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TEXAS ENERGY FUND GRANTS FOR FACITLIES OUTSIDE OF THE ERCOT REGION

PUBLIC UTILITY COMMISSION

OF TEXAS

COMMENTS OF GOLDEN SPREAD ELECTRIC COOPERATIVE, INC.

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Golden Spread Electric Cooperative, Inc. ("Golden Spread") submits these comments in response to the Public Utility Commission of Texas' ("Commission") Proposal for Publication of New 16 TAC §25.512 ("PFP"), regarding Texas Energy Fund ("TEF") Grants for Facilities Outside of the ERCOT Region ("Grant Program"). The Commission requested comments be filed by November 7, 2024. These comments are timely filed.

I. Golden Spread and its Member Cooperatives

Golden Spread is a non-profit electric generation and transmission cooperative with its principal office in Amarillo, Texas. It supplies cost effective and reliable wholesale electric power to its sixteen-member non-profit distribution cooperatives ("Members").¹ Golden Spread's Members provide retail electric service to approximately 250,000 member-consumers (320,000 meters) in their service areas located over an expansive area, including the Panhandle, South Plains and Edwards Plateau regions of Texas (covering twenty-four percent (24%) of the State, the Panhandle of Oklahoma, and small portions of Southwestern Kansas and Southeastern Colorado). Golden Spread's Members serve consumers in 79 counties. Of those counties, 53 are identified as rural or remote, as each has fewer than 10,000 inhabitants (2020 Census).

Figure 1, below, shows the location of Golden Spread's electric generating units and its Members' service territories in Texas and Oklahoma. Eleven of the Members have service territories, exclusively or partially, in the Southwest Power Pool ("SPP") region of Texas.

¹ Golden Spread's Members are Bailey County Electric Cooperative Association (Muleshoe, Texas); Big Country Electric Cooperative, Inc. (Roby, Texas); Coleman County Electric Cooperative, Inc. (Coleman, Texas); Concho Valley Electric Cooperative, Inc. (San Angelo, Texas); Deaf Smith Electric Cooperative, Inc. (Hereford, Texas); Greenbelt Electric Cooperative, Inc. (Wellington, Texas); Lamb County Electric Cooperative, Inc. (Littlefield, Texas); Lighthouse Electric Cooperative, Inc. (Floydada, Texas); Lyntegar Electric Cooperative, Inc. (Tahoka, Texas); North Plains Electric Cooperative, Inc. (Perryton, Texas); Rita Blanca Electric Cooperative, Inc. (Dalhart, Texas); South Plains Electric Cooperative, Inc. (Lubbock, Texas); Southwest Texas Electric Cooperative, Inc. (Eldorado, Texas); Swisher Electric Cooperative, Inc. (Tulia, Texas); Taylor Electric Cooperative, Inc. (Merkel, Texas); and Tri-County Electric Cooperative, Inc. (Hooker, Oklahoma).



Figure 1. Golden Spread Electric Generating Units and Members' Service Territories

Golden Spread and its Members are members of Texas Electric Cooperatives, Inc. ("TEC"). Golden Spread supports the comments of TEC in this docket, but comments separately to emphasize issues that particularly affect the communities in which its Members serve.

II. Golden Spread's Electric Generating Facilities

Over the past 20 years, Golden Spread has invested more than a billion dollars to build and maintain generation to serve its Members' growing demand and need for electric power supply. Due in part to the high wind and solar penetration in its service area (and the potential for more), Golden Spread has pursued a prudent strategy to invest primarily in "fast start" natural-gas fired simple cycle ("NGSC") units. Golden Spread's assets include a natural gas combined-cycle unit and three NGSC units located at its Mustang Station in Denver City, Texas; 18 reciprocating internal combustion engines and three NGSC units located at its Antelope Elk Energy Center ("AEEC") in Abernathy, Texas; and the Golden Spread Panhandle Wind Ranch near Wildorado, Texas. Golden Spread's dispatchable generation facilities support grid reliability and the continued development of intermittent renewable generation while not unduly burdening the limited water resources in the region.

