

PROJECT NO. 57602

PERMIAN BASIN RELIABILITY	§	PUBLIC UTILITY COMMISSION
PLAN REPORTING	§	
REQUIREMENTS AND MONITOR	§	OF TEXAS

PROPOSAL FOR PUBLICATION OF NEW §25.98

The Public Utility Commission of Texas (commission) proposes new §25.98, relating to Permian Basin Reliability Plan Reporting Requirements and Monitor. This proposed rule will implement Public Utility Regulatory Act (PURA) §39.166 and §39.167 as enacted by House Bill (HB) 5066 during the Texas 88th Regular Legislative Session. The proposed rule will create reporting requirements associated with implementing the reliability plan for the Permian Basin region, establish the responsibilities of a third-party monitor, and require that the Transmission Service Providers implementing the reliability plan for the Permian Basin region pay for the monitor. The reporting requirements created by the proposed rule will enable the monitor to identify schedule and cost components that may impact the timely development and approval of necessary transmission service improvements. Additionally, the proposed rule will provide transparency related to costs for the projects that comprise the Permian Basin Reliability Plan.

Growth Impact Statement

The agency provides the following governmental growth impact statement for the proposed rule, as required by Texas Government Code §2001.0221. The agency has determined that for each year of the first five years that the proposed rule is in effect, the following statements will apply:

(1) the proposed rule will not create a government program and will not eliminate a government program;

- (2) implementation of the proposed rule will not require the creation of new employee positions and will not require the elimination of existing employee positions;
- (3) implementation of the proposed rule will not require an increase and will not require a decrease in future legislative appropriations to the agency;
- (4) the proposed rule will require an increase in fees paid to the agency for purposes of paying the invoiced costs for a monitor;
- (5) the proposed rule will create a new regulation;
- (6) the proposed rule will not expand, limit, or repeal an existing regulation;
- (7) the proposed rule will not change the number of individuals subject to the rule's applicability; and
- (8) the proposed rule will not affect this state's economy.

Fiscal Impact on Small and Micro-Businesses and Rural Communities

There is no adverse economic effect anticipated for small businesses, micro-businesses, or rural communities as a result of implementing the proposed rule. Accordingly, no economic impact statement or regulatory flexibility analysis is required under Texas Government Code §2006.002(c).

Takings Impact Analysis

The commission has determined that the proposed rule will not be a taking of private property as defined in chapter 2007 of the Texas Government Code.

Fiscal Impact on State and Local Government

Jessie Horn, Senior Counsel, Rules and Projects Division, has determined that for the first five--year period the proposed rule is in effect, there will be no fiscal implications for the state but there will be fiscal implications for units of local government under Texas Government Code §2001.024(a)(4) as a result of enforcing or administering the section. Under the proposed rule, a municipally owned utility may be apportioned costs for the monitor.

Public Benefits

Ms. Horn has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be greater transparency related to implementation of the reliability plan for the Permian Basin region. In accordance with Texas Government Code §2001.024(a)(5), Ms. Horn has determined that the economic costs to persons required to comply with the proposed rule will vary on an individual basis, depending on the number of projects that must be reported on.

Local Employment Impact Statement

For each year of the first five years the proposed section is in effect, there should be no effect on a local economy; therefore, no local employment impact statement is required under Texas Government Code §2001.022.

Costs to Regulated Persons

Texas Government Code §2001.0045(b) does not apply to this rulemaking because the commission is expressly excluded under subsection §2001.0045(c)(7).

Public Hearing

The commission staff will conduct a public hearing on this rulemaking if requested in accordance with Texas Government Code §2001.029. The request for a public hearing must be received by March 27, 2025. If a request for public hearing is received, commission staff will file in this project a notice of hearing.

Public Comments

Interested persons may file comments electronically through the interchange on the commission's website. Comments must be filed by **March 27, 2025**. Comments should be organized in a manner consistent with the organization of the proposed rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed rule. The commission will consider the costs and benefits in deciding whether to modify the proposed rule on adoption. All comments should refer to **Project Number 57602**.

