ORDER

This Order addresses the joint application of LCRA Transmission Services Corporation (LCRA TSC) and Oncor Electric Delivery Company LLC to amend their certificates of convenience and necessity (CCN) for the North McCamey-to-Sand Lake 345-kilovolt (kV) transmission line in Crane, Crockett, Pecos, Reeves, Upton, and Ward counties. The Electric Reliability Council of Texas, Inc. (ERCOT) has deemed this transmission line as critical to the reliability of the ERCOT system.

The parties submitted an agreed proposal for decision to the administrative law judges (ALJs) recommending approval of route 65, and the ALJs adopted the agreed proposal for decision. The Commission adopts the proposal for decision, including findings of fact and conclusions of law, to the extent provided by this Order. The Commission approves route 65 and amends LCRA TSC’s CCN number 30043 and Oncor’s CCN number 30110 to the extent provided by this Order.

Throughout this Order, the Commission disambiguates the term project to refer either to the North McCamey-to-Sand Lake transmission line proposed in this docket or to the overall Bearkat-to-North McCamey-to-Sand Lake transmission line addition proposed in previously
The Commission also makes non-substantive changes for such matters as capitalization, spelling, grammar, punctuation, style, citations, and readability.

I. Findings of Fact

The Commission adopts the following findings of fact.

Joint Applicants

1. Oncor is a Delaware limited liability company registered with the Texas secretary of state under filing number 800880712.

2. Oncor is an investor-owned electric utility that owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity in the ERCOT region.

3. Oncor provides service under CCN number 30043.

4. LCRA TSC is a Texas non-profit corporation registered with the Texas secretary of state under filing number 159084801.

5. LCRA TSC owns and operates facilities to transmit electricity in the ERCOT region.

6. LCRA TSC provides service under CCN number 30110.

Joint Application

7. On June 22, 2023, in Commission Docket No. 55121, Oncor and LCRA TSC (joint applicants) filed a joint CCN application with the Commission for a new double-circuit 345-kV transmission line and associated modifications to Oncor's Sand Lake station and

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1 Joint Application of LCRA Transmission Services Corporation and Wind Energy Transmission Texas, LLC to Amend their Certificates of Convenience and Necessity for North McCamey-to-Bearkat 345-kV Transmission Line in Glasscock, Reagan, and Upton Counties, Docket No. 55120 (pending).
LCRA TSC's North McCamey station in Crane, Crockett, Pecos, Reeves, Upton, and Ward counties, Texas (the proposed North McCamey-to-Sand Lake transmission line).

8. On June 22, 2023, in Commission Docket No. 55120, Wind Energy Transmission Texas, LLC (WETT) and LCRA TSC and filed a joint CCN application with the Commission for a new double-circuit 345-kV transmission line and associated modifications to WETT's Bearkat station and LCRA TSC's North McCamey station in Glasscock, Reagan, and Upton counties, Texas (the proposed Bearkat-to-North McCamey transmission line).

9. In State Office of Administrative Hearings (SOAH) Order No. 2 filed on June 29, 2023, in Commission Docket No. 55121, the SOAH administrative law judge (ALJ) consolidated Commission Docket Nos. 55120 and 55121 under § 37.0541 of PURA2 because the proposed Bearkat-to-North McCamey line and the proposed North McCamey-to-Sand Lake line share a common endpoint—LCRA TSC's North McCamey station.

10. Joint applicants retained Burns and McDonnell Engineering Company, Inc. to prepare an environmental assessment and alternative route analysis for the transmission facilities, which was included in the application.

11. On July 13, 2023, joint applicants filed errata to the application.

12. In SOAH Order No. 4 filed on July 25, 2023, the SOAH ALJ found the application sufficient and materially complete.

12A. In SOAH Order No. 7 filed on September 15, 2023, the SOAH ALJs severed the Bearkat-to-North McCamey proceeding from consolidated Docket No. 55121, returning the Bearkat-to-North McCamey proceeding to its original Docket No. 55120.

**Description of the Transmission Facilities**

13. The proposed transmission facilities consist of a new double-circuit 345-kV electric transmission line between Oncor's Sand Lake station and LCRA TSC's North McCamey station.

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14. Joint applicants will own, operate, and maintain all the transmission facilities concerning the proposed North McCamey-to-Sand Lake 345-kV transmission line on their respective portions of the line.

