good cause exception before ERCOT can do so.

If the Commission allows ERCOT to adjust the load forecast, it should closely scrutinize ERCOT's methodology. The discounting method it proposes in its Request is unnecessarily heavy-handed and oversimplified. Oncor recognizes ERCOT's efforts to create a streamlined method, informed by recent interconnection trends, for adjusting the load forecasts it intends to use in the 2025 RTP base cases. But applying flat discounts to the load values included in each TDSP's officer letter—regardless of the criteria, rigor, and accuracy individual TDSPs used to

[1] S.B. 1281 (87th Tex. Leg. R.S., 2021); H.B. 5066 (88th Tex. Leg. R.S., 2023).
[2] 16 TAC § 25.101(b)(3)(A)(ii)(II)(-a-).

select loads to report in their officer letters—not only ignores material facts but also contradicts the very acknowledgements ERCOT makes in its Request. By acknowledging differing accuracies of TDSP reporting processes, ERCOT admits that its proposed method penalizes TDSPs that rigorously vet the loads they report, and rewards TDSPs that adopt less scrutinized officer-letter load values. If the Commission allows ERCOT to adjust officer-letter load values, the Commission should require ERCOT to apply individual adjustments to each TDSP's officer-letter load value based on a qualitative analysis of the reporting process and criteria used by the given TDSP. In the Request, ERCOT recognized the need for analysis, but the process is incomplete.[3]

II. BACKGROUND

On May 1, 2025, ERCOT filed its request for a good cause exception to Commission rules, seeking permission to discount TDSP officer letter-attested load values it intends to use in the 2025 RTP base cases.[4] Specifically, ERCOT requests a good cause exception to the Commission rule directing ERCOT to adhere to its Planning Guide provisions that require it to consider all officer-letter loads in RTP base cases.[5] ERCOT seeks to apply a flat 49.8% discount to data center load values, a flat 55.4% discount to all officer-letter load values, and an 180-day delay to in-service dates for all officer-letter loads, to create an ERCOT Transmission Planning Adjusted Load Forecast that it will use in the 2025 RTP base cases.[6] ERCOT rationalizes these adjustments by broadly citing ERCOT's experience with load realization rates and interconnection delays from 2022 to 2024.[7]

III. ERCOT'S REQUEST UNDERMINES PURA § 37.056(C-1).

In 2021, the Legislature passed S.B. 1281 to expand the Commission's transmission planning horizon beyond contractually-committed loads to include "additional load currently

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[3] *Reports of the Electric Reliability Council of Texas*, Project No. 55999, Update on ERCOT's Adjusted Load Forecast and Request for Good Cause Exception for 2025 Regional Transmission Plan (May 1, 2025) ("ERCOT's Request") at 7.

[4] ERCOT's Request at 6-8.

[5] 16 TAC § 25.361(b)(16) requires ERCOT to "perform any additional duties required under this chapter, commission orders, and ERCOT rules," including the ERCOT Planning Guide. ERCOT Planning Guide § 3.1.7(1)(c) directs ERCOT to use the ERCOT 90/10 load forecast plus any additional historical load and Substantiated Load submitted by the TDSPs for the given Weather Zone if the SSWG load forecast for a Weather Zone is higher than or equal to the ERCOT 90/10 load forecast. Substantiated Load is defined ERCOT Protocols §2.1 as load submitted by a TDSP for planning purposes that is substantiated by: an executed interconnection or other agreement, an independent third-party load forecast, or a letter from a TDSP officer attesting to such load.

[6] *Id.* at 3.

[7] *Id.* at 6-7.

seeking interconnection."[8] The Legislature recognized that ERCOT's historic load forecasts chronically underestimated customer needs and that if forecasts driving new transmission only measured contracted-for large loads, utilities could not build new transmission quickly enough to serve new demand. In response to S.B. 1281, the Commission completed a rulemaking project in 2022 that changed 16 TAC § 25.101 to direct the Commission and ERCOT to consider additional load currently seeking interconnection when approving reliability projects, so long as that additional load was "substantiated by quantifiable evidence."[9] ERCOT's load forecasting did not materially change in response to the statute and updated Commission rule.

