



## **Filing Receipt**

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**SOAH DOCKET NO. 473-24-22699  
PUC DOCKET NO. 56799**

<b>APPLICATION OF ONCOR ELECTRIC</b>	<b>§</b>	
<b>DELIVERY COMPANY LLC TO</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>AMEND ITS CERTIFICATE OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY FOR</b>	<b>§</b>	<b>OF</b>
<b>THE REITER SWITCH-TESORO-345-</b>	<b>§</b>	
<b>KV TRANSMISSION LINE IN ECTOR</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>AND MIDLAND COUNTIES</b>	<b>§</b>	

**DIRECT TESTIMONY**

**OF**

**HUY LE**

**ON BEHALF OF OXY USA WTP, LP AND  
KERR-MCGEE OIL & GAS ONSHORE**

**August 26, 2024**

**SOAH DOCKET NO. 473-24-22699  
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<b>APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE REITER SWITCH-TESORO-345- KV TRANSMISSION LINE IN ECTOR AND MIDLAND COUNTIES</b>	§ § § § § § §	<b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b>
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**AFFIDAVIT OF HUY LE**

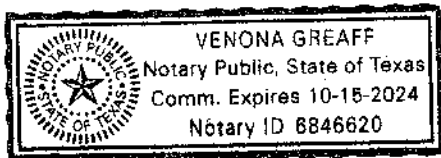
State of Texas §  
County of Harris §

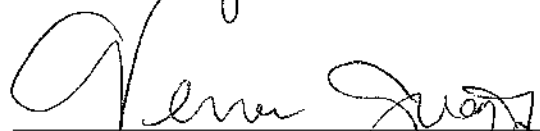
Huy Le, being first duly sworn, on his oath states:

1. My name is Huy Le. I am Power Engineering Manager with Occidental Energy Ventures LLC at 5 Greenway Plaza, Suite 110, Houston, TX 77046.
2. Attached hereto and made a part of hereof for all purposes is my Direct Testimony which has been prepared in written form for introduction in evidence in SOAH Docket No. 473-24-22699 and Public Utility Commission of Texas Docket NO. 56799; and,
3. I hereby swear and affirm that my answers contained in the testimony are true and correct.

  
\_\_\_\_\_  
Huy Le

Subscribed and sworn to before me this 22<sup>nd</sup> day of August, 2024.



  
\_\_\_\_\_  
Notary Public

**DIRECT TESTIMONY OF HUY LE**

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Huy Le. My business address is 5 Greenway Plaza, Suite 110, Houston, Texas 77046.

**Q. BY WHOM ARE YOU EMPLOYED AN IN WHAT CAPACITY?**

A. I am Power Engineering Manager at Occidental Energy Ventures LLC ("OEV") which is a wholly owned subsidiary of Occidental Petroleum Corporation. OEV, OXY USA WTP, LP, and Kerr-Mcgee Oil & Gas Onshore LP are all wholly owned subsidiaries of Occidental Petroleum Corporation.

**Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

A. I am testifying on behalf of OXY USA WTP, LP and Kerr-Mcgee Oil & Gas Onshore LP (collectively "Oxy").

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.**

A. I received a Bachelor of Science degree in Chemical Engineering from University of Oklahoma in 2001 and Master of Science degree from University of Oklahoma in 2003. I have been employed by various affiliates of Occidental Petroleum Corporation for the last eleven (11) years and most recently with OEV for the past seven (7) year as a Power Engineering Manager.

**Q. ARE YOU FAMILIAR WITH OXY'S OPERATIONS IN TEXAS?**

A. Yes.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. My testimony addresses Oxy's position on the routing options for the Reiter Switch to Tesoro 345-kV (the "Reiter-Tesoro" line) proposed by Oncor Electric Delivery Company,

1 LLC ("Oncor"). I discuss the impact that various proposed links and routes will have on  
2 Oxy's operations in Texas.

3 **Q. HAVE YOU EVER SUBMITTED TESTIMONY BEFORE THE PUBLIC UTILITY**  
4 **COMMISSION OF TEXAS?**

5 A. No, I have not previously testified in front of this or any other regulatory commission.

## 6 II. SUMMARY OF OXY'S POSITION

7 **Q. CAN YOU SUMMARIZE OXY'S POSITION WITH RESPECT TO THE REITER-**  
8 **TESORO TRANSMISSION LINE?**

9 A. Oxy owns a large portion of the surface area over which the proposed Reiter-Tesoro line  
10 will run and every proposed alternative route would require placing many miles of  
11 transmission line right-of-way (ROW) across Oxy's property. As explained in detail  
12 below, Oxy's primary concern with respect to the Reiter-Tesoro line is preserving its ability  
13 to pursue the development of a dispatchable generation facility in the vicinity of the  
14 proposed Reiter Switch. Additionally, Oxy would prefer that the Commission otherwise  
15 route the Reiter-Tesoro project so as to minimize the impact on Oxy's holdings in the study  
16 area and ensure that the transmission line does not place a disproportionate burden on Oxy  
17 as compared to other landowners.

