



Filing Receipt

Filing Date - 2025-05-07 03:00:34 PM

Control Number - 55999

Item Number - 129

PUC PROJECT NO. 55999

**REPORTS OF THE ELECTRIC
RELIABILITY COUNCIL OF TEXAS**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

LCRA TRANSMISSION SERVICES CORPORATION'S COMMENTS

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

LCRA Transmission Services Corporation (LCRA TSC) timely submits these comments in response to ERCOT's Request for Good Cause Exception for the 2025 Regional Transmission Plan (RTP).

I. INTRODUCTION

LCRA TSC does not oppose the request for good cause exception but would respectfully request that this, and any other good cause exceptions sought in the future, be narrowly tailored and used as a last resort.

Texas is experiencing significant population growth and economic development. As such, it is imperative that ERCOT and Transmission Service Providers (TSPs) work together to plan transmission projects that will reliably serve the increasing electricity demand of a growing population and economy. Most of the loads¹ expected to interconnect in the next six years are considered "large loads" (e.g., data centers, cryptocurrency miners, industrial loads, hydrogen production, etc.) that present new challenges for the ERCOT market. The creation of accurate medium- and long-term demand forecasts has become more difficult and uncertain as planners grapple with unprecedented volumes of interconnection requests from large loads. Forecast uncertainty is highest for load customers that have not yet signed interconnection agreements and are only substantiated by TSP officer letters. This uncertainty is compounded by the absence of standardized criteria for the inclusion of large loads in TSP attestations.

With the understanding that the methodology resulting from this requested good cause exception **should not** become the new standard method of forecasting, LCRA TSC acknowledges that ERCOT's good cause exception request to discount and delay in-service dates for certain types

¹ ERCOT Regional Planning Group meeting, Long-term Load Forecast for 2025, at 15 (Apr. 29, 2025).

of loads achieves a reasonable result to address challenges in the 2025 RTP related to TSP-submitted load forecasts.

However, it is critical that any good cause exception granted by the Commission be precisely defined and transparently and uniformly applied. As such, LCRA TSC provides recommended redlines to the proposed order to more explicitly define the changes that will be applied for the adjusted load forecast for use in the 2025 RTP (and clarify those that will not).

II. COMMENTS

LCRA TSC emphasizes the need for clarity in the planning process. Although this good cause exception may be reasonable for the development of the 2025 RTP, this exception to well-established planning processes highlights the pressing need to update the ERCOT Planning Guide through the stakeholder process. If ERCOT believes that future deviations from the rules, processes, and criteria in the ERCOT Nodal Protocols and ERCOT Planning Guide are necessary, those proposed changes should be identified and fully vetted in the stakeholder process.

In addition, throughout the filing accompanying the request for good cause exception, ERCOT suggests that it will make other deviations from established rules—for example, including all projects developed in the 2024 RTP in the starting case for the 2025 RTP.² This is in conflict with ERCOT Planning Guide Section 3.1.4.1.1, which states that the starting base cases for the RTP should “remove all Tier 1, 2, and 3 projects that have not received [Regional Planning Group (RPG)] acceptance, or if applicable, ERCOT endorsement from the most recent SSWG base cases”, and Section 3.1.4.2, which states that “Tier 1, 2, and 3 projects that are included in the RTP but [are not reviewed by RPG] before the development of the next year’s RTP begins will be removed from the case used to develop the RTP and will be re-evaluated as part of the development of this subsequent Regional Transmission Plan.”

In other words, “including all 2024 RTP projects in the starting case for the 2025 RTP” might include the Texas 765-kV Strategic Transmission Expansion Plan (TX 765-kV STEP)—which was included in the 2024 RTP but has not received RPG review or acceptance. LCRA TSC has serious concerns if the proposed statewide “765-kV STEP” plan is taken at face value and not re-evaluated as part of the development of the 2025 RTP.

² ERCOT’s Update on ERCOT’s Adjusted Load Forecast and Request for Good Cause Exception for 2025 Regional Transmission Plan at 5 (May 1, 2025).

Furthermore, due to the substantial increase in load from the 2023 RTP to the 2024 RTP and the unique solutions implemented by ERCOT (including the 765-kV STEP and the “generation hub” concept), the 2024 RTP was developed on a compressed timeline and did not incorporate the TSP project review that was characteristic of previous RTPs. ERCOT developed many 2024 RTP projects independently of the TSPs who will implement them and did not solicit feedback on alternatives or feasibility. LCRA TSC welcomes the opportunity to work with ERCOT to refine, remove, or supplement projects proposed in the 2024 RTP to meet ERCOT system needs as studied in the 2025 RTP.

Finally, LCRA TSC notes that, unlike other transmission-only TSPs who are discussed in page 4, bullet 3 of ERCOT’s filing, it has a clearly defined and well-established role in coordinating and submitting loads on behalf of the interconnected TDSPs that it represents in the ERCOT planning process. It is LCRA TSC’s understanding that its load submissions on behalf of these TDSPs have not been removed (nor should they be).