Golden Spread has also adapted its resource portfolio to meet the unique needs of its Members, whose service territories overlay two major grids in Texas: SPP and ERCOT. A portion of Golden Spread's generation at AEEC are switchable generation resources ("SWGR") that can provide generation to either SPP or ERCOT. These units are capable of non-simultaneous synchronization with either the Texas Interconnection (ERCOT) or the Eastern Interconnection (SPP). Figure 2 below summarizes the capacity of Golden Spread's units, including which units are SWGRs and can provide generation to SPP or ERCOT.

Figure 2.	Capacity of	Golden S	pread Electric	Generating	Units

MUSTANG STATION TOTAL - 958 MW							
Mustang Station Simple Cycle Units 489 MW							
Mustang 1	165 MW	SPP					
Mustang 2	165 MW	SPP					
Mustang 3	159 MW	SPP					
Mustang Combined Cycle Facility (2x1) 469 MW							
Mustang 4	152 MW	SPP					
Mustang 5	152 MW	SPP					
Mustang 6	165 MW	SPP					
ANTELOPE ELK ENERGY CENTER (AEEC) TOTAL - 738 MW							
Antelope Station 168 MW							
Antelope 1	56 MW	SPP/ERCOT					
Antelope 2	56 MW	SPP/ERCOT					
Antelope 3	56 MW	SPP/ERCOT					
Elk Station 570 MW							
Elk 1	190 MW	SPP/ERCOT					
Elk 2	190 MW	SPP/ERCOT					
Elk 3	190 MW	ERCOT					
WIND FARMS							
Golden Spread Panhandle							
Wind Ranch (GSPWR)	78 MW	SPP					
Other Wind PPAs	206 MW	SPP					
GRID TOTALS							
Total ERCOT Output	738 MW						
Total SPP Output	1584 MW						
Above capacities are nameplate capacities.							

III. Prioritize Rural Areas Subject to Disasters

Senate Bill ("SB") 2627 was enacted in response to reliability issues revealed during Winter Storm Uri.² The Grant Program was incorporated into SB 2627 through House Floor Amendment 1 (codified at PURA³ § 34.0103), authored by representatives representing districts outside of ERCOT, including several representatives in districts served by Golden Spread Members. Prior to the amendment, the programs to be established by SB 2627 were focused on facilities or activities inside the ERCOT region. House Floor Amendment 1 created a grant program for non-ERCOT utilities to, among other things, weatherize and modernize their facilities to protect against natural disasters. As explained by Chairman Metcalf, the amendment was necessary to ensure that all taxpayers funding the program would see a benefit from the program.⁴

Consistent with this legislative intent, Golden Spread encourages the Commission to give special consideration to rural areas of Texas that have suffered repeated natural disasters, particularly in regions of the state where federal disaster relief has been limited. As discussed below, a grant awarded to a non-profit electric cooperative in regions prone to natural disaster will provide a compounded benefit from the fund: first by improving reliability and resiliency of rural regions from a natural disaster, and second by limiting damages and associated recovery costs that might be incurred and that present a cost-recovery challenge unique to rural electric cooperatives.

In recent years, the regions served by Golden Spread's Members in the Texas Panhandle and West Texas have experienced significant disasters. Some of these disasters have caused millions of dollars in damages to the rural communities and electric cooperatives that serve them, including Golden Spread Members. This part of Texas regularly experiences natural disasters due to its climate and geography. Year-round high-wind events have damaged cooperative lines and poles either directly or from fallen trees or other debris. The high wind in combination with the dry climate and flat landscape also place the region at high risk for wildfires. The region is also particularly vulnerable to tornadoes. In colder months, ice storms have caused outages and widespread damage to cooperative systems due not only to high winds but also accumulation of ice on power lines and substations. Some regional examples of these disasters include:

² Senate Research Center, Bill Analysis, Tex. S.B. 2627, 88th Leg., R.S. (2023).

