



# **Transmission Planning 101**

How does the PUC determine where  
and when transmission lines will be  
built?

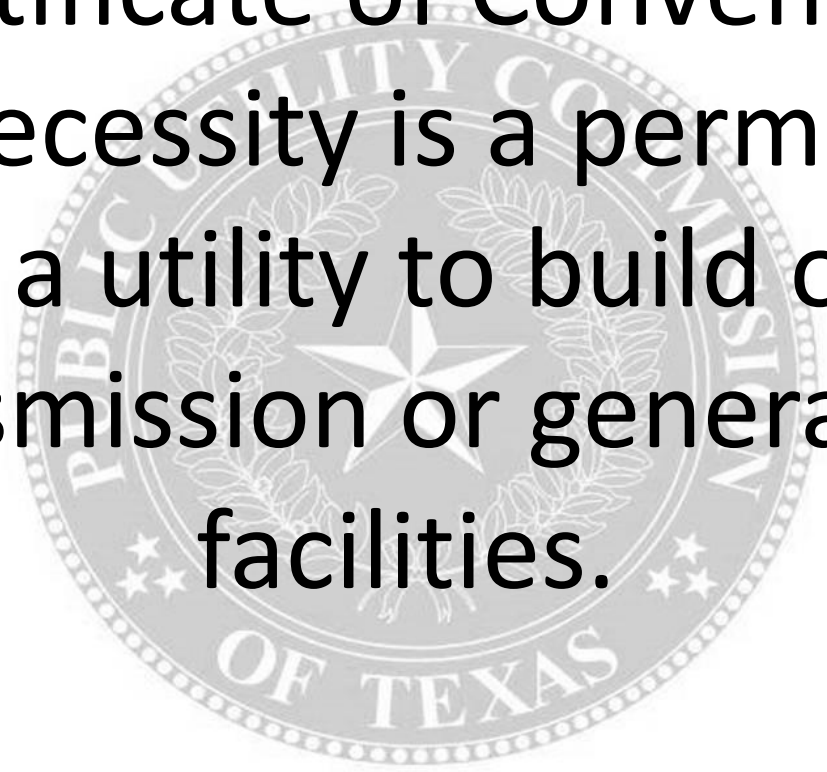
*January 30, 2015*

*Chairman Donna L. Nelson*

*Public Utility Commission of Texas*

# What is a CCN?

A Certificate of Convenience and Necessity is a permit that allows a utility to build or own transmission or generation facilities.



# What projects need a CCN?

**Pursuant to PURA § 37.051 and P.U.C. Subst. R. 25.101, the Commission is required to issue a CCN for new electric transmission lines.**

Exceptions to the requirement for a CCN are set out in PURA § 37.052 and 25.101(c). Exceptions include:

- extension or modification of existing transmission facilities, provided the extension is less than 1 mile and all landowners whose property is crossed by the transmission facilities have given prior written consent;
- construction or upgrading of distribution facilities within the electric utility's service area;
- rebuilding, replacement, or respacing of structures along an existing route of the transmission line;
- the relocation of all or part of an existing transmission facility

# The Transmission Planning Process

Transmission and Distribution Utilities within ERCOT begin the process at Step 1.\*

## **ERCOT Process:**

- Step 1: ERCOT evaluates total system need
- Step 2: ERCOT and the Regional Planning Group review project proposals to cost-effectively meet system need
- Step 3: ERCOT Board of Directors and/or Regional Planning Group endorses the project with specific end points

\*Southwest Power Pool does the planning for SWEPCO and SPS

\*Midcontinent Independent System Operator does the planning for Entergy

# The Transmission Planning Process

## **A utility that is seeking a modified CCN:**

- Step 4: Performs a routing study to determine possible routes
- Step 5: Performs an environmental assessment



# The Transmission Planning Process

## **A utility that is seeking a modified CCN:**

- Step 6: Provides notice to landowners and posts information about information session(s) in local newspapers
  - Landowners will receive notice if their property is crossed by a proposed line or they have a habitable structure within 300 feet of the centerline of a project of 230 kV or less, or within 500 feet of the centerline of a project of greater than 230 kV

# The Transmission Planning Process

## **A utility that is seeking a modified CCN:**

- Step 7: Holds local information session(s)
- Step 8: Incorporates community input into possible routing options
- Step 9: Files an application at the Commission



# The Transmission Planning Process

## Commission Procedures:

- Step 10: All CCN applications are referred to the State Office of Administrative Hearings (SOAH)
- Step 11: Landowners and affected persons have 45 days to intervene
- Step 12: Intervenors and Commission staff conduct discovery and file testimony
- Step 13: SOAH holds a hearing if necessary



# The Transmission Planning Process

## Commission Procedures:

- Step 14: The Administrative Law Judge issues a Proposal for Decision (PFD) recommending that the Commission approve a certain route
- Step 15: The Commission considers the PFD and exceptions at an Open Meeting
  - The Commission seeks to balance the inherent tension between costs and landowner rights when approving routes for transmission lines.
  - Landowners have the opportunity to speak and engage with Commissioners at the Open Meeting.