In 2023, the Legislature passed H.B. 5066 to clarify what it first intended with S.B. 1281.[10] Under H.B. 5066, the Commission and ERCOT must take utility forecasts that include "additional load currently seeking interconnection" at face value. H.B. 5066 amended PURA § 37.056(c-1) to unequivocally state: "the commission must consider the historical load, forecasted load growth, and additional load currently seeking interconnection, including load for which the electric utility has yet to sign an interconnection agreement, *as determined by the electric utility with the responsibility for serving the load.*"[11] The Commission has not yet initiated a rulemaking to apply the requirements of H.B. 5066 in its rules; 16 TAC § 25.101(b)(3)(A)(ii)(II) still contains the "substantiated by quantifiable evidence" language rejected by the Legislature. Now, ERCOT seeks to side-step the clear language of H.B. 5066 by unilaterally deciding the extent of TDSP-reported "additional load currently seeking interconnection" it includes in its forecasts.

In its Request, ERCOT suggests that its discounting method is a necessary stopgap until the Legislature and Commission establish standards and criteria for the inclusion of load in forecasts.[12] It points out that S.B. 6, currently under consideration by the Legislature, would require the Commission to establish criteria for ERCOT's inclusion of load in its forecasts.[13] But S.B. 6 is not law now, and if the current draft bill is passed, it will not override the requirements

[8] S.B. 1281 (87th Tex. Leg. R.S., 2021).
[9] *Review of Chapter §25.101 Certification Criteria*, Project No. 53403, Order Adopting Amendments to 16 TAC §25.101 as Approved at the November 30, 2022 Open Meeting (Dec. 7, 2022).
[10] H.B. 5066 (88th Tex. Leg. R.S., 2023).
[11] PURA § 37.056(c-1) (emphasis added).
[12] ERCOT Request at 3-4.
[13] S.B. 6 (89th Tex. Leg. R.S., 2025).

of H.B. 5066.[14] In any case, ERCOT cannot justify a discounting method that violates current law with the speculative possibility of a coming new law.

IV. GRANTING ERCOT'S REQUEST WOULD HINDER ELECTRIC UTILITIES FROM FULFILLING THEIR DUTIES TO CUSTOMERS.

ERCOT's proposed discounts, by themselves, will hinder electric utilities from fulfilling their duties to customers. Electric utilities have a duty to provide their customers adequate service and facilities under PURA § 38.001: "An electric utility … shall furnish service, instrumentalities, and facilities that are safe, *adequate*, efficient, and reasonable."[15] An electric utility's duty is not qualified by ERCOT's load forecasting decisions. If the Commission approves ERCOT's Request, it will be planning for transmission projects based on 2025 RTP results that rely on under-forecasted load values.

In a Regional Planning Group meeting, ERCOT staff clarified that its 2025 RTP load forecast would not necessarily apply to individual utility project submittals, i.e., a utility could submit its full load forecast in the context of a specific transmission project. This is helpful, but only if the Commission expressly requires it. Otherwise, Oncor and other utilities' ability to meet their duty to provide adequate service and facilities to their customers is impaired by a transmission planning process that fails to incorporate the loads utilities have verified with their customers.

The Legislature understood the gravity of an electric utility's duty when it required the Commission and ERCOT to defer to TDSP-reported loads. The Legislature understood that TDSPs are in the best position to forecast load growth in their own service territories and put their own capital dollars at risk to build the transmission facilities necessary to serve them.

V. EVEN IF ADJUSTING OFFICER-LETTER LOAD VALUES IS PERMISSIBLE, ERCOT'S BLANKET DISCOUNTING METHODS WOULD BE INACCURATE ON THEIR FACE.