18 With respect to particular routing options, Oxy has the following preferences:

- 19 • Oxy would prefer that the Commission select one of proposed Routes 1, 4, 5, or 6.  
20 Because those routes all have an identical impact on Oxy's property, Oxy does not have  
21 a preference between them.
- 22 • Oxy would not prefer, but would be willing to accept, proposed Routes 7, 10, 106, and  
23 123, in that order of preference.
- 24 • Oxy strongly opposes and could not accept any route that includes one or more of  
25 proposed Segments B1, B2, B3, D1, and C1, which includes proposed Routes 13, 14,  
26 15, 27, 46, 50, 52, 53, 61, 65, 66, 73, and 88. As explained below, Oxy believes that

those routes would prevent it from pursuing the development of a dispatchable generation facility in the vicinity of the proposed Reiter Switch.

**III. IMPACTS OF THE PROPOSED TRANSMISSION LINE ON OXY'S PROPERTY AND OPERATIONS**

**Q. PLEASE DESCRIBE OXY'S PROPERTY IN THE STUDY AREA FOR THE REITER-TESORO LINE.**

A. Oxy owns approximately 18,000 surface acres in the study area. Oxy owns every tract that would be impacted by the Reiter-Tesoro line to the south of Bates Field Road (CR 1285) and CR 171, with the exception of the tract that Oxy recently sold to Oncor for it to use as the site of the proposed Reiter Switch. Oxy's surface interests are depicted below in Figure 1, which highlights Oxy's property in blue and orange. The tract that Oxy sold to Oncor for the proposed Reiter Switch is highlighted in white. Figure 1 also shows proposed alternative routing segments for the Reiter-Tesoro line superimposed over the study area in red, and Oncor's suggested "best meets" Route 10 in blue.

**FIGURE 1: OXY'S SURFACE INTERESTS IN THE STUDY AREA**



**Q. ARE ANY PORTIONS OF OXY'S PROPERTY IN THE STUDY AREA ESPECIALLY IMPORTANT TO OXY'S ONGOING AND PLANNED OPERATIONS?**

A. Yes. Oxy has identified the area highlighted in orange in Figure 1 as the site for a dispatchable generation project, and has reserved it for that purpose. Not only is this project important to Oxy, it would also further the Commission's goal of promoting the installation of additional dispatchable generation on the ERCOT grid.

**Q. HAS OXY TAKEN ANY CONCRETE STEPS TO ADVANCE ITS GOAL OF INSTALLING A DISPATCHABLE GENERATION UNIT ON THE PROPERTY HIGHLIGHTED IN ORANGE IN FIGURE 1?**

A. Yes. Oxy has taken concrete steps to advance its dispatchable generation project.

First, Oxy has worked to ensure that the area highlighted in orange would not be used for other purposes that would conflict with the development of a dispatchable generation



1 project. In September of 2023, Oxy sold its subsurface/mineral rights in the area that is  
2 highlighted blue in Figure 1 to Continental Resources, Inc. (“Continental”), and  
3 Continental has since been developing that area to extract and collect oil and gas. As part  
4 of the transaction with Continental, Oxy specifically reserved exclusive surface  
5 development rights in the areas that are highlighted in orange and white<sup>1</sup> on Figure 1, and  
6 required Continental to agree that it would not install any surface facilities (well pads, etc.)  
7 or near-surface facilities or infrastructure (pipelines, etc.) in that area. This was a  
8 significant negotiating point in the transaction, and one that impacted the economic value  
9 of the transaction for both parties.

10 Additionally, Oxy has already expended resources to assess the economic viability of its  
11 planned generation unit. Oxy’s internal personnel have done significant work to assess  
12 and plan the prospective generation project. Also, in 2023, Oxy hired a consultant to  
13 perform a transfer analysis that would assist Oxy in determining the economic viability of  
14 its prospective generation unit in light of its location and interconnectivity with the larger  
15 ERCOT grid. This transfer analysis cost Oxy approximately \$8,000.

16 **Q. HOW COULD THE REITER-TESORO LINE IMPACT OXY’S ABILITY TO**  
17 **PROCEED WITH ITS DISPATCHABLE GENERATION PROJECT?**

18 A. Oxy would be unable to site its generation project in any area that is designated as right-  
19 of-way (ROW) for the Reiter-Tesoro line. While Oxy accepts that the Reiter Tesoro line  
20 has to go somewhere, and that the line will undoubtedly impact some portion of the land  
21 that Oxy has reserved for its dispatchable generation project, some proposed alternative  
22 routing segments would be substantially more harmful to the viability of Oxy’s generation  
23 project than others.