# The Transmission Planning Process

## Commission Procedures:

- Step 16: The Commission adopts, amends, or rejects the PFD to approve or deny the CCN
- Step 17: The Commission issues an order
- Step 18: Parties have 20 days to file a motion for rehearing after the final order is issued
- Step 19: The Commission has 45 days to act on any motion for rehearing

# Case Study: Rio Grande Valley

- New 345-kV transmission line and upgrades to the North Edinburg and Loma Alta substations
- The original application proposed 32 routes
- The amended application proposed 10 additional routes (ordered by the SOAH ALJ)
- 302 parties filed as intervenors
- Agreed parties filed a joint stipulation in support of a modified version of route 3S

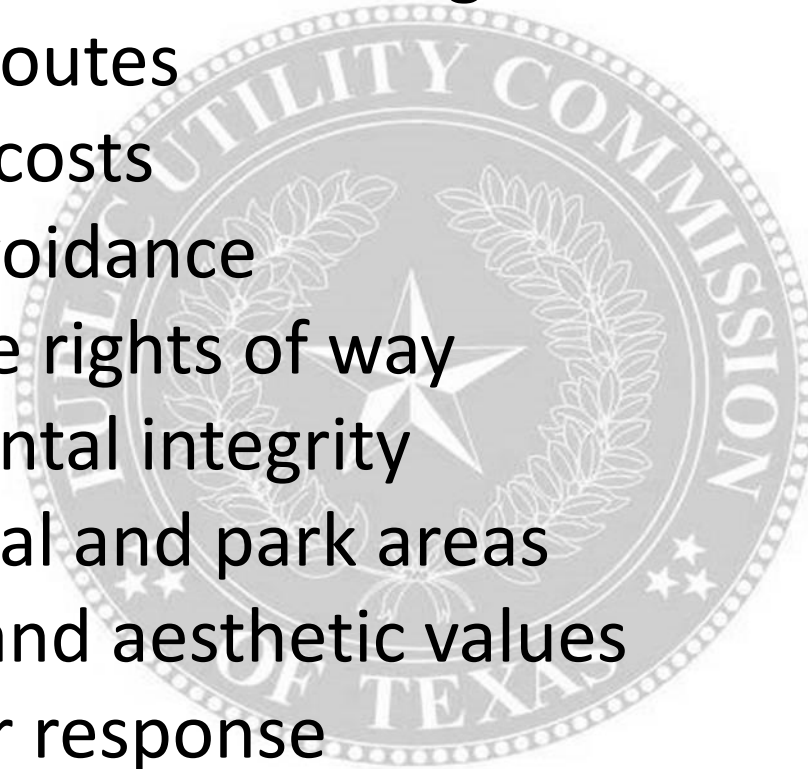
# Case Study: Rio Grande Valley

	<u>Route 32</u> (Applicant's preferred)	<u>Route 3S modified</u> (Agreed Parties' route)	<u>Route 1S Modified</u> (Commission Staff's recommended route)
Length (miles)	117.5	96.1	86.7
Estimated total cost (millions)	\$352.2	\$309.3	\$285.8
Number of habitable structures	465	951	722

# Case Study: Rio Grande Valley

Issues the Commission weighed included:

- Length of routes
- Estimated costs
- Prudent avoidance
- Compatible rights of way
- Environmental integrity
- Recreational and park areas
- Historical and aesthetic values
- Landowner response



# Case Study: Rio Grande Valley

- The Commission ultimately approved Modified 3S, the agreed route.
- A hybrid route of Modified 3S and Modified 1S was being considered by the Commissioners in Open Meeting. An issue with a property owned by US Fish and Wildlife on this route ultimately made Modified 3S the better option.

# Case Study: Rio Grande Valley

- The Commission added a finding of fact to the order to reflect the circumstances that Commission considered when making their decision.
  - 113A. The applicants' estimates of costs for the competing routes compared to the agreed parties' route does not take into consideration market congestion cost incurred as a result of construction delays that may occur in this project if a route with less landowner support is chosen.

