



Date: September 9, 2008
To: ERCOT Board of Directors
From: Dan Woodfin, Director - System Planning
Subject: Oncor Nacogdoches to Lufkin Switch 345 kV Line Project

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: September 16, 2008

Agenda Item No.: 6

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should endorse Oncor's Nacogdoches to Lufkin Switch 345 kV Line Project.

Background/History:

The following lines allow the export of 3887 MW of generation from Tenaska Gateway, Martin Lake, and Stryker Creek:

- Double-circuit 345 kV line from Martin Lake to Mt. Enterprise to Stryker Creek/Trinidad
- Double-circuit 345 kV line from Martin Lake to Tyler Grande/Elkton
- 345 kV line from Martin Lake to Shamburger
- 345 kV line from Mt. Enterprise to Nacogdoches Southeast
- 345 kV line from Stryker Creek to Lufkin Switch

Loss of any of the two double-circuit lines, the Martin Lake – Shamburger 345 kV line, or the Stryker Creek – Lufkin Switch 345 kV line will cause congestion on the Nacogdoches Southeast 345/138 kV autotransformer. The Nacogdoches to Lufkin Switch 345 kV line relieves this congestion and was recommended as an economic project in the ERCOT 2007 Five-Year Plan (see Attachment A).

The new line also allows the exit of the Special Protection System (SPS) that curtails generation to prevent the overload of the Nacogdoches Autotransformer.

The estimated cost of this project is \$29.2 M (see Attachment B).

Key Factors Influencing Issue:

1. Recommended in the 2007 ERCOT Five-Year Plan as an reliability and an economic project.
2. Allows exit of existing SPS.
3. Utilizes existing structures for over half the length of the line.



<p><u>Alternatives:</u></p> <ol style="list-style-type: none">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. <p><u>Conclusion/Recommendation:</u></p> <p>ERCOT staff respectfully recommends that the Board endorse the need for the Project.</p>



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, Oncor's Nacogdoches to Lufkin Switch 345kV Line Project is required for reliability and economic reasons, and

WHEREAS, Electric Reliability Council of Texas, Inc. (ERCOT) staff and the Regional Planning Group both endorse the need for the Project,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of ERCOT hereby endorses the need for the Project.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its September 16, 2008 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by a vote of _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2008.

Michael G. Grable
Corporate Secretary