Even if ERCOT is permitted to adjust TDSP-reported load at all, the discounting method it proposes in its Request is unnecessarily heavy-handed and oversimplistic. The Commission should, at minimum, require ERCOT to apply varying adjustments to each officer-letter load value based on qualitative analyses of each entity's reporting process. Applying the same, flat discount across all officer-letter load values, regardless of individual TDSP load reporting criteria, ignores the differing realization rates of officer-letter load values and penalizes TDSPs that internally vet

[14] The current draft of S.B. 6 does not amend PURA § 37.056(c-1), and it acknowledges (c-1)'s requirements in the draft language of PURA § 37.0561(k).
[15] PURA § 38.001 (emphasis added).

and narrow their officer-letter loads before reporting them to ERCOT. In its Request, ERCOT itself acknowledges that certain TDSPs, like Oncor, have already adjusted their officer-letter loads to accurately account for a reasonable load realization rate.[16] The fact that ERCOT acknowledges the differing accuracies of officer-letter load values across TDSPs demonstrates that its flat discount method is deficient.[17]

Oncor followed a rigorous vetting process to narrow its over-137,000-MW load interconnection queue into a 29,546-MW shortlist of High Confidence loads it believes are absolutely necessary for ERCOT to include in the 2025 RTP base cases. These High Confidence loads were identified by Oncor utilizing stringent criteria, with the related customers counting on the fact that Oncor will construct the facilities necessary to provide them adequate service. Oncor included only these High Confidence loads in its officer letter to ERCOT (attached as Exhibit A), which also details the vetting process Oncor employed.[18] Alarmingly, ERCOT's method applies a double-cut to the vast majority of these loads that Oncor is most confident will materialize. 93% of the High Confidence loads included in Oncor's officer letter are data centers, meaning that ERCOT's proposed discounting method would cut over 75% of Oncor's High Confidence load out of the 2025 RTP base cases.[19] With all but about 7,000 MW of Oncor officer-letter load cut, only 5% of Oncor's total load interconnection queue would be modeled in the 2025 RTP base cases.

It is shortsighted to apply the same haircut to Oncor High Confidence load as other officer-letter load values that do not reflect a rigorous process. Applying ERCOT's proposed discount to Oncor's officer-letter loads would cut loads with high forecasted realization rates while leaving other low-realization-rate officer-letter loads in the 2025 RTP base cases. Simply put, a flat cut penalizes TDSPs who more accurately filter loads in the officer letters and removes loads out of RTP base cases that should be included in any realistic scenario.

In this way, the type of discounting ERCOT proposes promotes gaming whereby TDSPs are incentivized to apply less rigorous scrutiny to their officer-letter load values. For example, if

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[16] ERCOT's Request at 7.

[17] We are forced to rely on ERCOT's representations regarding the rigor of officer-letter load reporting methods employed by TDSPs because officer load letters are not presently publicly available.

[18] Note, the criteria employed by Oncor are modeled from the criteria that would be provided by the Commission in a rulemaking implementing H.B. 5066 and create a load-by-load vetting process far closer to that envisioned by S.B. 6 than ERCOT's proposed flat discounting method.

[19] *See* Attachment A of Exhibit A.

a TDSP internally expects that the portion of its interconnection queue it intends to include in its officer letter has a 90% realization rate and it knows that ERCOT will apply a flat, approximately 70% cut to its officer-letter load value, the utility would want to at least double the amount of interconnection queue load it includes in its officer letter, regardless of the likely lower realization rate of the added load. Further, TDSPs may push for more loads to sign interconnection agreements prematurely to ensure these loads are included in ERCOT's forecasts, skewing ERCOT's RTP results further.

Moreover, ERCOT's proposed method will create RTP base cases that are less accurate across the board, because its adjustments are so broadly imposed. If TDSPs are incentivized to expand their lists of officer-letter loads to include loads with lower realization rates, ERCOT's proposed discounting method will create less accurate forecasts on an individual load and system-wide basis. TDSPs are best situated to sort the individual loads included in their officer letter by their estimated individual realization rates. ERCOT's flat discounting method is lower resolution. It impacts each officer-letter load equally within each of the data-center and non-data-center classes, regardless of estimated individual load realization rates.