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001 - 66.016 ("PURA").

⁴ Chairman Metcall's explanation can be viewed at the Texas House Chamber Broadcast from May 22, 2023 at 4:31:00, available at <u>https://tlchouse.granicus.com/MediaPlayer.php?view_id=80&clip_id=24934.</u>

- 1. Panhandle Wildfires: On February 26, 2024, the largest recorded wildfire in Texas history ravaged the northeastern Texas Panhandle.⁵ Although not caused by electric cooperative systems, those systems suffered damage and electric cooperatives desire to be part of the solution to prevent future fire catastrophes consistent with the recommendations of the House Investigative Committee on the Panhandle Wildfires.⁶
- 2. Perryton Tornado: On June 15, 2023, a tornado devastated the town of Perryton, Texas, wiping out blocks of the city and damaging hundreds of homes. Over 220 homes were destroyed or certified with major damage and \$13.5 million in public infrastructure damages were identified.⁷ Golden Spread's Member serving that area suffered significant damage to its distribution and transmission system.
- 3. Winter Storm Billy: In October 2020, Golden Spread Members alone experienced \$15 million in damages stemming from Winter Storm Billy. This storm produced significant icing and strong winds, damaging miles of distribution lines and poles and causing extended power outages. Several Golden Spread Members suffered the bulk of the damages and were forced to replace or repair significant portions of their systems.
- 4. Winter Storm Jupiter: In January 2017, several Golden Spread Members suffered significant damage to their systems from Winter Storm Jupiter. One Golden Spread Member alone suffered over \$11 million in damages from the storm.

As a result of these experiences, some of the measures being considered by Golden Spread Members include investments in monitoring and control technologies, reconductoring, and robust utility pole management programs, which can help reinforce and protect distribution systems, including by identifying hazardous conditions early and reducing the effects and duration of outages caused by wildfire, ice/cold snaps, straight-line winds, and other high wind events. Golden Spread's Members are dedicated to continuing to protect their systems and the communities they serve; however, the cost of these continued investments can be particularly impactful to rural cooperatives that are owned and funded by their member-consumers. Due to their geographic and demographic conditions, rural electric cooperatives already face unique cost challenges to reliably deliver electric service to their member-consumers. The combination of dispersed infrastructure (higher costs), significantly lower distribution line densities (lower per-mile revenues), and limited capital resources, leads to unique economic challenges when evaluating how to weatherize or

⁵ Texas House of Representatives, Investigative Committee on the Panhandle Wildfires at 5 (May 1, 2024).

⁶ See, e.g., Texas House of Representatives, Investigative Committee on the Panhandle Wildfires at 13 (May 1, 2024).

⁷ Office of the Texas Governor, Press Release, Governor Abbott Requests SBA Disaster Declaration for Perryton Tornado (Aug. 18, 2023), *available at* https://gov.texas.gov/news/post/governor-abbott-requests-sba-disaster-declaration-for-perryton-tornado.

modernize systems. This situation is illustrated by a simple metric: Golden Spread's Members' distribution line densities range from 1.82 to 7 meters per mile of distribution line, with an average of 3.19 meters per mile of distribution line. In stark contrast, more densely populated areas average 40 to 70 meters per mile of distribution line.⁸ Consequently, rural electric cooperatives experience higher per-consumer infrastructure costs than utilities elsewhere in the state.

Additionally, rural cooperatives can face challenges accessing federal disaster relief. For example, the cooperatives and communities affected by the disasters listed above were ineligible for public assistance and individual disaster relief from FEMA because the total cost of the disaster did not exceed Texas' statewide population-based assistance threshold or Cost of Assistance ("COA") indicator.⁹ This point was mentioned in the recent report issued by the Texas House Investigative Committee on The Panhandle Wildfires:

According to information provided by TDEM, losses to private property owners from the wildfires likely do not qualify for FEMA's Individual Assistance Program.

