

PGRR Comments

PGRR Number	031	PGRR Title	Implement 95% Facility Rating Limit in the Planning Criteria
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Date	February 7, 2014
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Submitter's Information	
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Market Segment	Cooperative

Comments

LCRA TSC supports ERCOT Board approval of PGRR031. As a participant in the ERCOT Operations and Planning Synchronization Task Force (OPSTF) as well as in the ERCOT Planning Working Group (PLWG), LCRA TSC supports the revision to the ERCOT Planning Criteria as proposed by PLWG in PGRR031. One of the ROS directives to the OPSTF in early 2012 was to:

“ensure that Real-Time Operations, Outage Planning and Transmission Planning processes are aligned. The processes are not expected to be “equal”, but the system should be planned to ensure operational flexibility.”

In adherence with this directive, one of the outcomes of the OPSTF was the need to develop a criteria setting up the applicable thermal rating on facilities at 95%, and PLWG responded to this consensus at ROS with PGRR031.

The 95% threshold is a prudent planning criteria that takes into account a range of credible conditions that can occur due to changes in forecasted load, expected transfers, reactive resource capability, dispatch scenarios, duration and timing of transmission outages, and expected in-service dates (construction delays) to name a few. As an example, higher-than-normal temperatures, a condition that ERCOT has experience with, will result in higher-than-forecasted load levels and facility de-ratings. PGRR031 also assists in identifying the impact in areas where the load growth is faster than projected.

Other prudent aspects of PGRR031 include a three-year period for implementing the new criteria and the provision allowing TSPs and ERCOT to elect not to initiate projects for Facilities loaded between 95% and 100% of their applicable Ratings if the loading on those Transmission Facilities is not expected to exceed 100% within the six-year planning horizon.

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In comments filed on February 3, 2014, Calpine discusses the OPSTF process for selecting the 95% loading threshold. Calpine states that “...*many members favored a 90% criteria.*” and “...*OPSTF members were split over 90% or 95%.*” As a participant and regular attendee at the OPSTF meetings, LCRA TSC would not characterize the various suggestions discussed as a split in selecting the appropriate loading level. LCRA TSC was one of two (2) OPSTF members that suggested consideration to a 90% loading level. For planning purposes, LCRA TSC has been using a 90% loading threshold on load-serving substation transformers for many years and this planning approach has proven successful over the years in ensuring available capacity and service reliability. Also, in LCRA TSC’s case, for a typical 138-kV transmission line rated at 220 MVA located in central Texas between major load centers, the 95% percent loading provides a margin of only 11 MVA. For a typical 69-kV transmission line rated a 65 MVA, the margin resulting from the 95% loading level is mere 3.25 MVA. Relying on this very small amount of margin in determining the need for system upgrades is by no means overbuilding the system. In reaching its conclusion on PGRR031 OPSTF achieved consensus from the participants on the 95% loading level after careful consideration.

LCRA TSC also disagrees with the comments by EMMT filed on February 3, 2014 that PGRR031 moves billions of dollars into a class of “automatic” upgrades. PGRR031 in no way changes or amends the current process for ERCOT and stakeholder review of projects contained in the Nodal Operating Guides or in the Substantive Rules established by the Public Utility Commission of Texas (PUCT). The ERCOT Nodal Protocols require Transmission Owners to submit projects exceeding \$15 Million to the Regional Planning Group for comments and ERCOT Independent Review. The PUCT Substantive Rules establish the public process and PUCT review is required for approval to construct new transmission line facilities and to establish transmission rates. The Nodal Operating Guides and the PUCT Substantive Rules ensure continuation of an open process that in no way results in “automatic” upgrades.

In addition, EMMT implies that the already approved Planning Guide revisions resulting from PGRR005, New Planning Guide Section 4, Transmission Planning Criteria (formerly “New Planning Guide Section 5, Planning Criteria”) PGRR024, Clarify Planning Assumptions and Performance Criteria, PGRR025, Addition of Criteria for Autotransformer Unavailability and PGRR026, Addition of Year 6 to the SSWG Base Cases, are the cause for creation of billions of dollars in new, “automatic” investment without any evidence that new investment has occurred, is planned to occur, or will occur. These previously approved PGRRs serve to maintain long established planning practices within ERCOT and provide changes to planning criteria needed to stay in conformance with changing NERC requirements.

Transmission projects, particularly major transmission line additions, take a significant time to identify, undergo ERCOT review, obtain PUCT approval when required, permit, and construct. Early identification of needed projects serves to benefit Market Participants, ratepayers, and landowners by providing more time for considering

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alternatives, optimizing construction schedules to reduce costs, notifying Market Participants of required outages, and avoiding the temporary mitigation plans that are sometimes needed when adverse conditions cause construction delays.

This criteria revision will facilitate the earlier identification and scheduling of planned projects. Earlier identification of planned projects increases the project's usefulness and adds value to the ERCOT ratepayers by: 1) ensuring the risk the project is intended to resolve is timely mitigated; 2) reducing potential congestion; 3) cost-effectively and efficiently implementing projects; and 4) providing earlier notice to all Market Participants of the need for reliability-based transmission improvements. Approval of PGRR031 will assist in reducing the need to pay construction premiums when faced with having to race against the 100% loading level.

PGRR031 as proposed is a reasonable attempt to ensure operational flexibility of the transmission system.

Revised Proposed Guide Language
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None, LCRA TSC supports the proposed language in PGRR031.