PUC Project No. 46304

Oversight Relating to the Southern Cross Transmission (SCT) DC Tie

Allocation of Export-Related Costs to QSEs (Directive 12)

Date: 05/25/2022

Market stakeholder input:

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| **Directive # 12 –** | **ERCOT shall study and determine for export-related costs whether the qualified scheduling entity should be assigned costs that ordinarily would ultimately be paid by the end-use customer.**  |

***Determination:***

***ERCOT has determined that costs associated with exports over DC Ties have been sufficiently addressed by the resolution of other directives and that no further revision to any cost allocation mechanism is necessary.***

Reasons for determination:

Imports and exports over the Direct Current (DC) Tie proposed by Southern Cross Transmission LLC (“Southern Cross”) will result in a number of impacts to the ERCOT System. These impacts have been identified through ERCOT’s resolution of the various other directives in the Public Utility Commission of Texas’s (PUC) May 23, 2017 order in Project No. 46304. As explained in the determination relating to Directive 11, the costs associated with resolving these impacts have been implicitly allocated through resolution of these directives or have been explicitly allocated to Southern Cross under the October 2017 memorandum of understanding (MOU) between ERCOT and Southern Cross. ERCOT has evaluated the impact of exports over the DC Ties and has not identified any other category of costs that should properly be allocated to Southern Cross pursuant to this directive.