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PUC DOCKET NO. 56799

APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE REITER SWITCH-TESORO SWITCH 345 KV TRANSMISSION LINE PROJECT IN ECTOR AND MIDLAND COUNTIES, TEXAS	§ § § § § § § §	**BEFORE THE** **PUBLIC UTILITY COMMISSION** **OF TEXAS**

ONCOR ELECTRIC DELIVERY COMPANY LLC'S REQUEST FOR IMMEDIATE REFERRAL TO SOAH AND RESPONSES TO STANDARD ORDER NO. 1 QUESTIONS

Oncor Electric Delivery Company LLC ("Oncor") files this Request for Immediate Referral to State Office of Administrative Hearings ("SOAH") and Responses to Standard Order No. 1 Questions and respectfully shows as follows:

I. INTRODUCTION

On July 25, 2024, Oncor filed an application ("Application") to amend its certificate of convenience and necessity ("CCN") for the Reiter Switch to Tesoro Switch 345 kilovolt ("kV") transmission line project ("Project") in Ector and Midland counties, Texas. Section 37.057 of the Texas Utilities Code requires the Public Utility Commission of Texas ("Commission") to render a decision on this application within 180 days.[1] To assist the Commission in meeting this deadline, Oncor is taking the following actions that will facilitate expedited processing of Oncor's Application: (1) Oncor submitted its pre-filed direct testimony concurrently with the Application; (2) Oncor is providing responses to the Commission's standard Order No. 1 questions in section III below; and (3) Oncor respectfully requests immediate referral to SOAH in section II below.

II. REQUEST FOR IMMEDIATE REFERRAL TO SOAH

Oncor respectfully requests that the Commission refer this matter to SOAH at the earliest opportunity allowed by rule. Historically, referral to SOAH has taken several weeks after a CCN application is filed. During this time no SOAH Administrative Law Judge ("ALJ") is assigned to the matter, and the case does not progress procedurally. Referring this case to SOAH at the outset of the proceeding will allow for more efficient processing of the Application and facilitate

[1] To help meet the 180-day deadline under Texas Utilities Code § 37.057, the Commission adopted an amendment to 16 Texas Administrative Code § 22.52(a)(1)(A) reducing the time period for intervention in new transmission facility CCN cases from 45 to 30 days from the date the application is filed. *See* 16 Tex. Admin. Code § 22.52(a)(1)(A).

SOAH's timely return of this docket to the Commission for final disposition within the new statutory timeframe.

III. ONCOR'S RESPONSES TO STANDARD ORDER NO. 1 QUESTIONS

1. Has the Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) recommended the proposed transmission project as necessary to alleviate "existing and potential transmission and distribution constraints and system needs within ERCOT" in the annual report filed under PURA § 39.155(b)? If not, is there a need for the proposed transmission project?

The ERCOT ISO has not recommended the Project as necessary to alleviate "existing and potential transmission and distribution constraints and system needs within ERCOT" in the annual report filed under PURA § 39.166(b)(1).[2] However, the Project is needed to address transmission reliability issues, and ERCOT endorsed the Project.

ERCOT's Regional Planning Group ("RPG") recommended the Project and other system improvements that comprise Oncor's West Texas 345 kV Infrastructure Rebuild Project ("West Texas Rebuild Project"). The West Texas Rebuild Project, including this Project, was endorsed by the ERCOT Board of Directors as a Tier 1 transmission project under ERCOT Nodal Protocol 3.11.4.3. ERCOT's Independent Review identified potential reliability criteria violations under certain North American Electric Reliability Corporation ("NERC") contingency conditions. Specifically, ERCOT's Independent Review determined that the West Texas Rebuild Project upgrades would address potential thermal overloads under N-1 contingency conditions. As confirmed by ERCOT's Independent Review, the West Texas Rebuild Project aligns with certain preferred reliability upgrades identified by the 2021 ERCOT Permian Basin Load Interconnection Study.

