



## **Item 14.1: Exit Strategy for Reliability Must Run (RMR) of Braunig Unit(s) and/or Life Cycle Power Agreements**

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ERCOT Board of Directors Meeting

ERCOT Public  
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# Board of Directors Request

- **Purpose**

Provide an overview of the Exit Strategy for Reliability Must Run (RMR) of Braunig Unit(s) and/or Life Cycle Power Agreements

- **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 was studied for exiting the RMR agreement and/or the alternative mobile generation solutions.
- The San Antonio South Reliability II Project is also identified as part of the South Texas Export and Import Generic Transmission Constraint (GTC) Exit Strategy.

# Protocol Requirements for RMR Exit Strategy

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

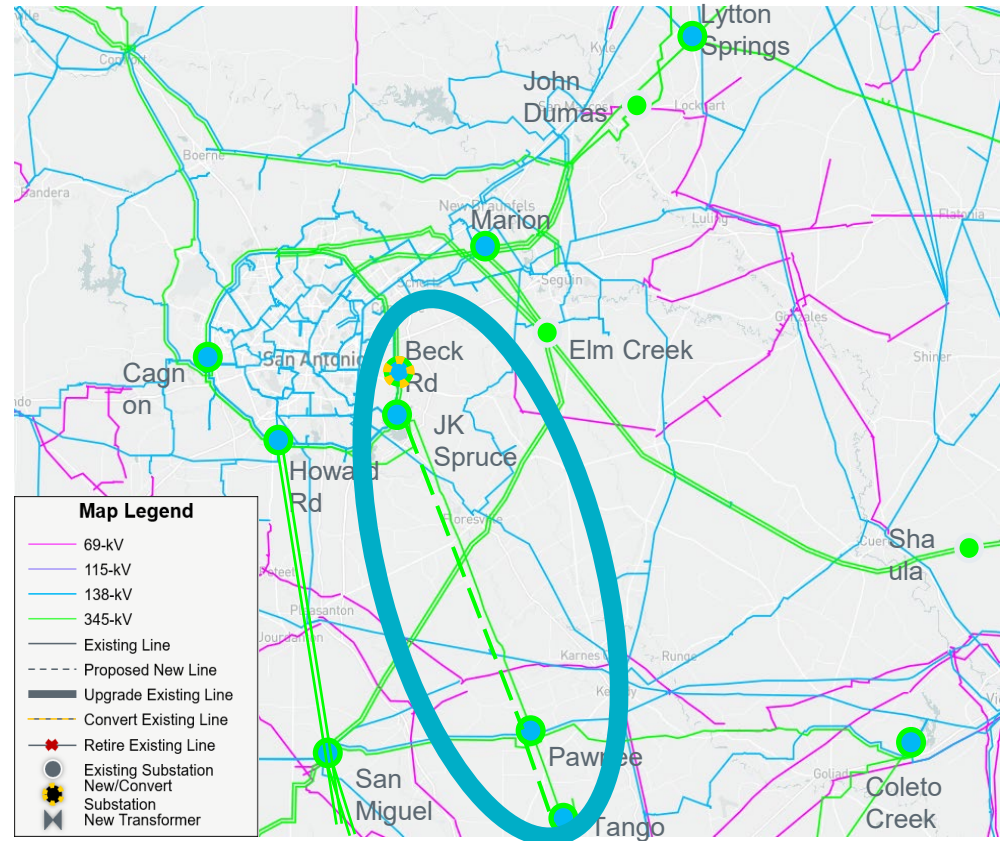
- No later than **90 days after the execution of an RMR Agreement**, ERCOT shall report to the Board and post on the MIS Secure Area **a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of the existing RMR Agreement.**
- Through the ERCOT System 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.

