PUCT - Electric Substantive Rules

**CHAPTER25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.**

**Subchapter A. GENERAL PROVISIONS.**

**§25.5. Definitions.**

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**Good utility practice --** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good utility practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the region.

**CHAPTER 25.**

**Subchapter I. DIVISION 1.**

**SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.**

**TRANSMISSION AND DISTRIBUTION.**

**OPEN-ACCESS COMPARABLE TRANSMISSION SERVICE FOR ELECTRIC UTILITIES IN THE ELECTRIC RELIABILITY COUNCIL OF TEXAS.**

**§25.195. Terms and Conditions for Transmission Service.**

(b)  Transmission service provider responsibilities. The TSP will plan, construct, operate and maintain its transmission system in accordance with good utility practice in order to provide transmission service customers with transmission service over its transmission system in accordance with Division 1 of this subchapter (relating to Open-Access Comparable Transmission Service for Electric Utilities in the Electric Reliability Council of Texas). The TSP shall, consistent with good utility practice, endeavor to construct and place into service sufficient transmission capacity to ensure adequacy and reliability of the network to deliver power to transmission service customer loads. The TSP will plan, construct, operate and maintain facilities that are needed to relieve transmission constraints, as recommended by ERCOT and approved by the commission, in accordance with Division 1 of this subchapter. The construction of facilities requiring commission issuance of a certificate of convenience and necessity is subject to such commission approval.

(c)  Construction of new facilities. If additional transmission facilities or interconnections between TSPs are needed to provide transmission service pursuant to a request for such service, the TSPs where the constraint exists shall construct or acquire the facilities necessary to permit the transmission service to be provided in accordance with good utility practice, unless ERCOT identifies an alternative means of providing the transmission service that is less costly, operationally sound, and relieves the transmission constraint at least as effectively as would additional transmission facilities.

(1) When an eligible transmission service customer requests transmission service for a new generating source that is planned to be interconnected with a TSP's transmission network, the transmission service customer shall be responsible for the cost of installing step-up transformers to transform the output of the generator to a transmission voltage level and protective devices at the point of interconnection capable of electrically isolating the generating source owned by the transmission service customer. The TSP shall be responsible, pursuant to paragraph (2) of this subsection, for the cost of installing any other interconnection facilities that are designed to operate at a transmission voltage level and any other upgrades on its transmission system that may be necessary to accommodate the requested transmission service.

**ERCOT Planning Guide**

**Section 5: Generation Resource Interconnection or Change Request**

**September 14, 2017**

5.4.7 Economic Study

(1) ERCOT shall perform an independent economic analysis of the transmission projects that are identified through this process as being needed for the direct connection of the proposed Generation Resource and that are expected to cost more than $25,000,000. This economic analysis is performed only for informational purposes, and no ERCOT endorsement will be provided.

(2) If the lead TSP determines that the costs of the recommended direct interconnection facilities for the proposed Generation Resource are expected to exceed $25,000,000, the lead TSP will communicate this finding to ERCOT and other TSP(s) via the confidential Transmission Owner Generation Interconnection email list within ten Business Days of such determination. This communication will include all available information upon which that finding is based, including but not limited to:

(a) A description of the direct interconnection facilities;

(b) Information necessary to modify a power-flow case to include those facilities;

(c) Any information obtained from the IE that would be helpful in modeling the proposed Generation Resource for the study; and

(d) The estimated cost of the facilities.