Similarly, because damage caused by the Panhandle wildfires has been determined to not meet the individual threshold of approximately \$54 million, Texas will be ineligible for reimbursement of agency costs under FEMA's Public Assistance Grant Program.¹⁰

While the total damage caused by these regional disasters may seem small in comparison to FEMA's COA indicator for Texas, the per capita damage in these counties (dollar amount per person) from regional disasters can be substantial given the low population density. FEMA's COA is set at such a level that the cost of disasters in these areas are seemingly incapable of ever meeting eligibility requirements for individual and/or public assistance, a point raised by Congressman Pflueger and 25 members of the Texas Delegation in a bipartisan letter to FEMA.¹¹

Ultimately, the grant dollar goes farther in rural Texas by helping to protect against damage and mitigating the associated post-event costs for which there is limited recovery relief. Golden Spread therefore requests the Commission give special consideration to projects in rural regions

⁸ Senate Committee on Business & Commerce, Texas Senate, Interim Report 2018, A Report to the Texas Senate 86th Texas Legislature, Kelly Hancock, Chairman, Direct Testimony from Mike Williams, President & CEO, Texas Electric Cooperative Association, to the Texas Senate Committee on Business & Commerce at 49 (May 1, 2018).

⁹ See, e.g., FEMA, Notice of Adjustment of Statewide per Capita Impact Indicator, 87 Fed. Reg. 64508 (Oct. 25, 2022) (increasing statewide per capita impact indicator to \$1.77 for all declared disasters, resulting in an assistance threshold of approximately \$53 million in 2022).

¹⁰ Texas House of Representatives, Investigative Committee on the Panhandle Wildfires at 13 (May 1, 2024).

¹¹ U.S. House of Representatives, Letter to Honorable Deanne Criswell, FEMA Administrator (Sept. 22, 2022), *available at <u>https://pfluger.house.gov/uploadedfiles/fema_letter_pfluger_veasey.pdf.</u>*

that frequently experience disasters and have limited resources to modernize, weatherize, or develop resilient systems.

IV. New Electric Generation Resources Should be Eligible

Proposed Section 25.512(b)(4)(E) states that a grant received under this section must not be used for "construction of new electric generation resources."¹² This exclusion is not supported by PURA § 34.0103. The authorizing statute states that money from the Grant Program "may be used for transmission and distribution infrastructure and electric generating facilities in this state outside the ERCOT power region for: (1) facility modernization; (2) facility weatherization; (3) reliability and resiliency facility enhancements; or (4) vegetation management."¹³ The statute specifically identifies electric generating facilities and does not prohibit "new" infrastructure or facilities of any kind. If Section 34.0103 was meant to exclude "new" infrastructure or facilities, it is unclear how any projects (whether related to distribution, transmission, or generation) could be developed under the Grant Program.

All projects under the Grant Program will necessarily involve new distribution infrastructure, new transmission infrastructure, or new generating facilities of some kind, whether a new pole, new weather resistant equipment, new hardened conductor, new transmission line, new battery storage, or other new infrastructure or facilities. The legislature could not have intended to preclude construction of new infrastructure or facilities because that would render Section 34.0103 meaningless. The plain language of Section 34.0103 does not support the PFP's exclusion of new electric generation resources from the Grant Program.

The policy intent behind Section 34.0103—to, among other things, improve reliability and resiliency—supports eligibility for new electric generation resources. For instance, new quick-start dispatchable generation resources constitute reliability and resiliency facility enhancements to the grid, as they mitigate the effects of changes in weather patterns that affect the production of power from wind and solar, making the grid more reliable and resilient. Simple-cycle gas turbines are often used to balance the variability of renewable sources like wind power, providing quick response when wind generation dips. The high penetration of inverted-based resources like wind power can sometimes lead to system instability concerns, especially during rapid changes in power generation, which has been observed in the Panhandle and West Texas regions. New

¹² PFP § 25.512(b)(4)(E).

¹³ PURA § 34,0103(a),

natural-gas-fired generation can provide voltage and frequency support when existing units experience an outage or the wind is not blowing, thereby enhancing both resiliency and reliability.