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<sup>1</sup> At the time of the transaction with Continental, Oxy had not yet sold the area highlighted in white to Oncor.

1 **Q. HOW COULD THE REITER-TESORO LINE IMPACT ECONOMIC**  
2 **DEVELOPMENT ON THE PORTIONS OF OXY'S PROPERTY THAT IT HAS**  
3 **NOT DESIGNATED FOR A DISPATCHABLE GENERATION PROJECT?**

4 A. Any land that is selected to become ROW for the Reiter-Tesoro line would become much  
5 more difficult for Oxy to use for any other purpose, such as renewable energy  
6 development.<sup>2</sup> Additionally, as mentioned above, Oxy is aware that Continental is  
7 developing the area for oil and gas extraction. Given Oxy's experience in conducting oil  
8 and gas extraction operations in the vicinity of transmission lines, it is my understanding  
9 that the construction and operation of the Reiter-Tesoro line could potentially constrain  
10 Continental's ability to optimally install, maintain, and operate related facilities.

11 **IV. OXY'S ROUTING PREFERENCES**

12 **Q. PLEASE DESCRIBE OXY'S PREFERENCES FOR ROUTING THE PROPOSED**  
13 **TRANSMISSION LINE.**

14 A. Oxy is willing to work with Oncor and the Commission to develop a route that does not  
15 place a disproportionate burden on Oxy. As explained above, Oxy's primary concern in  
16 this proceeding is maintaining the viability of a dispatchable generation project in the area  
17 highlighted in orange in Figure 1 above. Additionally, Oxy would also prefer that the  
18 Commission select a route that will otherwise minimize the impact of the Reiter-Tesoro  
19 project on Oxy's property in the area and equitably divide the burden of this line between  
20 Oxy and other landowners.

21 **Q. OF THE ROUTES PROPOSED BY ONCOR, ARE THERE ANY ROUTES THAT**  
22 **OXY WOULD PREFER?**

23 A. Yes. Oxy would prefer that the Commission select one of proposed Routes 1, 4, 5, or 6.  
24 As discussed below, those four routes would not interfere with Oxy's plans to install a  
25 dispatchable generation unit, and would also minimize the amount of transmission line  
26 ROW that would be required on Oxy's property by using Segment E4 to leave Oxy's

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<sup>2</sup> While I am including this as an example of an economic development opportunity that Oxy has considered and could pursue on its property in the study area, I do not mean to imply that Oxy is currently in the process of developing any portions of its property in the study area other than the area that is highlighted in orange on Figure 1.

property to the north as soon as possible. These four routes would all have an identical impact on Oxy's property, so Oxy does not have a preference between them.

**Q. OF THE ROUTES PROPOSED BY ONCOR, ARE THERE ANY ROUTES THAT OXY WOULD NOT PREFER, BUT WOULD BE WILLING TO ACCEPT?**

A. Yes. If the Commission does not select one of Oxy's preferred routes (Routes 1, 4, 5, or 6), Oxy would be willing to accept any other route that leaves the proposed Reiter Switch along a path that begins with Segments A-B4-D3 (the "Northern Path") because that path will not interfere with Oxy's plans to install a dispatchable generation unit. Excluding Oxy's preferred routes, the proposed routes that follow the Northern Path include Route 7 and Route 10. Of those two routes, Oxy would prefer that the Commission select Route 7 over Route 10 because Route 7 turns to the north along Segment H4 and would require less transmission line ROW on Oxy's property.

Additionally, if the Commission determines that the line should leave the Reiter Switch to the south, Oxy could also accept proposed Route 106 or proposed Route 123, in that order of preference. Of those two routes, Oxy prefers proposed Route 106 because it would place more of the line on property that Oncor already owns and require less ROW across the property that Oxy has reserved for its generation project.

**Q. OF THE ROUTES PROPOSED BY ONCOR, ARE THERE ANY ROUTES THAT OXY OPPOSES?**

A. Yes. Oxy strongly opposes and cannot accept any routes that would preclude it from developing a dispatchable generation project on the area highlighted orange on Figure 1 above. Any routes that use one or more of proposed Segments B1, B2, B3, D1, and C1 would cut through the center of the area that Oxy has reserved for its dispatchable generation project. Oxy believes it will be unable to proceed with its generation project if

1 the Commission selects a route that contains any of those segments. As a result, Oxy  
2 strongly opposes any route that includes proposed Segments B1, B2, B3, D1, or C1.<sup>3</sup>

