|  |  |  |  |
| --- | --- | --- | --- |
| NPRR Number | [1274](https://www.ercot.com/mktrules/issues/NPRR1274) | NPRR Title | RPG Estimated Capital Cost Thresholds of Proposed Transmission Projects  |
|  |  |
| **Date Posted** | September 23, 2025 |
|  |  |
| Submitter’s Information |
| Name | Robert Golen |
| E-mail Address | Robert.Golen@ercot.com  |
| Company | ERCOT |
| Phone Number |  |
| Cell Number | 518-813-6455 |
| Market Segment | Not applicable |

|  |
| --- |
| Comments |

ERCOT submits these comments to NPRR1274, RPG Estimated Capital Cost Thresholds of Proposed Transmission Projects.

ERCOT requested the cost estimate breakdown from various Transmission Service Providers (TSPs) for historic Regional Planning Group (RPG) project submissions and the equivalent cost estimate for the projects if they were submitted in 2025. ERCOT calculated the annual increase in the for the responses from the TSPs to determine the percent increase from 2018 to 2025 and 2027. ERCOT discounted the extreme variations in cost estimates to ensure a conservative recording of the increased cost estimates.

The cost estimate information ERCOT has received from the TSPs showed a 72% to 101% increase in 138-kV single-circuit or double-circuit transmission line construction from 2018 to 2025. Applying the calculated annual increase per year it would be expected the 2027 cost estimates would be 93% to 129% more than 2018. The cost estimate also showed similar increases in 345-kV single-circuit or double-circuit transmission line construction of 70% to 87% more when comparing 2025 to 2018 and 90% to 112% when comparing 2027 to 2018.

345/138-kV transformers showed a 244% increase in material cost for 2025 when compared to 2018 and is expected to increase to 313% comparing the expected 2027 cost to 2018.

Based on the analysis described above, ERCOT agrees with the 5/14/25 Oncor and 5/16/25 Joint TSPs comments to double the RPG tier thresholds in NPRR1274.

ERCOT does not agree with the 6/12/25 Texas Energy Buyers Alliance (TEBA) comment regarding the additional proposed language at paragraph (5) of Section 3.11.4.3, Categorization of Proposed Transmission Projects, *“ERCOT may use its reasonable judgment to recommend grid enhancing technologies or advanced conductors that would lower the cost and/or increase the benefits of the proposed project.”* ERCOT does not believe it is appropriate to include this language addition in NPRR1274 and would need to be addressed in a future Revision Request.

|  |
| --- |
| **Revised Cover Page Language** |

None

|  |
| --- |
| Revised Proposed Protocol Language |

None