III. REDLINES TO DRAFT PROPOSED ORDER

Because, as described above, ERCOT’s filing mentions or discusses other potential deviations from the ERCOT Planning Guide that are not explicitly subject to its request for a good cause exception (and for which no good cause exists), LCRA TSC requests that the Commission specify precisely which deviations are permitted, rather than grant ERCOT “blanket” good cause to deviate from ERCOT rules. Specifically, LCRA TSC recommends that the Commission include the following additional language in the order, should it opt to approve the request for good cause exception:

On May 1, 2025, Electric Reliability Council of Texas, Inc. (ERCOT) filed with the Public Utility Commission of Texas (Commission) a request for a good cause exception pursuant to 16 Texas Administrative Code (TAC) § 25.3(b) for an exception to the requirement of 16 TAC § 25.361(b)(16) requiring ERCOT to perform any duties under the ERCOT rules in order to deviate from the requirement of ERCOT Planning Guide §3.1.7(1)(c). Pursuant to 16 TAC § 25.361(a), ERCOT rules include the ERCOT Planning Guide. ERCOT requests to adjust load forecasts provided in Transmission and/or Distribution Service Provider (TDSP) officer letter attestations, which are a form of Substantiated Load under ERCOT Nodal Protocols § 2.1, and use such adjusted load forecasts in the base cases for the 2025 Regional Transmission Plan. **The specific adjustments requested by ERCOT and granted in this order are applying a discount rate of 49.8% for data center loads, applying a discount rate of 55.4% for officer-letter loads, and delaying the in-service date for officer-letter loads by 180 days.** Planning Guide

§3.1.7(1)(c) requires ERCOT, in certain circumstances, to include in the starting base cases for the Regional Transmission Plan any Substantiated Load submitted by the TDSPs for a Weather Zone and does not otherwise provide for ERCOT to adjust the TDSP-submitted Substantiated Load attributable to TDSP officer letter attestations for the Regional Transmission Plan's base cases. In accordance with 16 TAC § 25.3(b), the Commission agrees that there is good cause to grant the requested exception and therefore grants ERCOT an exception to the requirement of 16 TAC § 25.361(b)(16) such that ERCOT is permitted to deviate from ERCOT Planning Guide § 3.1.7(1)(c) in order to make **uniform** adjustments to the **TDSP-submitted** Substantiated Load defined in ERCOT Nodal Protocols § 2.1 for inclusion in the base cases for the 2025 Regional Transmission Plan. Good cause exists due to the recent actual experience in the ERCOT Region of previously forecasted loads coming into service at lower megawatt levels and at delayed in-service dates than initially claimed and the reasonableness of the level of adjustment made by ERCOT to the Substantiated Load to account for this. **No other deviations from the ERCOT Planning Guide requirements are authorized by this Order.**

IV. CONCLUSION

LCRA TSC appreciates the Commission's consideration of these comments and ERCOT's commitment to improving planning rules and processes in response to significant forecasted load growth.

Respectfully submitted,

Emily R. Jolly
State Bar No. 24057022
Senior Vice President, External Affairs &
Chief Regulatory and Compliance Officer
Lower Colorado River Authority
P.O. Box 220
Austin, Texas 78767-0220
Telephone No.: (512) 578-4011
Facsimile No.: (512) 473-4010



Emily R. Jolly

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**EXECUTIVE SUMMARY TO LCRA TSC'S
RESPONSE TO STAFF QUESTIONS**

- With the understanding that the methodology resulting from the requested good cause exception **should not** become the new standard method of forecasting, LCRA TSC acknowledges that ERCOT's good cause exception request to discount and delay in-service dates for certain types of loads achieves a reasonable result to address challenges in the 2025 RTP related to TSP-submitted load forecasts.
 - ERCOT's requested exception to well-established planning processes highlights the pressing need to update the ERCOT Planning Guide through the stakeholder process. If ERCOT believes that future deviations from the rules, processes, and criteria in the ERCOT Nodal Protocols and ERCOT Planning Guide are necessary, those proposed changes should be identified and fully vetted in the stakeholder process.
- Throughout the filing accompanying the request for good cause exception, ERCOT suggests that it will make other deviations from established rules—for example, including all projects developed in the 2024 RTP in the starting case for the 2025 RTP.³ This is in conflict with ERCOT Planning Guide Section 3.1.4.1.1.
 - Specifically, to the extent that “including all 2024 RTP projects in the starting case for the 2025 RTP” would include the Texas 765-kV Strategic Transmission Expansion Plan (TX 765-kV STEP)—which was included in the 2024 RTP but has not received RPG review or acceptance—LCRA TSC has serious concerns. The projects included in the proposed statewide “765-kV STEP” plan should be re-evaluated as part of the development of the 2025 RTP, as it and other projects in the 2024 RTP projects were developed independent of TSP review, without the benefit of stakeholder feedback on alternatives or feasibility.
 - LCRA TSC welcomes the opportunity to work with ERCOT to refine, remove, or supplement projects proposed in the 2024 RTP to meet ERCOT system needs as studied in the 2025 RTP.
- Should the Commission opt to approve the request for good cause exception, LCRA TSC recommends including additional language within the order to make explicit the requested deviations from ERCOT's binding documents. The order should not grant “blanket” good cause for ERCOT to deviate from any ERCOT Nodal Protocols or Planning Guide sections other than the narrow requested exception to ERCOT Planning Guide § 3.1.7(1)(c).

³ ERCOT's Update on ERCOT's Adjusted Load Forecast and Request for Good Cause Exception for 2025 Regional Transmission Plan at 5 (May 1, 2025).