15. The proposed transmission facilities will be constructed with a design-voltage rating and operating voltage of 345-kV. The typical structure will primarily be double-circuit 345-kV tangent steel lattice towers. Oncor’s typical structure height is anticipated to be 110 to 190 feet, and LCRA TSC’s typical structure height is anticipated to be 70 to 180 feet. The structures will be located in a typical right-of-way approximately 160 feet wide. No right-of-way has been acquired for the transmission facilities.

16. The application included 82 alternative routes.

17. The transmission line proposed in the application will be 88.01 to 106.08 miles in length, depending on the route selected.

18. Joint applicants identified alternative route 65 as the route that best addressed the applicable routing criteria of the PURA and the Commission’s rules.

19. In the application: (i) Oncor estimated that it would finalize engineering and design by July 2024, acquire all right-of-way by October 2024, procure material and equipment by March 2025, complete construction by May 2026, and energize the proposed transmission facilities by June 2026; and (ii) LCRA TSC estimated that it would finalize engineering and design by December 2024, acquire all right-of-way by February 2025, procure material and equipment by March 2025, complete construction by May 2026, and energize the proposed transmission facilities by June 2026. Joint applicants’ estimates were premised on the Commission’s approval of the application within 180 days of the application’s filing.

Public Input

20. To develop information on community values for the transmission facilities, joint applicants held two public participation meetings. The first meeting was held on January 17, 2023, from 5:00 p.m. to 8:00 p.m. at the Upton County 4H Community Center in McCamey, Texas. The second meeting was held on January 18, 2023, from 4:00 p.m. to 7:00 p.m. at the Reeves County Civic Center in Pecos, Texas.
21. Oncor mailed 2,553 individual written notices of the public participation meetings to all owners of property within 550 feet of the centerline of the preliminary alternative route segments for the proposed transmission facilities. The notice included a map of the study area depicting the preliminary route segments, route segment descriptions, a brochure on landowners and transmission line cases at the Commission, a request to intervene form, a comment form, and a landowner’s bill of rights brochure.

22. Oncor emailed notice of the public participation meetings to the Department of Defense Siting Clearinghouse (now known as the Military Aviation and Installation Assurance Siting Clearinghouse).

23. Notice of the public participation meetings were published in: (a) *The Crane News*, a newspaper of general circulation in Crane and Upton Counties; (b) *the Fort Stockton Reporter*, a newspaper of general circulation in Pecos County; (c) *the Midland Reporter-Telegram*, a newspaper of general circulation in Upton County; (d) *the Monahan News*, a newspaper of general circulation in Ward County; (e) *the Pecos Enterprise*, a newspaper of general circulation in Reeves County; and (f) *the San Angelo Standard-Times*, a newspaper of general circulation in Crockett County.

24. A total of 28 people signed in as attendees at the public participation meetings (13 signed in at the meeting in McCamey, Texas, on January 17, 2023, and 15 signed in at the meeting in Pecos, Texas, on January 18, 2023).

25. Joint applicants received feedback from attendees of the public participation meetings in the form of 15 questionnaires submitted at the meetings. Two additional questionnaires and email correspondence were received by joint applicants or Burns and McDonnell at a later date.

26. After the public participation meetings, Burns and McDonnell made modifications to the preliminary route segments after considering environmental constraints information gathered during reconnaissance surveys, new aerial imagery, and information provided by landowners during the public participation meetings and in submitted questionnaires.

*Notice of the Application*

27. On June 22, 2023, Oncor sent written notice of the application via the following methods:
a. by first-class mail to each landowner of record, based on a review of current county property tax rolls, who would be directly affected if the requested CCN amendment were granted;

b. by priority mail to municipal governments in the Cities of Barstow, Crane, McCamey, Monahans, and Pecos, Texas, as well as the Towns of Grandfalls, Pyote, Wickett, and Thortonville, Texas;

c. by priority mail to county governments in Crane, Crockett, Pecos, Reeves, Upton, and Ward counties, Texas;

d. by priority mail to neighboring utilities within five miles of the proposed routes that provide similar utility service;

c. by first-class mail as a courtesy to the Permian Basin Petroleum Association, Texas Oil and Gas Association, and Texas Pipeline Association as well as certain pipeline owners and operators;

f. by overnight mail delivery to the Office of Public Utility Counsel; and

g. by email and overnight delivery to the Department of Defense Siting Clearinghouse (now known as the Military Aviation and Installation Assurance Siting Clearinghouse).

