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| NPRR Number | [1274](https://www.ercot.com/mktrules/issues/NPRR1274) | NPRR Title | RPG Estimated Capital Cost Thresholds of Proposed Transmission Projects |
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| Date | | May 16, 2025 | |
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| Submitter’s Information | | | |
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| Company | | AEP / CenterPoint Energy / TNMP | |
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| Cell Number | | N/A | |
| Market Segment | | Investor-Owned Utility (IOU) | |
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| **Comments** | | | |

Joint TSP commentors appreciate the opportunity to provide these comments to Nodal Protocol Revision Request (NPRR) 1274. These comments are intended to build upon 5/14/25 Oncor comments by providing additional cost analysis performed by the Joint TSP commentors to demonstrate the need for higher Regional Planning Group (RPG) cost threshold values over the proposed ERCOT amounts to help right-size the RPG cost Tiers with today’s costs.

Regarding ERCOT’s utilization of the U.S. Bureau of Labor Statistics Consumer Price Index (CPI), the Joint TSP commentors agree with Oncor that ERCOT’s proposal to solely utilize the U.S. Bureau of Labor Statistics CPI calculator to estimate the increase in transmission development costs in Texas is inappropriate on its own, and does not fully capture the increased transmission development costs that the Joint TSPs have observed which include other factors such as increased real estate costs, specialty equipment, and increased material and labor costs. Additionally, since the last RPG Tier threshold adjustments implemented in June 2017 via NPRR837, Regional Planning Group (PRG) Process Report, the Joint TSPs have each adopted modified construction methodologies utilizing temporary bypass facilities to support ERCOT’s reduced transmission Outage windows.

In the data sets below, CenterPoint Energy and AEP provide their analysis of certain transmission projects and re-estimated the project costs using 2025 dollars. TNMP has also observed similar trends in alignment with these increased costs. As a supporting data point, CenterPoint Energy’s analysis also includes the additional costs related to the temporary bypass methodology mentioned above to help ERCOT meet its reduced transmission Outage windows and is intended to demonstrate increased costs related to transmission project development that was not considered in 2017 when developing the current tier thresholds implemented via NPRR837.

It is the Joint TSP’s conclusion that costs have more than doubled since 2018, largely because of increased competition nationwide for high-voltage substation components, changes to National Electrical Safety Code standards, increased transmission construction labor and materials, and the increased costs to acquire Rights-of-Way.

CenterPoint Energy:

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| **Past Projects re-estimated using 2025 Dollars** | RPG Submitted | 2025 Dollars | % increase | 2025 Temp | % increase |
| 2021-A | $ 36,610,000 | $ 113,869,705 | 211% | $ 145,734,488.00 | 298% |
| 2018-A | $ 23,700,000 | $ 50,929,166 | 114% | $ 75,229,229.00 | 217% |
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| **Recent Projects re-estimated using 2018 Dollars** | RPG Submitted | 2018 Dollars | % increase |  |  |
| 2025-A | $ 94,700,000 | $ 53,534,401 | 77% |  |  |
| 2024-A | $ 68,230,000 | $ 33,994,119 | 100% |  |  |

AEP:

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| **Past Projects re-estimated using 2025 Dollars** | RPG Submitted | 2025 Dollars | % increase |
| 2017-A | $ 44,250,000 | $ 101,750,000 | 130% |
| 2018-A | $ 187,974,994 | $ 474,000,000 | 152% |
| 2019-A | $ 42,369,335 | $ 66,750,000 | 58% |
| 2021-A | $ 35,000,000 | $ 65,500,000 | 87% |

To conclude, consistent with the 5/14/25 Oncor comments, the Joint TSP commenters support doubling the proposed RPG Tier thresholds in NPRR1274 to accurately reflect the real-world cost increases to complete a transmission project. These adjustments would more accurately reflect the increase in transmission costs that TSPs have experienced since 2018 and may mitigate the need for ERCOT to increase staffing or experiencing added delays with project approval due to extended review times.

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| Revised Cover Page Language |

**None**

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| Revised Proposed Protocol Language |

**None**