



Item 4.1: Preliminary Exit Strategy for RMR Agreements or Alternative Mobile Generation Solutions – Acceleration of San Antonio South Reliability II Transmission Project

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ERCOT Public

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Overview

- **Purpose**

Provide an overview of the preliminary exit strategy for the Reliability Must Run (RMR) agreement or alternative mobile generation solutions.

- **Voting Items / Requests**

No action is requested of the Board; for discussion only.

Key Takeaways:

- Per Protocol, ERCOT shall report to the Board and post on the MIS Secure Area a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of the existing RMR Agreement.
- Accelerating the San Antonio South Reliability II Project is being considered for exiting the RMR agreement or alternative mobile generation solutions.
- The San Antonio South Reliability II Project is also identified as part of the South Texas Export and Import GTC Exit Strategy.

Protocol Requirements for RMR Exit Strategy

Protocol Section 3.14.1.4, Exit Strategy for an RMR Agreement, states:

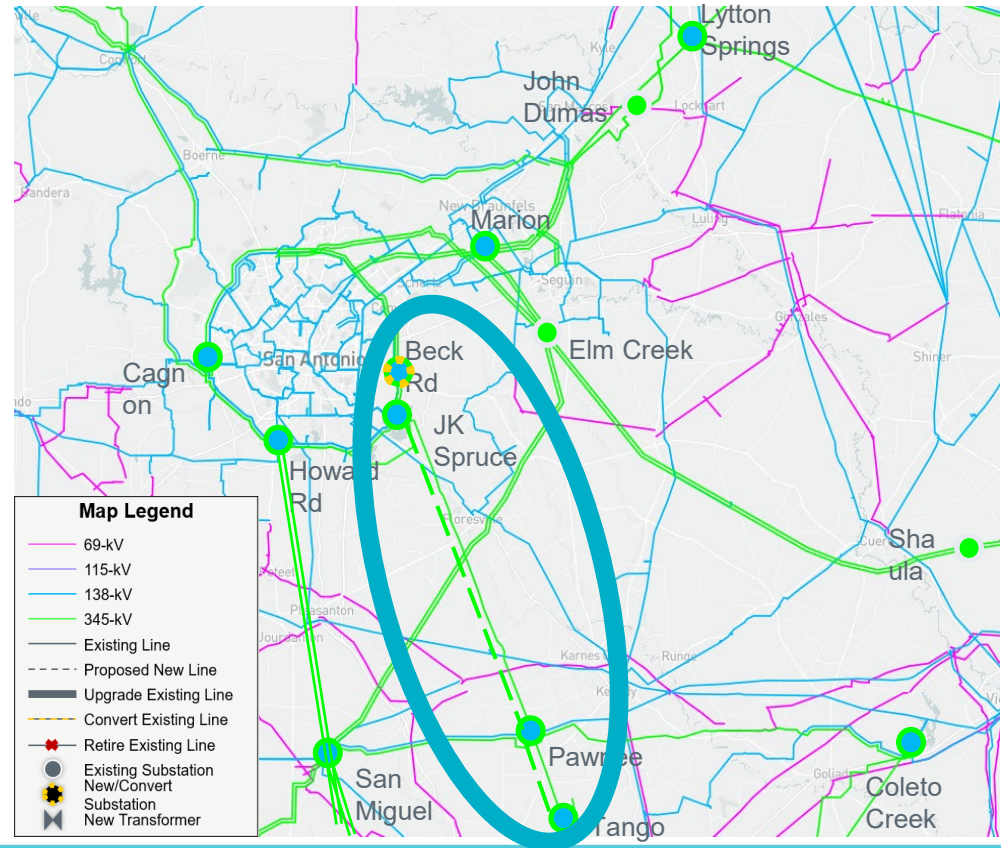
- No later than **90 days after the execution of an RMR Agreement**, ERCOT shall report to the Board and post on the MIS Secure Area **a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of the existing RMR Agreement.**
- Through the ERCOT System planning process, ERCOT shall develop a list of potential alternatives to the service provided by the RMR Unit.
- At a minimum, the list of potential alternatives that ERCOT must consider include, **building new or expanding existing Transmission Facilities**, installing voltage control devices, soliciting or buying by auction interruptible Load from Retail Electric Providers (REPs), or extending the existing RMR Agreement on an annual basis.
- If a cost-effective alternative to the service provided by the RMR Unit is identified, ERCOT shall provide a proposed timeline to study and/or implement the alternative.

Key Takeaway: Per Protocol, ERCOT shall report to the Board a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of the existing RMR Agreement. Given reporting timelines, ERCOT is sharing an initial update and will provide a final report at a future date.

San Antonio South Reliability II Project

The approximate \$435M project was endorsed by the April 23, 2024 ERCOT Board with the following expected timeline:

- Construct a new 345/138-kV switching station on the East side of San Antonio near Beck Rd (**June 2028**)
- Rebuild the 345-kV single circuit from JK Spruce to Pawnee into a 345-kV double circuit transmission line (**December 2028**)
- Rebuild the 345-kV single circuit from Pawnee to Tango into a 345-kV double circuit transmission line (**May 2029**)



Key Takeaway: Accelerating the San Antonio South Reliability II Project is being considered for exiting the RMR agreement or alternative mobile generation solutions.

