



MEMO

Date: January 9, 2007
To: ERCOT Board of Directors
From: Bill Bojorquez, Vice President, System Planning
Subject: Alvin 345kV Transmission Tie Project

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: January 16, 2007

Agenda Item No.: 08c

Issue:

ERCOT Board endorsement of Alvin 345 kV Transmission Tie Project.

Background/History:

Texas New Mexico Power (TNMP) and CenterPoint Energy (CNP) proposed the Alvin 345kV Transmission Tie Project in July 2006; ERCOT's independent review of this project was completed in November, 2006, and the study report is included as Attachment A. The project will add a 345/138 kV switching station and one autotransformer on the west end of TNMP's Bay Area Loop to solve reliability problems. The new station will be looped into CNP's Oasis to P.H. Robinson 345 kV line and TNMP's Hastings to Alvin 138 kV line. The 138 kV circuits from the new 138 kV station to Hastings and Friendswood substations will also be reconductored.

The estimated capital cost of the Project is \$19.4 million (in 2006 dollars).

The Regional Planning Group (RPG) comment period for the Project was held in August 2006 and no dissenting comments were received. ERCOT Staff performed an independent study of the Project in accordance with the ERCOT planning charter.

Key Factors Influencing Issue:

1. Contingent thermal overloads were identified for several single and multiple line outages that can not be relieved by generation re-dispatch.
2. Historic and predicted future load growth in the area is 3 – 5% per year.

Alternatives:

1. Endorse the need for the Project as recommended by ERCOT Staff and supported by the Regional Planning Group and the Technical Advisory Committee.
2. Remand to ERCOT Staff with instructions.

Conclusion/Recommendation:

ERCOT Staff recommends that the Board endorse the need for the Alvin 345 kV Transmission Tie Project.