These individual forecasting inaccuracies can compound into serious regional reliability issues if higher-realization-rate and lower-realization-rate loads tend to concentrate in certain geographic areas. A flat discounting method is dangerously agnostic to geographic variance in realization rates. This could further compromise the accuracy of RTP base cases in areas where the average realization rate was significantly higher or lower than the discount. For example, if loads tend to consistently materialize more reliably in certain areas of Texas, a lack of transmission projects planned for that area could create serious reliability issues. If the Commission grants a good cause exception, it should direct ERCOT to use an adjustment method that takes potential geographic variance of realization rates into account.

Finally, Oncor is concerned with ERCOT's over-reliance on historical trends to shape its discounting method. ERCOT rationalizes its method by referring to the interconnection trends of 2022 through 2024. These trends have limited predictive value because today's wave of large loads is larger in magnitude than past load growth, and the individual loads are larger and have higher realization rates than the loads seeking interconnection in 2022 or 2023. Furthermore, reliance on historical interconnection trends can inhibit needed transmission development because forecasts are often self-fulfilling prophecies. For example, ERCOT justifies its proposed 180-day

delay in forecasted officer-letter loads by pointing out that all new large loads that had in-service dates from 2022 through 2024 were delayed by an average of 220 days.[20] But many of these loads may have been delayed because of a lack of transmission facilities ready to serve them. If ERCOT's 2025 RTP base cases use forecasts that delay officer-letter load by 180 days, then this delay may emerge because the needed transmission facilities will not be timely approved and built to serve the officer-letter loads due to the inaccurate RTP forecasts. Thus, the Commission should direct ERCOT to look closer at the cause of these delays before forecasting them into existence.

VI. CONCLUSION

For the foregoing reasons, the Commission should apply the clear language of PURA § 37.056(c-1), which empowers electric utilities to fulfill their duty to adequately serve customers. Any grant of a good cause exception should require ERCOT to reform its adjustment methodology to account for additional information discussed herein and to limit the methodology's application only to the 2025 Regional Transmission Plan, while authorizing utilities to submit their own load forecasts in individual project submittals.

Date: May 7, 2025

Respectfully submitted,

By: */s/ Jaren A. Taylor*

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ATTORNEYS FOR ONCOR ELECTRIC DELIVERY COMPANY LLC

[20] ERCOT's Request at 7.

ONCOR.
THINK BIG.
THINK TEXAS.

February 21, 2025

Mr. Woody Rickerson
Senior Vice President and Chief Operating Officer
Electric Reliability Council of Texas, Inc.
2705 West Lake Drive
Taylor, TX 76574
(via e-mail: woody.rickerson@ercot.com)

Dear Mr. Rickerson:

Load growth for Oncor Electric Delivery Company LLC ("Oncor or Company") continues to be historic and robust. Today, customer load seeking interconnection to Oncor's transmission system totals approximately 137,000 MW of new load. For context, this is an approximate 250% increase over the last 12 months. Texas' economy is booming and these numbers reflect the State's bright economic and financial future. As we have publicly committed to do, Oncor scrutinized these requests to arrive at a subset of high-confidence loads that the Company believes must be included in ERCOT's 2025 Regional Transmission Plan ("RTP") planning processes.

As further described herein, Oncor's 2025 Officer Letter load is 29,546 MWs. Attachment A to this Officer Letter is a table individually listing these loads with corresponding peak capacity ("MW") totals by Industry Segment. For clarity, the load information provided in Attachment A to this Letter does not include: requests by customers who have an executed and fully securitized interconnection agreement in place (for retail loads, commonly called a Facilities Extension Agreement ("FEA") by Oncor) that has been separately provided to ERCOT; requests by petroleum-based customers to serve oil & gas loads in the Permian Basin that have been accounted for separately by ERCOT in the Permian Basin Reliability Plan; and, distribution-level loads to be connected by a distribution utility other than Oncor.