In addition to addressing reliability issues, the Project will facilitate other transmission system upgrades associated with the West Texas Rebuild Project. This will result in numerous grid benefits, such as: (1) increasing system load-serving capacity; (2) improving system operational flexibility; (3) creating an additional 345 kV source in West Texas; and (4) upgrading and retiring aging infrastructure that is not suitable to serve rapidly increasing demand for reliable electric service in the project area. Please see Oncor's response to Question No. 14 in the

[2] PURA § 39.155(b) was repealed by the Texas Legislature in 2023, and PURA § 39.166 (retaining the language quoted within this standard CCN question) was added as the statutory basis for electric industry reports. *See* Acts 2023, 88th Leg., R.S., Ch. 410 (H.B. 1500), Secs. 46(a)(3) & 24(b), eff. September 1, 2023.

application and the direct testimony of Oncor witness Jared Gurley for additional information regarding the Project's need.

2. **If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account considerations of efficiency, reliability, costs, and benefits?**

Yes, the Project is the best option to meet the identified need. Oncor analyzed the Project as a component of the West Texas Rebuild Project, including consideration of efficiency, reliability, cost, and benefits.

Given the age and state of the existing Morgan Creek Switch and 345 kV lines in West Texas, the West Texas Rebuild Project was deemed necessary to accommodate the substantial increases in area demand in general, and the specific upgrades identified in the ERCOT Permian Basin Load Interconnection Study. As stated in the Oncor's RPG submittal for the West Texas Rebuild Project, the ERCOT Permian Basin Load Integration Study recommended all of the proposed upgrades included in the West Texas Rebuild Project.

Due to the interconnectedness of the existing system, there are no alternatives to many of the upgrades and station reconfigurations needed as part of the West Texas Rebuild Project. However, one alternative Oncor did consider was constructing additional 345 kV circuits, on new structures within new ROW, adjacent to the existing 345 kV transmission lines leaving the existing Morgan Creek Switch. This alternative does provide certain advantages, such as avoidance of "hot work," creation of an alternative transmission path into the area, and other operational, resiliency, and flexibility benefits to the system. However, building additional 345 kV transmission lines adjacent and parallel to the existing 345 kV transmission lines would require the purchase of additional new ROW, which requires significant additional time. Further, it would require a separate CCN for each new 345 kV transmission line, increasing the likelihood of longer timelines and higher costs.

This alternative also did not produce results similar to the West Texas Rebuild Project, and Oncor did not deem it a viable alternative from a cost or timeliness perspective. Oncor did not consider any other alternatives to the upgrades in the ERCOT Permian Basin Load Interconnection Study. Additional information on the alternative options considered to address the reliability issues for which the Project is needed are provided in: (1) Oncor's response to Question No. 15 in its application; (2) Oncor witness Mr. Gurley's direct testimony; (3) Attachment No. 4 of Oncor's application, which contains ERCOT's Permian Basin Load Interconnection Study Report; and (4)

Attachment No. 6 of Oncor's application, which contains ERCOT's independent review of the West Texas Rebuild Project.

3. **For utilities subject to the unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?**

Yes. Distribution alternatives would not resolve the identified reliability issues on the transmission system. The Project will address thermal overloads on the transmission system while providing other grid benefits discussed above. Such alternatives would not provide the necessary level of service to meet electric demand in the area, including all of the increasing oil and gas loads. Thus, the Project is the best option to meet the identified need.

4. **For utilities not subject to the unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?**

Not applicable. Oncor is subject to the unbundling requirements of PURA § 39.051.

IV. CONCLUSION

Oncor submits these responses to the Commission's standard CCN Order No. 1 questions and respectfully requests that the Commission immediately refer this docket to SOAH to aid in the expeditious processing of this case.

Respectfully submitted,

By: */s/ Rachael L. Curtin*

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CERTIFICATE OF SERVICE

It is hereby certified that a copy of the foregoing has been served by email on all parties of record who have provided an email address on this the 25th day of July, 2024, in accordance with the Commission's Second Order Suspending Rules issued on July 16, 2020, in Project No. 50664.

/s/ Terri Watts