



Date: October 15, 2021
To: Board of Directors
From: Clif Lange, Technical Advisory Committee (TAC) Chair
Subject: Proposed Change to the Steady-State Transmission Planning Load Forecast Boundary Threshold

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: October 22, 2021

Item No.: 3.3

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should approve an increase to the boundary threshold for the Load review process specified in Planning Guide Section 3.1.7, Steady State Transmission Planning Load Forecast, to 7.5% for all Weather Zones, as unanimously recommended by the Technical Advisory Committee (TAC).

Background/History:

Planning Guide Section 3.1.7 defines the process for comparing Transmission Service Provider (TSP) Load forecasts with ERCOT's Load forecast in transmission planning. If ERCOT's Load forecast is higher, then ERCOT's Load forecast is used. If the TSP's Load forecast is higher but within the boundary threshold as applied to ERCOT's Load forecast, the TSP's Load forecast is used. If the TSP's Load forecast is greater than ERCOT's Load forecast plus the boundary threshold, then ERCOT's Load forecast is used. If the TSP believes that ERCOT's forecast plus the boundary threshold does not adequately represent the area's future Load, the TSP can submit additional information to ERCOT (e.g., signed financial agreements), which will be used to increase the forecast. The current boundary threshold is 7.5% for the Far West Weather Zone and 5% for all other Weather Zones.

Planning Guide Section 3.1.7 requires ERCOT Board approval of revisions to the boundary threshold for determining the Load level used in the start cases for the Regional Transmission Plan and ERCOT's independent review of Tier 1 projects.

Based on significant population growth and increasing numbers of large consumers as well as direction received from the Public Utility Commission of Texas (PUCT) at its September 23, 2021 Open Meeting, ERCOT Staff proposed that the boundary threshold be increased for to 7.5% all Weather Zones, effective on November 1, 2021.

At its September 29, 2021 meeting, TAC unanimously voted to recommend approval of the proposed boundary threshold of 7.5% for all Weather Zones as proposed by ERCOT Staff.

Key Factors Influencing Issue:

- Increasing the boundary threshold provides TSPs more flexibility to account for the needs of fast-growing areas on their systems. Such a change appears increasingly needed as areas of Texas experience significant population growth and as increasing numbers of large consumers (such as new data centers) propose new facilities with accelerated development timelines. Increasing the boundary threshold to 7.5% for all Weather Zones would be a reasonable initial step to better account for the changing needs of the grid.
- ERCOT staff and TAC have recommended that the proposed boundary threshold be increased to 7.5% for all Weather Zones, for the Load review process specified in Planning Guide Section 3.1.7.

Conclusion/Recommendation:

TAC recommends that the ERCOT Board approve a boundary threshold of 7.5% for all Weather Zones for the Load review process specified in Planning Guide Section 3.1.7, effective November 1, 2021.



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

WHEREAS, paragraph (1)(f) of Planning Guide Section 3.1.7, Steady State Transmission Planning Load Forecast, requires that the boundary threshold used to implement the requirements of Section 3.1.7 will be recommended by the Technical Advisory Committee (TAC) and approved by the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT);

WHEREAS, TAC has recommended that the ERCOT Board approve a boundary threshold of 7.5% for all Weather Zones for the Load review process specified in Planning Guide Section 3.1.7; and

WHEREAS, after due consideration of the alternatives, the ERCOT Board deems it desirable and in the best interest of ERCOT to approve a boundary threshold of 7.5% for all Weather Zones for the Load review process specified in Planning Guide Section 3.1.7;

THEREFORE, BE IT RESOLVED that the boundary threshold of 7.5% for all Weather Zones for the Load review process specified in Planning Guide Section 3.1.7 is hereby approved, effective November 1, 2021.

CORPORATE SECRETARY'S CERTIFICATE

I, Jonathan Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its October 22, 2021 meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of October 2021.

Jonathan Levine
Assistant Corporate Secretary