28. On June 22, 2023, Oncor sent a copy of the environmental assessment by overnight mail delivery to the Texas Parks and Wildlife Department.

29. On July 13, 2023, joint applicants filed the affidavit of Chris Reily, a project manager for Oncor, who attested on behalf of joint applicants that notice of the application was provided in accordance with PURA and the Commission’s rules. On August 3 and 25, and September 5, 2023, joint applicants filed a supplemental affidavit of Mr. Reily, each of which attested on behalf of joint applicants to notices of the application that were re-sent to certain landowners after notices originally mailed were returned to Oncor.

30. On June 29, 2023, Oncor published notice of the application in: (a) The Crane News, a newspaper of general circulation in Crane and Upton Counties; (b) the Fort Stockton
Reporter, a newspaper of general circulation in Pecos County; (c) the Midland Reporter-Telegram, a newspaper of general circulation in Upton County; (d) the Monahan News, a newspaper of general circulation in Ward County; (e) the Pecos Enterprise, a newspaper of general circulation in Reeves County; and (f) the San Angelo Standard-Times, a newspaper of general circulation in Crockett County.

31. On July 13, 2023, joint applicants filed an affidavit attesting that notice was published in accordance with PURA and the Commission's rules.

32. In SOAH Order No. 4 filed on July 25, 2023, the SOAH ALJ found the notice of the application sufficient.

33. On August 3 and 25, 2023, and September 5, 2023, joint applicants filed the affidavits of Mr. Reily attesting to the re-sending of notices that were returned.

Intervenors

34. In SOAH Order No. 3 filed July 25, 2023, the SOAH ALJ granted the following motions to intervene filed in Commission Docket No. 55121: Ashley W. Watt, Trustee of the Christina W. Watt 2012 Ranch Trust; Julie and James Escalante; Emily Ann Johnson; Cosme Ramirez; Frost Bank, Trustee; Frost Bank, Trustee of the Edwards-Green II Trust; Wahab Pangtono; Li-Ching Lai; Oxy USA, Inc., Anadarko Petroleum Corporation, and Occidental Permian Ltd. (Oxy); James W. Moore, successor trustee to the James W. Carter III Non-Exempt Childs Trust; James W. Moore, successor trustee to the Kathleen F. Cotter Non-Exempt Childs Trust; Wayne and Joanne Moore Charitable Foundation, Moore and Gilmore; Reed and Priscilla F. Gilmore, Trustees to the Reed Gilmore Revocable Trust Dated Oct. 26-1999, and Sharktooth Resources, Ltd. (Moore and Gilmore Intervenors); and WETT. SOAH Order No. 3 also granted the following motions to intervene filed in Commission Docket No. 55120: Wayne Jansa; Sammy Kellermeier; David Armstrong, Gyla Kim Sexton, and Shelly Ross (Armstrong Family); Linda Frysak, Jerline Frysak, Linda Frysak, Jerline Frysak, Linda Frysak, Jerline Frysak.

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3 During the hearing on the merits, counsel for Moore and Gilmore Intervenors explained that there was no entity known as Moore and Gilmore. As a result, the ALJs struck the entity identified as Moore and Gilmore from the list of intervenors identified as Moore and Gilmore Intervenors.
Kathleen Schniers, Kenneth Schniers, Mark Frysak, and Kendrick Lange (Frysak Family); and Oncor.

34A. On July 28, 2023, Texas-New Mexico Power Company filed a motion to intervene.