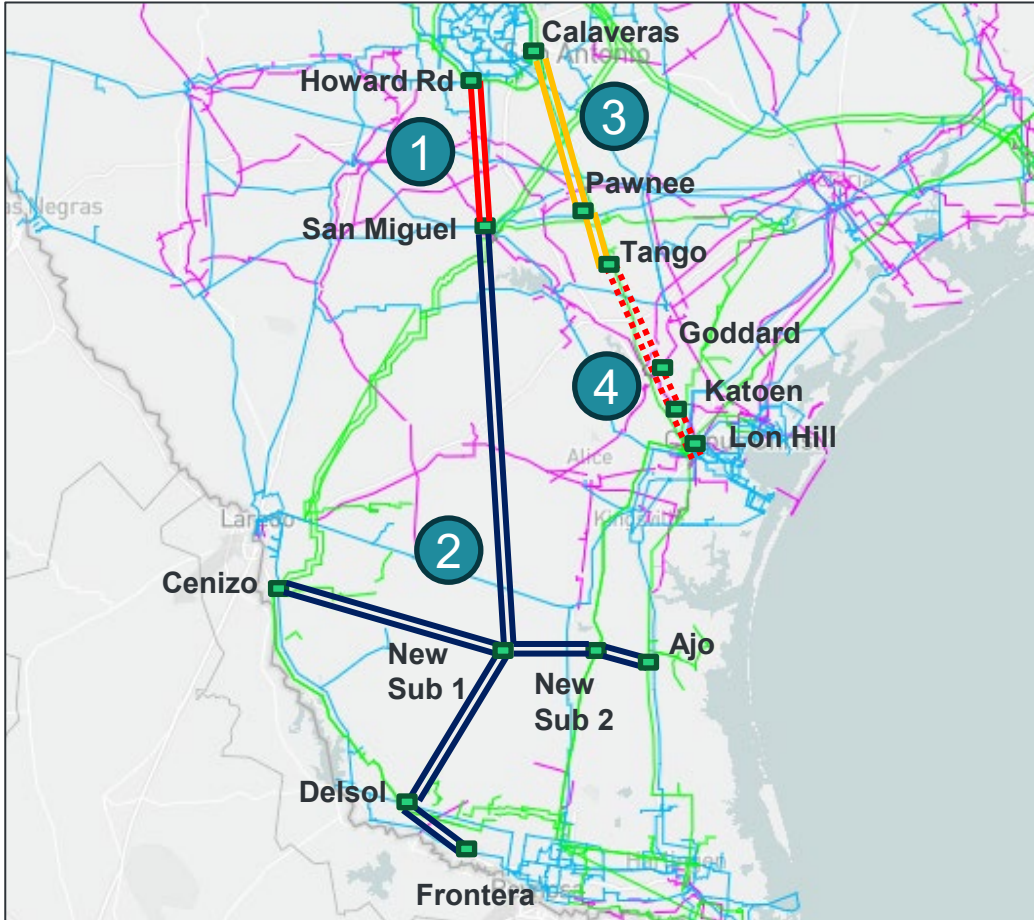
San Antonio South Reliability II Project Acceleration

- ERCOT has been in discussions with CPS, AEP and STEC to determine economic impacts and feasibility of accelerating the San Antonio South Reliability II Project
- Potential accelerated in-service dates
 - Spruce to Pawnee & Pawnee to Tango circuit 1 September 2026
 - Spruce to Pawnee & Pawnee to Tango circuit 2 January 2027
- Preliminary analysis indicates the rebuild of the 345-kV single circuit from Pawnee to Tango into a 345-kV double circuit would offset the service provided by the RMR unit or alternative mobile generation solutions
- The San Antonio South Reliability II Project was also identified as one of the four projects in the South Texas Export and Import Generic Transmission Constraint (GTC) Exit Strategy

Key Takeaway: Accelerating the San Antonio South Reliability II Project may allow exiting the RMR agreement as well as reduce the impact of the South Texas GTC.

South Texas Export and Import GTC Exit Strategy

ERCOT presented the South Texas Export and Import GTC Exit Strategy at the Reliability and Operations Subcommittee (ROS) on August 1, 2024.



ID	Project Name	Status
1	San Antonio South Reliability I Project	Endorsed ISD: 2027
2	LRGV Transmission Improvement Project	Endorsed ISD: 2027
3	San Antonio South Reliability II Project	Endorsed ISD: 2029
4	Tango-Goddard-Kateon-Lon Hill 345-kV Line Upgrade to DCKT	Conceptual (ISD: NA)

Key Takeaway: ERCOT also identified the San Antonio South Reliability II Project as part of the South Texas Export and Import GTC Exit Strategy.

Next Steps

- ERCOT will continue discussions with CPS, AEP and STEC.
- ERCOT will finalize its RMR Exit Strategy analysis and provide a final report to the Board with a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of an RMR Agreement or alternative mobile generation solutions.