3 **Q. ARE THERE ANY PROPOSED CONFIGURATIONS FOR THE REITER**  
4 **TESORO LINE THAT OXY BELIEVES WOULD NOT PRECLUDE IT FROM**  
5 **PROCEEDING WITH ITS DISPATCHABLE GENERATION PROJECT?**

6 A. Yes. Oxy believes it could still proceed with its dispatchable generation project if the  
7 Commission selects a route that leaves the proposed Reiter Switch along a path that uses  
8 proposed Segments A-B4-D3<sup>4</sup> (the “Northern Path”), a path that uses proposed Segments  
9 A-A1-A2-A4 (*e.g.* proposed Route 106), or a path that uses proposed Segments A-B0-A3-  
10 A4<sup>5</sup> (*e.g.* proposed Route 123). Oxy would be willing to accept the Reiter-Tesoro line  
11 along any route that begins along one of those three paths. That said, it is my understanding  
12 that one of the factors that the Commission is required to consider when routing this line  
13 is cost, and because the Northern Path routes are substantially less expensive than those  
14 that leave the Reiter Switch to the south, I will focus the remainder of my testimony on the  
15 Northern Path routes.

16 **Q. ARE THERE ANY OTHER CONSIDERATIONS THAT OXY WOULD LIKE THE**  
17 **COMMISSION TO TAKE INTO ACCOUNT WHEN SELECTING A ROUTE?**

18 A. Yes. While Oxy’s primary concern with respect to the Reiter-Tesoro line is preserving its  
19 ability to pursue the development of a dispatchable generation facility in the area that is  
20 highlighted orange in Figure 1, Oxy would strongly prefer that the Commission select a  
21 route that has the least possible impact on the remainder of Oxy’s property. As discussed  
22 above, Oxy owns a large portion of this study area, and will be required to accept multiple  
23 miles of ROW on its property regardless of which path the Commission selects. In the  
24 interest of equitably dividing the burden of this transmission line between the various  
25 impacted landowners, Oxy requests that the Commission consider selecting a route that

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<sup>3</sup> This includes proposed Routes 13, 14, 15, 27, 46, 50, 52, 53, 61, 65, 66, 73, and 88.

<sup>4</sup> This includes proposed Routes 1, 4, 5, 6, 7, and 10.

<sup>5</sup> This includes proposed Route 123.

1 crosses Bates Field Road (CR 1285)/CR 171 along either proposed Segment E4<sup>6</sup> or G4<sup>7</sup>  
2 (in that order of preference) instead of proposed Segment I4.<sup>8</sup> Put differently, after the line  
3 leaves the Reiter Switch along one of the paths that would not preclude Oxy's generation  
4 project, as discussed above, Oxy would strongly prefer that the line turn to the north and  
5 leave Oxy's property as quickly as possible.<sup>9</sup> This will minimize interference with Oxy's  
6 use of its property in the study area and more reasonably divide the burden of this  
7 transmission line between Oxy and other landowners.

8 **Q. HOW WOULD SELECTING A PROPOSED ROUTE THAT BEGINS ALONG**  
9 **THE "NORTHERN ROUTE" OUT OF THE REITER STATION AND THEN**  
10 **TURNS NORTH TO MINIMIZE THE IMPACT OF THIS LINE ON OXY'S**  
11 **PROPERTY CHANGE THE COST OF THE REITER-TESORO PROJECT?**

12 A. Selecting a route that begins along the Northern Path and then turns north to minimize the  
13 impact of this line on Oxy's property would only slightly increase the cost of the Reiter-  
14 Tesoro project. For instance, if the Commission were to select a route that leaves the Reiter  
15 Switch along the Northern Path (as defined above), the Commission could minimize the  
16 impact of this line on Oxy by selecting Route 1 (which uses Segment E4) or Route 7 (which  
17 uses Segment G4). The cost of those routes is nearly identical (\$24.943 million and  
18 \$24.939 million, respectively).<sup>10</sup> Those routes would only increase the cost of the Reiter-  
19 Tesoro project by approximately \$1.5 million, or just 6.4%, compared to a route that  
20 follows the Northern Path and then uses Segment I4 (Route 10, which costs \$23.54  
21 million).<sup>11</sup>

22 **V. CONCLUSION**

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<sup>6</sup> Among the proposed routes that Oxy could accept, this includes Routes 1, 4, 5, and 6.

<sup>7</sup> Among the proposed routes that Oxy could accept, this includes Route 7.

<sup>8</sup> Among the proposed routes that Oxy could accept, this includes Routes 10, 106, and 123.

<sup>9</sup> Oxy understands that the Commission could potentially select a route that is not listed in Oncor's application using any combination of the proposed segments in that application.

<sup>10</sup> See Application, Attachment No. 3.

<sup>11</sup> *Id.*

1    **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

2    **A.     Yes it does.**