Each set of comments should include a standalone executive summary as the last page of the filing. This executive summary must be clearly labeled with the submitting entity's name and should include a bulleted list covering each substantive recommendation made in the comments.

Statutory Authority

The new rule is proposed under the following provisions of PURA: §14.001, which grants the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by this title that is

necessary and convenient to the exercise of that power and jurisdiction; §14.002, which authorizes the commission to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; §14.003, which authorizes the commission to require a public utility to report to the commission information relating to the utility, establish the form for a report, and determine the time and frequency for a report; §14.151, which authorizes the commission to prescribe any form, record, and memorandum to be kept by a public utility, including a municipally owned utility, that the commission considers necessary to carry out Title II, Texas Utilities Code; §39.166, which requires the commission to develop a plan to implement each reliability plan adopted under §39.166(a); and §39.167, which requires the commission to direct the Electric Reliability Council of Texas, Inc. (ERCOT) to develop a reliability plan under PURA §39.166 for the Permian Basin region.

Cross Reference to Statute: Public Utility Regulatory Act §§14.001, 14.002, 14.003, 14.151, 39.166, and 39.167.

§25.98. Permian Basin Reliability Plan Reporting Requirements and Monitor.

- (a) **Purpose and applicability.** This section sets forth the reporting requirements for a transmission service provider (TSP) responsible for the ownership, construction, and operation of a Permian Basin Reliability Plan (PBRP) common local project or import path (PBRP project) approved by the commission's order issued on October 7, 2024 in Project No. 55718, relating to Reliability Plan for the Permian Basin Under PURA §39.167. These requirements are in addition to the reporting requirements set forth in §25.83 of this title (relating to Transmission Construction Reports). This section also establishes the duties of the commission's monitor to oversee the completion of the PBRP.
- (b) **Initial implementation schedule requirements.** Within 30 days of an order issued by the commission, identifying a TSP as responsible for the ownership, construction, and operation of a PBRP project, the TSP must file with the commission an initial implementation schedule, using a form prescribed by the commission, that identifies the following information:
- (1) name of the PBRP project;
 - (2) PBRP project ID, as identified in the ERCOT Permian Basin Reliability Plan Study Report;
 - (3) upgrade ID;
 - (4) transmission upgrade;
 - (5) voltage;
 - (6) facilities;
 - (7) counties affected;

- (8) the initial estimated start and completion dates for each of the following milestones, as applicable:
 - (A) CCN application,
 - (B) right-of-way and land acquisition,
 - (C) engineering and design,
 - (D) materials and equipment procurement, and
 - (E) construction of facilities; and
 - (9) the initial estimated energization date of the PBRP project.
- (c) **Quarterly progress report requirements.** The first of January, April, July, and October is the start of a new quarter. On the fifteenth of each new quarter, a TSP must file a report with the commission, detailing progress during the previous quarter, for each PBRP project through energization of the PBRP project.
- (1) **PBRP projects that require a certificate of convenience and necessity (CCN).**

For each PBRP project that requires a CCN, a TSP must file a quarterly progress report with the commission beginning the fifteenth day of a new quarter following the date that the commission approves the TSP's CCN application for the PBRP project.
 - (2) **PBRP projects that do not require a CCN.** For each PBRP project that does not require a CCN, a TSP must file a quarterly progress report with the commission beginning the fifteenth day of a new quarter following the date that the TSP files an initial implementation schedule for the PBRP project.