Oncor arrived at its 2025 Officer Letter load total of 29,546 MWs by requiring that customers meet certain high-confidence metrics in order for their loads to be included within this Officer Letter. These metrics require that the service requests have taken sufficient concrete steps toward an interconnection agreement to provide high-confidence an agreement will be entered into. Concrete steps that provide confidence an agreement will be executed can include two or more of the following: entering into an executed and securitized intermediate agreement with the Company for certain activities, such as, preparatory activities for regulatory permitting (CCN), early engineering services, or advanced procurement; the provision by the customer of specific project delivery details such as a Composite Load Model ("CMLD") to support dynamic system planning analyses, design schematics, complete Load Questionnaire (the Company's means to gather the essential information to fulfil the request for interconnection), and/or one-line diagrams; proof of site control; completed water, wastewater, gas or other site-related studies; attestations of non-duplicative load request; verification of the financial capabilities to proceed with project; and/or, payment of study fees.

While Oncor applied these criteria to help determine loads that have the highest confidence of interconnection within the RTP study timeline, it is important that Oncor, ERCOT, and the State see and acknowledge the trend of upward growth manifested in Oncor's 137,000 MW interconnection queue. It is entirely possible that a load total far in excess of Oncor's Officer Letter load will be awaiting interconnection within the study timeframe.

Furthermore, Oncor's traditional interconnection practices artificially reduced the number of interconnection agreements currently in place. Historically, Oncor has not entered into formal agreements for interconnection unless an in-service date could be provided. Substantial new transmission infrastructure is required to serve many new Oncor loads. Until these transmission projects proceed through the ERCOT and PUCT processes, clear in-service dates are unavailable. The lack of clear in-service dates has functioned to reduce the number of interconnection agreements offered to customers who are prepared to enter into agreements in order to move the interconnections forward. Thus, the lack of clarity with regard to implementation of important new infrastructure to support large amounts of load has 1) artificially lowered the number of interconnection agreements signed, and 2) pushed-out the timeframe for customer in-service dates, effectively increasing the conservativism of the 2025 Officer Letter load that Oncor has included and described in this Letter.

Oncor recommends that ERCOT's 2025 RTP include Oncor's 2025 Officer Letter Load of 29,546 MW of the over 137,000 MW in its interconnection queue.

Sincerely,

Ellen Buck

Ellen Buck
Oncor
Vice President, Business and Operations Services

Attachment A
List of Oncor Requests

Oncor TSR ID	Peak Capacity (MWs)	Retail Industry Segment
2201	58	Data Center
2572	108	Data Center
3770	500	Data Center
4063	500	Data Center
3900	125	Data Center
2564	210	Crypto
3946	500	Data Center
3913	370	Data Center
3971	300	Data Center
3910	166	Data Center
3712	400	Data Center
4014	2000	Data Center
4047	564	Data Center
3919	250	Data Center
2549	150	Data Center
3964	240	Data Center
2281	211	Data Center
4093	800	Data Center
4137	500	Data Center
3759	144	Data Center
3711	1007	Data Center
3961	300	Data Center
2123	1000	Crypto
4104	1100	Data Center
3818	500	Data Center
4049	1000	Data Center
3949	400	Data Center
3861	500	Data Center
3755	220	Data Center
3862	60	Data Center
2629	288	Data Center
2630	216	Data Center
2174	500	Data Center
3908	330	Data Center
3693	200	Data Center
4081	200	Data Center
2578	500	Data Center
3958	1300	Data Center
3692	300	Data Center
3747	2250	Data Center
2463	63	Data Center
3746	1294	Data Center
4144	500	Data Center

2359	500	Data Center
3771	200	Data Center
3849	400	Data Center
3843	200	Data Center
3846	230	Data Center
3845	230	Data Center
3854	300	Data Center
2570	300	Data Center
3718	300	Data Center
3855	1200	Data Center
2496	278	Industrial
2636	468	Data Center
3957	264	Data Center
3697	210	Data Center
2641	650	Data Center
2678	26	Data Center
2677	372	Data Center
2016	15	Industrial
1975	296	Crypto
3745	828	Data Center
1992	155	Industrial
64 Records	29,546 MWs	TOTAL