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PROJECT NO. 58481

RULEMAKING TO IMPLEMENT	**§**	**PUBLIC UTILITY COMMISSION**
LARGE LOAD INTERCONNECTION	**§**	
STANDARDS UNDER PURA 37.0561	**§**	**OF TEXAS**

COMMENTS OF THE TEXAS ENERGY BUYERS ALLIANCE

I. INTRODUCTION

The Texas Energy Buyers Alliance (TEBA) represents the collective voice of more than 280 companies, representing some of the state's largest employers and energy customers. In total, TEBA members represent more than $33 trillion in market capitalization and hundreds of thousands of employees in Texas. Our organization is focused on helping to shape Texas' electricity market redesign in ways that propel Texas' economy forward, lower power bills for all energy customers, create jobs, spur innovation, strengthen the ERCOT grid, and extend Texas' energy leadership through the energy transition and for generations to come. TEBA respectfully submits these responses to questions posed by Commission staff on public comment on September 12, 2025.

II. RESPONSES TO STAFF QUESTIONS

TEBA appreciates the PUCT staff's work on this project. We look forward to working with the Commission, ERCOT, and other stakeholders as this project develops.

Question 1. PURA §37.0561(f) requires the commission to establish standards for interconnecting a large load customer that includes a flat study fee of at least $100,000. Should the study fee be set at an amount that is greater than $100,000?

TEBA believes that $100,000 is a sufficient minimum fee. If the interconnecting utilities or ERCOT believe it is necessary to receive more than $100,000 to successfully complete the transmission screening studies in an efficient manner, it would be appropriate to increase this value as needed. It is highly encouraged that the utilities and ERCOT use as much of this money as needed to complete the interconnection study as efficiently as possible.

Question 2. PURA §37.0561(g) requires that a large load customer demonstrate site control for the proposed load location through an ownership interest, lease, or another legal interest acceptable to the commission. What other legal interest should the commission accept?

Allowing a large load customer to demonstrate site control through ownership or a lease is appropriate, as both are standard and well-established methods for securing long-term control of a project site. The Commission may also consider accepting an exclusive option to purchase, which provides the customers with a legally binding right to acquire the property within a specified period. This type of agreement offers sufficient assurance of control and should be considered an acceptable mechanism to demonstrate site control.

Question 3. PURA §37.0561(h) requires the commission to establish standards that include uniform financial commitment requirements for the development of transmission infrastructure needed to serve a large load customer.

a. For security provided on a dollar per megawatt basis, what dollar amount per megawatt should the commission set?

b. For contribution in aid of construction, what amount should a large load customer be required to pay?

c. For security provided under an agreement that requires a large load customer to pay for significant equipment or services in advance of signing an agreement to establish electric service, how should the commission define significant?

d. What other form of financial commitment not set forth in PURA §37.0561 should the commission accept?

To demonstrate the financial commitment, it would be most appropriate for the Commission to require a "contribution in aid of construction" (CIAC). While TEBA has no specific stance on the amount that the large load should be required to pay, it is important to emphasize that the CIAC would allow the customer to invest money toward real, tangible costs, while the dollars per megawatt value would be created arbitrarily and would fail to align the financial commitment with actual infrastructure needs and project milestones.

It is recommended that only the CIAC approach be used by the Commission to ensure that loads are paying a similarly equal portion of their overall costs. Allowing for multiple methods to demonstrate financial viability could lead to a discrepancy in the percentage of project costs that different projects are required to pay in the upfront security fee.

It would be appropriate for the ultimate dollar amount to be paid through surety bonds or letters of credit from a reputable lender.

Question 4. PURA §37.0561(i) requires security to be refunded, in whole or in part, under certain circumstances.

a. For how long should a large load customer be required to sustain operations to be eligible for a refund of the security that the large load customer paid?

b. If a large load customer withdraws its request for all or a portion of the requested capacity, what restrictions should apply to the refunded security?

c. If capacity subject to a financial commitment will be reallocated to one or more other customers, what restrictions should apply to the refunded security?

TEBA has no opinion on this question at this time.

Question 5. PURA §37.0561(j) requires the commission to establish uniform requirements for determining when capacity that is subject to an outstanding financial commitment may be reallocated. What requirements should the commission establish to uniformly determine when capacity that is subject to an outstanding financial commitment may be reallocated?

TEBA has no opinion on this question at this time.

Question 6. PURA §37.0561(k) requires the commission to establish a procedure that allows ERCOT to access information collected by an interconnecting electric utility or municipally owned utility to ensure compliance with the standards for transmission planning analysis. What procedure should the commission establish?

TEBA has no opinion on this question at this time.

Question 7. What additional information should the commission consider in its implementation of PURA §37.0561?

The Commission should consider the long-term need for transmission planning and prioritize the build-out of 765-kV lines. Increasing high-voltage transmission is essential to enable the state to successfully realize the economic benefits of rapid load growth while maintaining a reliable and resilient electric grid. The 765-kV lines will provide a critical backbone needed to efficiently transfer power across regions and integrate new generation resources.

Additionally, it's important to keep in mind that the issues in Senate Bill 6 are all interrelated, despite being handled in separate rulemakings. As a result, transmission planning, cost allocation, and interconnection standards must continue to be coordinated to achieve the intended systemwide reliability benefits while also ensuring costs are assigned equitably.

TEBA remains willing to engage in further discussions regarding transmission payment frameworks to ensure that transmission investments are appropriately funded and cost responsibilities are fairly distributed.

III. CONCLUSION

TEBA appreciates the opportunity to submit these comments and looks forward to continuing to work with Commission staff on this matter.

Respectfully submitted,

<u>/s/ Bryn Baker</u>

Bryn Baker
Texas Energy Buyers Alliance
bbaker@cebuyers.org

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EXECUTIVE SUMMARY OF TEXAS ENERGY BUYERS ALLIANCE

- TEBA agrees that a flat study fee of $100,000 is an appropriate minimum value, but the fee may be increased if utilities or ERCOT determine that additional funding is necessary to complete transmission screening studies efficiently.
- TEBA encourages utilities and ERCOT to fully utilize collected study fees.
- TEBA supports demonstrating site control through ownership or lease and suggests that the Commission additionally consider an exclusive option to purchase.
- TEBA recommends using a contribution in aid of construction as the sole mechanism for demonstrating financial commitment and cautions against allowing multiple financial commitment mechanisms, as it could lead to inconsistencies in the percentage of project costs paid by each load.
- TEBA emphasizes the importance of prioritizing long-term transmission planning and the development of 765-kV lines, which are critical for enabling Texas to accommodate rapid load growth and maintain grid reliability.
- TEBA encourages staff to continue handling all Senate Bill 6 rulemakings in an interconnected manner to ensure that reliability is achieved while also ensuring that costs are allocated fairly and equitably.
- TEBA remains willing to engage in discussion around transmission payment frameworks to ensure that transmission investments are adequately funded.