The North American Electric Reliability Corporation ("NERC") recently highlighted the necessary interdependence between natural gas electric generating units and renewable resources, and the growing but still insufficient role of battery storage, as a "key finding" in its "2022 State of Reliability" report.¹⁴ NERC observed that natural-gas-fired generators "are now necessary balancing resources for reliable integration of the growing fleet of variable renewable energy resources," noting the importance of ensuring "uninterrupted delivery of natural gas to these balancing resources, particularly in areas where penetration levels of renewable generation resources are highest."¹⁵ NERC has also raised concerns regarding the aggregate impact of inverter-based (i.e., wind, solar, and battery storage) resources, noting that it was analyzing "large-scale grid disturbances involving common mode failures in inverter-based resources that, if not addressed, could lead to catastrophic events in the future," and that "the aggregate impact of these resources must be considered when developing policies, regulations, and requirements."¹⁶ In its 2022 Report, NERC concluded:

Until storage technology is fully developed and deployed at scale, natural-gas-fired generation will remain essential to providing the grid's rapidly increasing flexibility needs. Improvements in the mutual understanding of electricity and natural gas interdependencies enable operators in both industries to enhance reliability across energy delivery systems and reduce end-use customer exposure to energy shortfalls during extreme weather events.¹⁷

New electric generating resources are critical to reliability and resiliency for the grid that serves Texans outside of ERCOT, and therefore, should not be excluded from eligibility for the Grant Program.

Golden Spread recognizes that not all new electric generating resource projects may be appropriate for a grant under the Grant Program, but they should at least be eligible for review. The Commission will have discretion to evaluate new electric generation resources on a case-bycase basis at the time of application. As set out in proposed Section 25.512(d), the Commission

¹⁴ NERC, 2022 State of Reliability at viii (Key Finding 2) (July 2022), *available at* <u>https://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/NERC_SOR_2022.pdf.</u>

¹⁵ Id,

¹⁶ NERC, An Introduction to Inverter-Based Resources on the Bulk Power System at 6 (June 2023), *available at* <u>https://www.nerc.com/pa/Documents/2023_NERC_Guide_Inverter-Based-Resources.pdf</u>.

¹⁷ NERC, 2022 State of Reliability at 45.

will consider the project's expected benefits, ability to address regional and reliability needs, attributes, cost, and any other factors the Commission deems appropriate.¹⁸ This process may reveal to the Commission new generation resource projects that can provide substantial benefits to certain regions of this state and the state as a whole. For instance, as explained above, new gas-fired dispatchable generation resources are critical for reliability and resiliency in the West Texas and Panhandle regions of Texas, where there exists high wind and solar penetration in the SPP. Rather than excluding such new generation resources from eligibility now, the Commission should use its discretion to evaluate such projects on their merits. The cost savings from a Grant Program award for new dispatchable generation to a non-profit electric cooperative like Golden Spread would directly benefit member-consumers in Texas, both in terms of enhanced resiliency and reliability and reduced rate impacts.¹⁹ The Commission should be allowed to consider these benefits and whether to approve an award in full, in part, or not at all based on the screening and evaluation criteria established in the rule.

Accordingly, Golden Spread requests that the Commission delete proposed Section 25.512(b)(4)(E), and allow the Commission to consider applications for new electric generation resources that can benefit Texas.

V. Objective Descriptions Should be Non-Exclusive

Proposed Section 25.512(b)(3) lists the objectives that a project must meet to be eligible for the Grant Program. The four objectives include a list of projects or activities that the Commission concludes will meet the objectives. However, as written, the list could be interpreted as the only activities that qualify, to the exclusion of other activities that support facility modernization, facility weatherization, reliability and resiliency, or vegetation management. It would be impractical to attempt to identify all the potential activities that could meet the statutory objectives, thus Golden Spread recommends the Commission include language clarifying that the lists are not exclusive and do not preclude other projects or activities. This clarification could be accomplished by adding the following language at the beginning of the second sentence of each objective under subsections 25.512(b)(3)(A) - (D): <u>"Activities that meet this objective include,</u> but are not limited to,"

¹⁸ PFP § 25.512(d)(3)(A) – (G).

