



MEMO

Date: November 9, 2004
To: Board of Directors
From: Bill Bojorquez, Sam Jones
Subject: Elm Creek Switching Station Project

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: November 16, 2004

Agenda Item No.: 4a

Issue:

Endorsement of the need for the proposed Elm Creek Switching Station at or near the intersection of the STP to Hill Country/Skyline and Marion to San Miguel 345 kV circuits. The proposed Elm Creek Switching Station will consist of eight terminal 345 kV circuits with future expansion capability to include one 345/138 kV autotransformer and two 138 kV circuits to support future load growth in the area.

Background/History:

ERCOT leads three regional planning groups (North, South, and West) in the review of actions proposed by transmission service providers, in accordance with ERCOT-defined project submittal criteria, to address transmission constraints and other system needs.

A summary of the project is included in Attachment A.

The following summarizes the stakeholder process that was a part of ERCOT's review of the alternatives considered for this project:

- On June 30, 2004, the conceptual project was sent to the South Regional Planning Group for input and project development. ERCOT Staff independently developed the project based upon the conceptual idea from transmission owners and ERCOT's congestion analysis.
- South Regional Planning Group analysis and input:
 - The project was submitted on September 14, 2004.
 - Comments were received from September 14th to October 6th, 2004.
 - Project presented at the South Regional Planning Meeting on September 15, 2004.
 - Resolution of comments completed on October 21, 2004.
- TAC reviewed and voted in support of the project on November 4, 2004.



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A summary of comments and responses regarding this project are set forth in Attachments B and C.

This project is needed at the current time to reduce congestion costs. The project is projected to be in service by 2007 but acceleration of the project to 2006 service is being investigated. CPS and LCRA, as transmission owners, will construct this project.

ERCOT endeavors to achieve a coordinated transmission planning process through the regional planning efforts. This process ensures that the ERCOT and NERC planning standards are met, that the proposed project addresses TDSP planning criteria requirements, and that all areas of concern are addressed with the good of the overall region in mind.

Key Factors Influencing Issue:

- Maintaining reliability, meeting planning criteria
- Reduction of congestion costs
- CPS and LCRA analysis supports the project
- ERCOT independent analysis supports the project

Alternatives:

- Endorse the need for construction of the Elm Creek 345 kV Switching Station project; or
- Remand to ERCOT Staff with instructions

Conclusion/Recommendation:

ERCOT Staff recommends that the Board endorse the need for the Elm Creek 345 kV Switching Station project.