35. In SOAH Order No. 5 filed August 21, 2023, the SOAH ALJ granted the following motions to intervene filed in consolidated Commission Docket Nos. 55120 and 55121: John Wilde Family Trust; Jude Ndudi; Jeane Rene Lauderback Robinson; Phil Wayne Dudley, Lisa Gaye Hickey Witkowski, James Burton Morris, Dana Gail King, and Marla Kay Brown (Casey Property Owners); Brent Gully, Carol Gully, and B&C Gully, JV (Gully Family); Robert Michaelwicz and Daniel Michaelwicz (Michaelwicz Family); Charles Gully; Darren Jost; Eugene Jost; Nathan Halfmann; Helen M. Jost; Douglas Schaefer; G. Wade Caldwell; Sherry Gould; William A. Johnson; Priscilla Gonzalez Fonseca; Philip and Judy Bales; Barba Ballenger Keene, Francys A. Ballenger, Trustee of the Francys A. Ballenger Revocable Trust, and Glass White River Ranches, LLC (Ballenger Intervenors); David T. Friday; David and Belinda Weishuhn; Helen Ziminski; Meenakshi Ramaswamy; Jerry and Arlene Hoelscher; Floyd and Martha Schwartz; City of Garland; Harvey Duke; Syed Jafri; Bill Reedy on behalf of Renewa I LLC; Ray Barrett; Patricia T. Barrett Shelter Trust; JRS Farms; Lee Ray Wilde; Charles Casey; Rodney Schwertner; Manuela Ruiz et al Family; Estate of Jerome Hoelscher; Gary and Sharon Halfmann; Terry Landreth; Michelle Lu; Howard Grimes; Alice Ayers; GJK Land Corporation; Frank A. and Dolores Gully Family Trust; Rodney and Madelaine Gully; Bryans Farms; Douglas Jost; Tung Tran; Alice Crawford; Rose Hoelscher-Pelzel; St. Lawrence Cotton Growers Association; Darrell Hoffmann and Danielle Hoffmann, Delbert R. and Betty Jean Hoffmann, Ricky and Rebecca Hoffmann, Scott Halfmann, Hatchel 433 LLC, Sharon Lange, and the Estate of Roger Lange (Link 164 Opposition Landowners); Justin and Amy Schwartz; Joe and Gail Schwartz; Myrtle Mendel, Inc.; Booze and Cigarettes, LLC; Lou Ann Wedgwood; Anna Marie Schwartz; Austin Hoelscher; Viviane Lau; Doug Rober; Dina Bullard; Steve Barrington; Judith Richardson; Kathie Combest; Kenneth Braden; Shirley Braden; Amanda Garza; David Garza; Charles Braden; Carl Hoelscher; Michael Hoch; Greg Niehues; Dale and Laura Wilde; Kinder Morgan Energy Partners, LP; and Chris Matschek.
36. In SOAH Order No. 6 filed on August 30, 2023, the SOAH ALJs dismissed the following intervenors in consolidated Commission Docket Nos. 55120 and 55121 for failing to file direct testimony or a statement of position: Julie and James Escalante; Emily Ann Johnson; Cosme Ramirez; Frost Bank, Trustee; Frost Bank, Trustee of the Edwards-Green II Trust; Wahab Pangtono; Li-Ching Lai; Jude Ndudi; Jeane Rene Lauderback Robinson; G. Wade Caldwell; Sherry Gould; Tytex Properties, Ltd.; William A. Johnson; Priscilla Gonzalez Fonseca; Meenakshi Ramaswamy; Helen Ziminski; Harvey Duke; Syed Jafri; Manuela Ruiz et al Family; Estate of Jerome Hoelscher; Terry Landreth; Alice Ayers; Tung Tran; Alice Crawford; Joe and Gail Schwartz; Myrtle Mendel Inc.; Lou Ann Wedgwood; Anna Marie Schwartz; Viviane Lau; Doug Roeber; Steve Barrington; Judith Richardson; Kathie Combest; Dina Bullard; Kenneth Braden; Shirley Braden; Amanda Garza; David Garza; and Charles Braden. SOAH Order No. 6 also denied the following non-admitted parties' request or attempt to request to intervene because they failed to file direct testimony or a statement of position: LaDean Noakes (as trustee for the Gene L. Duke Trust), Leah Brown, Debra Blankenship, Schwartz Farm Ltd., and Sylvia Gonzalez Archibece.

36A. During the prehearing conference held on Monday, September 11, 2023 for the hearing on the merits, the SOAH ALJs granted William Conry Cramer’s motion to intervene.

