



Public Utility Commission of Texas

January 26, 2012

VIA EMAIL

Patricia A. Hoffman
Assistant Secretary
Office of Electricity Delivery and Energy Reliability, OE-20
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585
Congestionstudy2012@hq.doe.gov

Dear Secretary Hoffman,

Thank you for your letter concerning transmission congestion that affects Texas. The Public Utility Commission of Texas regulates three electric utilities in the Eastern Interconnect and one in the Western Interconnect. In the Eastern Interconnect, Southwestern Public Service (SPS) and Southwestern Electric Power Company (SWEPCO) are members of the Southwest Power Pool (SPP), and Entergy Texas, Inc. (ETI) is a member of the SERC Reliability Corporation (SERC). In the Western Interconnect, El Paso Electric Company (EPE) is a member of the Western Electricity Coordinating Council (WECC). Each of these utilities identifies congestion through its operational analysis and implements solutions through its transmission planning process. In addition, each utility participates in regional transmission planning processes and various interregional transmission planning processes.

In response to your request for information that could be used in the development of the *2012 National Electric Transmission Congestion Study*, I am providing the following responses:

1. *Pertinent studies that you think DOE should review as part of its evaluation of transmission congestion in your State or region.*

DOE should review the SPP "State of the Market Report," which summarizes transmission constraints that have been observed in the SPP Energy Imbalance Services (EIS) market. These constraints represent the most limiting flowgates to economic transfers. The annual State of the Market Report provides annual congestion statistics, while the monthly State of the Market report identifies specific flowgates and provides more detailed data including price contour maps, congestion by shadow price impact, and breached and binding flowgates by interval. These reports can be found on the SPP website at the following location:

<http://www.spp.org/section.asp?pageID=86>



SPP also addresses congestion in its integrated Transmission Planning (ITP) process. Section 6.3 of the final draft of the ITP 10 Year Assessment Report describes how congestion was identified in the various future scenarios, and Section 9 illustrates the projected congestion corridors in five different areas of the SPP system. The draft report can be found at the following location:

<http://www.spp.org/section.asp?group=2334&pageID=27>

DOE should also review the ICT Strategic Transmission Expansion Plan (ISTEP) prepared by the Independent Coordinator of Transmission (ICT) for the Entergy System. ETI is a part of the Entergy System, which performs transmission studies in accordance with the Entergy OATT. In addition, as provided by the OATT, the ICT is required to identify potential economic upgrades “based on screening criteria, which may include considerations such as frequent transmission loading relief events, frequently constrained flowgates in the Available Flowgate Capability process or the Weekly Procurement Process (WPP), flowgates with high congestion costs as identified in the WPP process, and commonly invoked must-run operating guides.” The ISTEP report can be found at the following location:

http://www.oatioasis.com/EES/EESdocs/ict_planningstudiesandrelateddocuments.htm

2. *Actions Texas agencies have taken since the publication of the 2009 study that you think DOE should be aware of as it prepares the 2012 study.*

The PUCT continues to monitor the activities of the regional transmission organizations to which EPE, ETI, SWEPCO, and SPS belong. PUCT Commissioners are active members in the SPP Regional State Committee (RSC) and the Entergy Regional State Committee (E-RSC). PUCT staff attend selected stakeholder committee meetings, especially with regard to transmission planning and cost allocation. Also, the PUCT meets on a regular basis with the four transmission utilities to review their respective system needs and planning results.

3. *Metrics Texas agencies or others have used in gauging the existence or significance of transmission congestion in your State or region.*

As previously mentioned, the monthly and annual SPP State of the Market Reports include congestion metrics. In addition, SPP’s Corporate Metrics Report, which is produced on a quarterly basis, includes some additional congestion metrics such as Transmission Loading Relief (TLR) events and schedule curtailments. That report can be found at the following location:

<http://www.spp.org/section.asp?group=1413&pageID=27>

At the direction of the E-RSC, congestion metrics similar to those in the SPP Corporate Metrics Report were developed by the Entergy ICT. The Entergy congestion metrics can be found in the regular E-RSC meeting materials at the following location:

<http://www.spp.org/section.asp?group=1631&pageID=27>

4. *Obstacles to the removal or mitigation of significant transmission congestion.*

As noted in the DOE's 2009 Congestion Study, there are various obstacles that must be overcome in order to upgrade or build any new transmission. These same obstacles can impede the implementation of projects that would mitigate significant transmission congestion. To address the congestion issue directly, it may be necessary for a region to develop a specific set of studies focused on increasing flowgate ratings of the most constrained paths within the region. Transmission planning studies are typically conducted to examine the reliability of the integrated network and to determine if improvements are needed to meet appropriate NERC Standards and regional planning criteria. However, more detailed studies are required to significantly reduce the observed congestion on a transmission system.

If you have questions about these responses or need additional information, please contact PUCT staff member Richard Greffe at 512.936.7404.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna L. Nelson", followed by a long horizontal line extending to the right.

Donna L. Nelson
Chairman