- (3) **PBRP project description and summary.** For each PBRP project, a TSP must provide a description and summary of the PBRP project in its quarterly progress report that identifies the following, as applicable:
- (A) name of the PBRP project;
 - (B) assigned docket number that is associated with the TSP's CCN application for the PBRP project;
 - (C) PBRP project ID, as identified in the ERCOT Permian Basin Reliability Plan Study Report;
 - (D) upgrade ID;
 - (E) transmission upgrade;
 - (F) voltage;
 - (G) facilities;
 - (H) counties affected;
 - (I) a brief summary of the PBRP project progress to date; and
 - (J) the percentage of engineering and design that is complete to date;
 - (K) the percentage of procurement that is complete to date;
 - (L) the percentage of construction that is complete to date.
- (4) **Costs.** For each PBRP project, a TSP must identify in its quarterly progress report cost estimates using the most up-to-date information available, and actual costs as costs are incurred for each of the following, as applicable:
- (A) CCN acquisition;
 - (B) right-of-way and land acquisition;
 - (C) engineering and design;

- (D) material and equipment procurement;
 - (E) construction of facilities; and
 - (F) the total to complete the PBRP project.
 - (5) **Implementation schedule.** For each PBRP project, a TSP must identify in its quarterly progress report estimated dates, using the most up-to-date information available, and actual dates for each of the following milestones, as applicable:
 - (A) start and completion of right-of-way and land acquisition;
 - (B) start and completion of engineering and design;
 - (C) start and completion of materials and equipment procurement;
 - (D) start and completion of construction of facilities; and
 - (E) PBRP project energization.
 - (6) **Form.** A TSP must submit its quarterly progress report using a form prescribed by the commission.
- (d) **Reporting significant changes.** Within 10 days of becoming aware of a significant change, a TSP must provide a detailed explanation of the reasons for the significant change and report that information to the commission's monitor in writing. A significant change includes the following:
- (1) an increase of more than 10 percent to the total cost estimate that was included in the TSP's initial quarterly progress report;
 - (2) a change of more than 60 days from the initial estimated date to complete a milestone in the TSP's initial implementation schedule;

- (3) a delay to the TSP's energization date of a PBRP project that is caused by the incomplete status of another PBRP project; and
 - (4) circumstances that pose a risk to the energization date of a PBRP project.
- (e) **Requests for additional information.** Within 10 working days of receiving a request from commission staff or the commission's monitor for additional information relating to the progress or implementation of a PBRP project, a TSP must provide responsive information to the requestor, including applicable supporting documentation. A TSP may seek, and the requestor may agree to, an extension to the deadline for a TSP to provide responsive information.
- (f) **Confidential Information.** Information that is submitted confidentially must be included in a redacted and unredacted form. The redacted form must be redacted only to the minimum extent necessary to ensure confidentiality. The unredacted form must include a memorandum prescribed by the commission that specifies the reasons and legal basis for submitting the information confidentially. Information submitted confidentially may only be accessed by commission staff or the monitor upon signing a protective order certification.
- (g) **Monitor.** The commission delegates authority to the Executive Director to award, negotiate pricing and performance requirements, and execute and administer a contract for a third-party monitor for the PBRP. Before commencing its duties, the monitor must sign

a protective order certification to access confidential information submitted by a TSP under this section. The monitor's duties include:

- (1) monitor and review the reports that TSPs are required to file under this section;
- (2) communicate with TSPs, as needed to fulfill the monitor's responsibilities under this section;
- (3) request additional information from TSPs, as needed;
- (4) provide regular status updates to the commission;
- (5) inform commission staff of a significant change to a PBRP project; and
- (6) any other function deemed appropriate by the Executive Director or the Executive Director's designee.

(h) **Monitor cost assignment and apportionment.** A TSP identified through a commission order as responsible for the ownership, construction, and operation of a PBRP project, must pay the invoiced costs approved by the Executive Director or the Executive Director's designee for the monitor.

- (1) The funding of the monitor must be sufficient to ensure the selection of a monitor in accordance with the scope and activities set forth in subsection (g) of this subsection.
- (2) The apportionment of costs among TSPs and the payment mechanisms will be established by the Executive Director or the Executive Director's designee.
- (3) A TSP may seek recovery of the amounts paid under this paragraph as part of the overall PBRP project costs.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 20th DAY OF FEBRUARY 2025 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA GONZALES**