# San Antonio South Reliability II Project

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

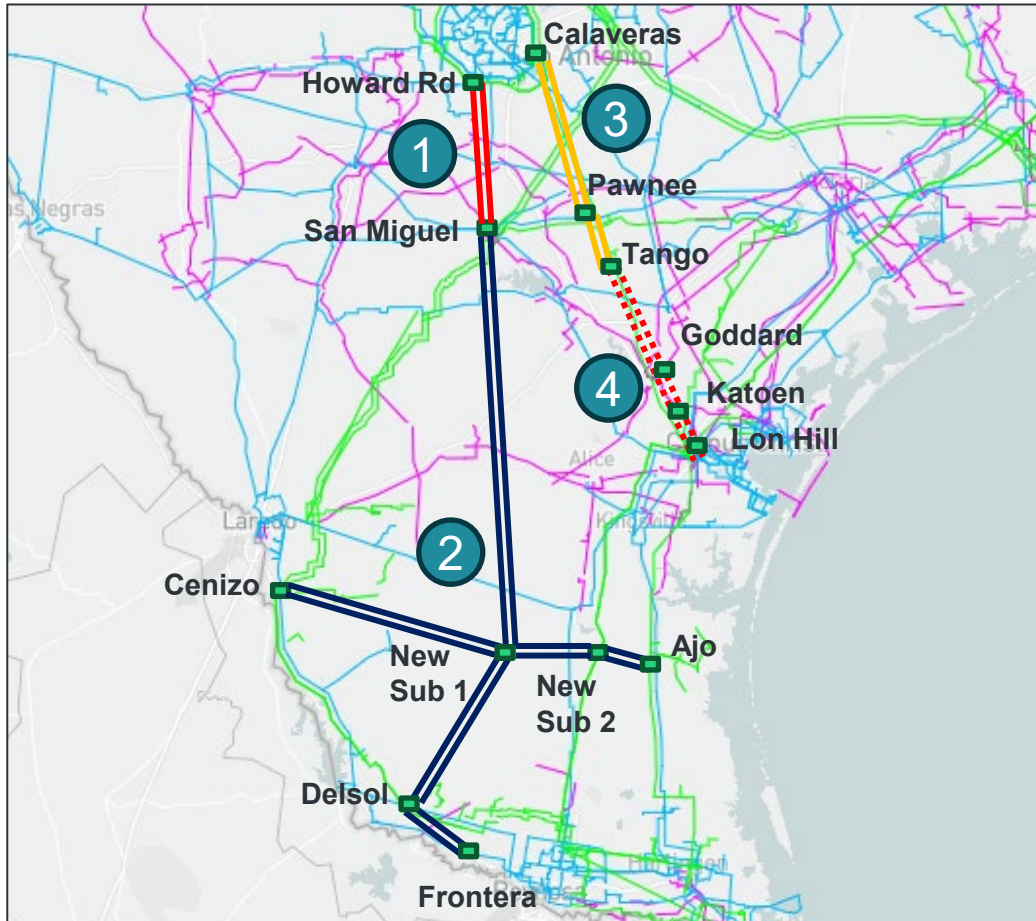
- Construct a new 345/138-kV switching station on the East side of San Antonio near Beck Rd (**June 2028**)
- Rebuild the 345-kV single circuit from JK Spruce to Pawnee into a 345-kV double circuit transmission line (**December 2028**)
- Rebuild the 345-kV single circuit from Pawnee to Tango into a 345-kV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



**Key Takeaway:** ERCOT studied accelerating the line rebuild portion of the San Antonio South Reliability II Project as an exit strategy for the RMR agreement and alternative mobile generation solutions.

# 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 one of the four projects for the South Texas Export and Import GTC Exit Strategy.

# San Antonio South Reliability II Project Acceleration (SAA)

- ERCOT has been in discussions with CPS, AEP and STEC to determine economic impacts and feasibility of accelerating the line rebuild portion of the San Antonio South Reliability II Project.
  - The **first circuit** of the Spruce to Pawnee and Pawnee to Tango 345-kV double-circuit transmission line could be energized by **September 1, 2026**
  - The **second circuit** of the Spruce to Pawnee and Pawnee to Tango 345-kV double-circuit transmission line could be energized by **January 2027**
- ERCOT is finalizing analysis of the project acceleration as an RMR exit strategy and developing a cost-benefit assessment based on potential ERCOT-wide Load Shed (EWLS) risk identified in the ERCOT RMR final determination report. Current results indicate:
  - Rebuild of the first circuit of the Spruce to Pawnee and Pawnee to Tango 345-kV could resolve the EWLS identified in the ERCOT RMR final determination report and could result in early termination of the Braunig\_VHB3 RMR agreement and the Life Cycle Power Agreements
  - The rebuild could be more cost-effective than the continuation of the RMR and LCP agreements.

**Key Takeaway:** Acceleration of first circuit could resolve potential EWLS risk identified in the RMR final determination and is the ultimate exit strategy for the RMR and alternative mobile generators.