



# Generation Interconnection Screening Study Fee

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Board of Directors Meeting  
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## Current Status

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- **ERCOT is required to perform a screening study for new Generation Resources requesting connection to the ERCOT transmission system per PUCT Substantive Rules Section 25.198 (c)**
- **ERCOT charges a fee for performing this study**
- **The current fee, in place since 2004, ranges from \$1,000 to \$5,000 depending upon the MW capacity of the generation project**
- **The table to the right shows the number of screening studies performed each year since 2004:**
- **The number of requests is expected to increase from the 2010 volume due to completion of CREZ lines and tightening reserve margins**

Year	Number of Requests
2004	19
2005	44
2006	99
2007	106
2008	94
2009	81
2010	55
2011 (thru 6/9)	35
Expected On-Going	75-100

## Background and Update

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- **Under PUCT's new rule on ERCOT oversight, ERCOT Board can approve User Fees, such as the Screening Study fee**
- **Proposed the concept of increasing fee at April F&A meeting; received good feedback and some questions**
- **Since the April F&A Meeting:**
  - Have updated estimates presented at April meeting, which had been based on previous fee case filing preparation
  - Have collected estimates from other ISOs on their average Feasibility Study costs, as requested

ISO A	Avg. \$5,000; Range \$1,000-50,000; Allocation of Batch Studies
ISO B	Range \$8,000-10,000; Allocation of Batch Studies
ISO C	Avg. \$5000; Allocation of Batch Studies
ISO D	Outsourced to consultant paid by gen. (Canada)

## Proposed Fee Structure

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- **The proposed fee schedule is:**

<b>Project Size</b>	<b>Fee</b>
<b>&lt;= 150 MW</b>	<b>\$5,000</b>
<b>&gt; 150 MW</b>	<b>\$7,000</b>

- **New fee schedule would be more inline with current costs**
- **New fee is consistent with fees charged by other ISOs for similar work**
- **\$15/MW Full Interconnection Study ERCOT fee, payable at time of full interconnection study request, may be increased to account for additional ERCOT work related to subsynchronous interaction screening, requirements tracking and validation**

# Cost Estimate

- The following table shows a cost estimate for performing screening studies that is the basis for the fee:

Per Interconnect	Loaded Rate (\$/Hr)	Hours		Cost	
		Sum			
Interconnect Size:		Large	Small	Large	Small
Labor Hours (loaded rate)	60	49.5	32.5	\$2,970	\$1,950
Management and Legal Review (33% of Labor Hours @ loaded rate)	87	16.3	10.7	\$1,421	\$933
<b>Labor Subtotal</b>				<b>\$4,391</b>	<b>\$2,883</b>
Facilities Charge				\$481	\$316
Admin				\$763	\$501
IT Support Charge				\$488	\$320
<b>Overhead Sub Total</b>				<b>\$1,732</b>	<b>\$1,137</b>
<b>ERCOT Total Cost</b>				<b>\$6,123</b>	<b>\$4,020</b>
Compare to Consultant Rate (Rate at same # of hours)	150	65.8	43.2	\$9,875	\$6,484

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Questions?