

**PUC DOCKET NO. 50910**

<b>APPLICATION OF LONE STAR</b>	<b>§</b>	
<b>TRANSMISSION, LLC TO AMEND</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ITS CERTIFICATE OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FOR THE PROPOSED REATA</b>	<b>§</b>	
<b>STATION TO ROADRUNNER</b>	<b>§</b>	
<b>CROSSING WIND 345 KV</b>	<b>§</b>	
<b>TRANSMISSION LINE IN</b>	<b>§</b>	
<b>EASTLAND COUNTY</b>	<b>§</b>	

**RESPONSE OF LONE STAR TRANSMISSION, LLC  
TO ISSUES TO BE ADDRESSED IN ORDER NO. 1**

COMES NOW Lone Star Transmission, LLC (Lone Star) and files this Response to the issues required to be addressed in Order No. 1 in the above-captioned proceeding. In support thereof, Lone Star respectfully provides as follows:

**I. INTRODUCTION**

Order No. 1 issued in this proceeding on July 1, 2020 requires Lone Star to provide certain information related to the need for and potential alternatives to the proposed transmission project (Project). Order No. 1 did not expressly state a deadline by which Lone Star is required to respond, and Lone Star submits this filing to provide the required information.

**II. ISSUES TO BE ADDRESSED**

- 1. Has the Electric Reliability Council of Texas (ERCOT) recommended the proposed transmission project as necessary to alleviate “existing and potential transmission and distribution constraints and system needs within ERCOT” in the annual report filed under PURA § 39.155(b)? If not, is there a need for the proposed transmission project?**

The proposed Project is not included in the ERCOT annual report filed under PURA § 39.155(b). There is a need for the proposed Project, as further addressed in Lone Star’s Application in this docket. Specifically, the proposed Project is needed to interconnect a new wind generation facility to the ERCOT transmission grid. Roadrunner Crossing Wind Farm, LLC (Roadrunner Crossing Wind) requested to interconnect its 200 MW wind generation facility to Lone Star’s West Shackelford to Sam Switch 345 kV Transmission Line, with an agreed-upon December 15, 2021 commercial operation date in the executed and filed Generator

Interconnection Agreement, which is provided as Attachment 3 to Lone Star's Application. As a power generation company, Roadrunner Crossing Wind will qualify as a transmission service customer under 16 Texas Administrative Code (TAC) § 25.5(140). Therefore, Lone Star is required to provide transmission service to Roadrunner Crossing Wind under 16 TAC §§ 25.191(d)(3) and 25.198(b).

Because the proposed Project is necessary to interconnect a new generation facility, it is considered a Tier 4 "Neutral" project under the Tier classifications outlined in the ERCOT Nodal Protocols Section 3.11.4 and the ERCOT Regional Planning Group (RPG) Charter. As a Tier 4 project, the proposed Project is not required to be reviewed by the RPG. ERCOT did perform a Generation Interconnect Screening Study related to the transmission service customer's generator interconnection request, which study concluded that the proposed generation facility could be interconnected into Lone Star's West Shackelford to Sam Switch 345 kV Transmission Line. Additionally, Lone Star is completing the Full Interconnection Study process required by ERCOT, which includes a Facility Study. The Facility Study describes the transmission facilities and associated costs required to interconnect the new generation project. The Facility Study was available to ERCOT and other transmission service providers (TSP) for review and comment for 10 days, and Lone Star received no comments. Please see Lone Star's responses to Questions 4 and 14 in its Application.

**2. If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account consideration of efficiency, reliability, costs, and benefits?**

Yes, the proposed Project is the best option to meet the identified need, taking into account consideration of efficiency, reliability, costs, and benefits. Lone Star is proposing this Project in order to provide requested service to a transmission service customer, which Lone Star is obligated to do under Commission rules. Lone Star determined that interconnecting the transmission service customer to its system at the proposed location of the new Reata 345 kV Station (Reata Station) is the most efficient, cost-effective, and reliable means of providing the requested transmission service. In particular, Lone Star's West Shackelford to Sam Switch 345 kV Transmission Line is the closest transmission facility to the proposed location of Roadrunner Crossing Wind's generation collector station. It is more efficient and cost-effective to interconnect the transmission service customer by constructing the proposed Project (which consists of a new 2.3-mile transmission line and new Reata Station and connecting those

facilities to Lone Star's existing transmission facilities) than constructing a longer transmission line to connect to Lone Star's next closest 345 kV station, the West Shackelford 345 kV station, which is approximately 37 circuit miles from the Roadrunner Crossing Wind collector station.

**3. For utilities that are subject to unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?**

Lone Star is subject to the unbundling requirements of PURA § 39.051. The proposed Project is the best option compared to employing distribution facilities. As described in Lone Star's response to Question 15 of the Application, using distribution facilities to transfer 200 MW from the generation facility to the existing 345 kV transmission system is not practical from an engineering or cost perspective. Further, ERCOT typically requires generators larger than 10 MW to interconnect at transmission-level voltages (*i.e.*, at or above 60 kV).<sup>1</sup> Distribution-level facilities would not fulfill the transmission service customer's request for transmission-level service.

**4. For utilities not subject to unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?**

Not applicable. Lone Star is subject to the unbundling requirements of PURA § 39.051.

Dated: July 9, 2020

Respectfully submitted,



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Tracy C. Davis  
Texas Bar No. 24045758  
Senior Attorney  
Lone Star Transmission, LLC  
5920 West William Cannon Dr., Bldg. 2  
Austin, TX 78749  
*Attorney for Lone Star Transmission, LLC*

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<sup>1</sup> See, e.g., 16 TAC § 25.211(c)(10) (defining distributed generation as an electrical facility of 10 MW or less and connected at a voltage less than 60 kV); ERCOT Planning Guide § 5.1.1(2) (describing that interconnection requirements for distributed generation facilities are handled pursuant to PUC Electric Substantive Rules 25.211 and 25.212 and not through the typical ERCOT Generator Interconnection Request process); ERCOT Resource Interconnection Handbook, version 1.8 at 27, at [http://www.ercot.com/content/wcm/lists/168284/Resource\\_Interconnection\\_Handbook\\_02202019.docx](http://www.ercot.com/content/wcm/lists/168284/Resource_Interconnection_Handbook_02202019.docx) (dated Feb. 15, 2019) (stating that interconnecting Distributed Generation, *i.e.*, generation less than 10 MWW and at voltages below 60 kV, is described in PUC Electric Substantive Rule 25.211 and not through the ERCOT Generator Interconnection Request process).

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding by electronic mail, hand delivery, overnight delivery, facsimile transmission, or U.S. first-class mail on the 9th day of July, 2020.

*Tracy Davis*

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Tracy C. Davis