¹⁹ Moreover, SWGRs, like those constructed and operated by Golden Spread, are capable of providing benefits to Texans both inside and outside ERCOT, when the need arises. The benefits of this flexibility is a factor the Commission should be allowed to consider at the time of application.

VI. Remove or Extend Project Completion Deadline

Proposed Section 25.512(g)(2) states in part, "All projects must complete work by December 31, 2030, or an earlier date if specified in the grant agreement." This deadline is not authorized or required by statute. PURA § 34.0103 does not require that a project be completed by a certain calendar year. The absence of such a deadline in PURA § 34.0103 contrasts starkly with the other programs established by SB 2627, which include specific expiration dates and deadlines for interconnection.²⁰ The legislature knew how to establish such deadlines, but chose not to do so in PURA § 34.0103.

Not only is a completion deadline not authorized by statute, there are also practical reasons not to establish such a deadline in the rule. Golden Spread expects grant awards will begin in 2025. Applicants have 12 months after execution of a grant agreement to commence activities.²¹ Applicants must wait 24 months to reapply for another project involving the same objective.²² This means additional applications could be made and awarded in 2028 or later, leaving little time before the end of 2030 to complete the work. This risk of incompletion is even more likely given the long lead times for equipment and facilities being experienced in the industry. The risk is compounded by the potential that the Commission may approve large projects that could take years to complete. The 2030 deadline could thwart applications and needed projects, thereby not achieving the legislature's goal and leaving funds unused from the \$1 billion available for this Grant Program.²³ The requirement to begin projects within 12 months of execution of the grant agreement,²⁴ and the reporting and monitoring requirements,²⁵ are sufficient to ensure that projects are completed timely under the circumstances of each project.

Accordingly, Golden Spread requests the Commission not include a deadline by which work must be completed or, alternatively, extend any deadline to 2035 to ensure sufficient time

²⁰ See, e.g., PURA §§ 34.0104(1) ("commission may not disburse the initial funds for a loan under this section after December 31, 2025); 34.0104(m) ("This section expires September 1, 2050."); 34.0105(f) (establishing bomus grant amounts based on interconnection date and prohibiting grants for facilities interconnected on or after June 1, 2029); 34.0105(j) ("This section expires December 1, 2040.").

²¹ PFP § 25,512(g)(2).

²² PFP § 25.512(c).

²³ PURA § 34,0106(c)(1).

²⁴ PFP § 25.512(g)(2).

²⁵ PFP § 25,512(i).

for completion of projects that might be awarded later in the Grant Program. Golden Spread recommends that proposed Section 25.512(g)(2) be amended as follows:

(2) Activities related to eligible expenses of the project must commence within 12 months of execution of the grant agreement. All projects must complete work by December 31, 2030, or an earlier date if specified in the grant agreement.

VII. Streamlined Application and Reporting Process

Golden Spread supports an application and reporting process that ensures prudent expenditure of funds from the Grant Program, but this process should not deter participation by smaller electric cooperatives or municipal utilities that could greatly improve reliability in rural regions of the state. Smaller electric cooperatives are not overstaffed. Their limited resources are prioritized to the operation of the electrical system. In most cases, Golden Spread expects its Members will have to dedicate to the grant process employee time that would otherwise be spent running the cooperative. Or, the Members may need to hire a consultant at additional cost. To encourage grant applications and mitigate against lost time or additional consulting costs, Golden Spread encourages a streamlined application and reporting process.

The application information identified in the PFP at subsection (c) seems appropriate to properly vet projects, but the electronic form is yet to be developed. This form should clearly track the rule requirements, limit ambiguity, and be easy to understand. Similarly, the grant payment and reporting process described in subsection (f) refers to a grant agreement that is not yet developed. This grant agreement should not impose onerous reporting requirements for grant-funded projects that create a barrier to cooperative participation.

VIII. Expedited and Simplified Response for Smaller Projects

Golden Spread recommends the Commission establish a streamlined and expedited process for smaller-dollar projects estimated to cost equal to or less than \$5 million. Golden Spread expects many rural projects will be less costly, yet equally if not more impactful to electric reliability in those communities. However, due to their smaller size and less administrative resources, some may be less able to take advantage of the opportunities provided by the Grant Program at the same speed or scale as larger electric providers with substantial in-house staff and resources. To ensure the legislature's intent that all Texans benefit from the TEF, the Commission should consider an expedited and simplified application process for applicants whose total application requests are under \$5 million. Processing these applications on a shorter timeline will ensure the Legislature's goal of improving reliability in rural Texas will be met in a timely manner. Accordingly, Golden Spread recommends the following language be added at the end of the first paragraph in proposed Section 25.512(d):

The commission shall approve or deny within 90 days of receipt an application for a project estimated to cost less than or equal to \$5,000,000.

IX. Conclusion

Golden Spread appreciates the opportunity to provide comment in response to the PFP and looks forward to working with Staff and the other stakeholders in this project.

Dated: November 7, 2024

Respectfully submitted,

CPR. CL

Carl R. Galant State Bar No. 24050633 MCGINNIS LOCHRIDGE LLP 1111 W. 6th Street, Bldg. B, Ste. 400 Austin, Texas 78703 (512) 495-6083 (512) 505-6383 FAX cgalant@mcginnislaw.com

Attorney for Golden Spread Electric Cooperative, Inc.

Ruth Calderon Legislative and Regulatory Policy Manager Golden Spread Electric Cooperative, Inc. P.O. Box 9898 Amarillo, Texas 79105-5898 (806) 349-5205 (806) 374-2292 FAX rcalderon@gsec.coop

PROJECT NO. 57004

TEXAS ENERGY FUND GRANTS FOR§PUBLIC UTILITY COMMISSIONFACITLIES OUTSIDE OF THE§ERCOT REGION§OF TEXAS

EXECUTIVE SUMMARY

Golden Spread Electric Cooperative, Inc. makes the following recommendations:

- 1. **Prioritize rural regions subject to disaster**. Give special consideration to projects in rural regions of Texas that frequently experience disasters and have limited resources to modernize, weatherize, or develop resilient systems.
- 2. New electric generation resources should be eligible. Delete proposed Section 25.512(b)(4)(E) to allow the Commission to consider applications for new electric generation resources that can benefit Texas. New electric generating resources are critical to improve the reliability and resiliency of the grids that serve Texans outside ERCOT, and therefore, should not be excluded from eligiblity for the Grant Program. The Commission can use its discretion to evaluate these projects on a case-by-case basis.
- 3. Objective descriptions should be non-exclusive. In proposed Section 25.512(b)(3)(A) (D), include language clarifying that the list of activities that meet an objective are not exclusive and do not preclude other projects or activities, such as by stating, "<u>Activities that meet this objective include, but are not limited to,</u>"
- 4. **Remove or extend project completion deadline**. Amend proposed Section 25.512(g)(2) to delete the December 31, 2030 deadline for projects to be completed, or at least extend that deadline to 2035. PURA § 34.0103 does not require that a project be completed by a certain calendar year. Removing or extending the deadline will avoid thwarting applications or projects that may not be feasible to complete by 2030, whether due to long lead times or awards occurring later in the Grant Program.
- 5. Streamlined application and reporting process, and expedited process for smaller dollar projects. The application process in proposed Section 25.512(c), and the reporting process in proposed Section 25.512(f), should be designed to accomplish the goals of the Grant Program but consider the limited resources of smaller electric cooperatives and municipal systems that operate outside ERCOT. Further, it is appropriate to adopt an expedited process for smaller-dollar projects estimated to cost equal to or less than \$5 million.