37. The current parties who filed testimony or a statement of position relating to the proposed transmission facilities in consolidated Commission Docket Nos. 55120 and 55121 are Ashley W. Watt, Trustee of the Christina W. Watt 2012 Ranch Trust; Moore and Gilmore Intervenors; Oxy; WETT; Texas-New Mexico Power Company; William Conry Cramer; David T. Friday; Casey Property Owners; Ballenger Intervenors; Bill Reedy on behalf of Renewa I LLC; Kinder Morgan Energy Partners, LP; Charles Casey; and Booze and Cigarettes, LLC.

Route Adequacy

38. The application presented 82 geographically diverse alternative routes. Each of the 188 alternative route segments is included in at least one of the 82 alternative routes.
39. No party filed testimony or a statement of position challenging whether the application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation, and no party requested a hearing on route adequacy.

40. The application provided an adequate number of sufficiently delineated routes to conduct a proper evaluation.

**Testimony and Statements of Position**

41. On June 22, 2023, joint applicants filed the direct testimony of the following witnesses: Paul M. Bell, an engineer in Oncor's assets planning transmission group; Casey D. Petty, a CCN project manager for Oncor; Corin E. Cooley, a transmission line design engineer for Oncor; Thomas Ademski, a senior project manager at Burns and McDonnell; and Justin Stryker, a senior regulatory case manager for LCRA TSC. Joint applicants filed errata to the direct testimony of Ms. Petty on July 13, 2023.

42. On August 1, 2023, David T. Friday filed direct testimony.

43. On August 14, 2023, direct testimony was filed by or on behalf of the following parties: Ashley W. Watt, Trustee of the Christina W. Watt 2012 Ranch Trust; Ashley W. Watt, Trustee of the Ashley W. Watt 2012 Ranch Trust; Moore and Gilmore Intervenors; Kinder Morgan Energy Partners, LP; William Corny Cramer; Casey Property Owners; Charles Casey; and Oxy.

44. On August 14, 2023, a statement of position was filed by or on behalf of the following parties: Ballenger Intervenors; WETT; Texas-New Mexico Power Company; and Booze and Cigarettes LLC.

45. On August 18, 2023, Kinder Morgan Energy Partners, LP filed a letter explaining that it withdraws its direct testimony filed on August 14, 2023, subject to re-filing in accordance with terms of a Rule 11 agreement entered by Kinder Morgan Energy Partners, LP; joint applicants; and WETT. Kinder Morgan Energy Partners, LP re-filed its direct testimony on August 25, 2023.

46. On August 23, 2023, Commission Staff filed the direct testimony of John Poole.
47. On August 30, 2023, joint applicants filed the rebuttal testimony of the following witnesses: Ms. Petty, Ms. Cooley, and Mr. Ademski.

48. Other testimony and statements of position were filed in consolidated Commission Docket Nos. 55120 and 55121 relating to the proposed Bearkat-to-North McCamey transmission line.

Referral to SOAH for Hearing

49. On June 6, 2023, joint applicants and WETT requested an expedited referral to SOAH and proposed a procedural schedule.

50. On June 22, 2023, the Commission referred this docket to SOAH and filed a preliminary order specifying issues to be addressed and not to be addressed in this proceeding. A corrected order of referral and preliminary order issued on June 23, 2023.

51. On August 9, 2023, Jerry and Arlene Hoelscher filed a request for a hearing on the merits.

52. In SOAH Order No. 1 filed on June 23, 2023, the SOAH ALJ provided notice of a prehearing conference set for 9:00 a.m. on July 13, 2023.

53. In SOAH Order No. 2 filed on June 29, 2023, the SOAH ALJ adopted a procedural schedule, including a hearing on the merits from September 11 to 15, 2023, and providing venue instructions by setting the hearing remotely via videoconference.

Hearing on the Merits

54. On the morning of September 11, 2023, the hearing on the merits concerning routing for the proposed transmission facilities and need for the Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition convened via videoconference and concluded that day.

55. The following parties made appearances, either personally or through legal counsel, and participated in the hearing on the merits concerning routing for the proposed transmission facilities and need for the Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition: Oncor; LCRA TSC; WETT; Watt; Oxy; Moore and Gilmore Intervenors; Casey Property Owners; William Corny Cramer; Ballenger Intervenors; and Commission Staff.
Adequacy of Existing Service and Need for Additional Service

56. The proposed transmission facilities, as part of the overall Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition, is needed to address reliability issues driven by rapid load growth in the oil and gas industry, as well as to improve power import capability into the Delaware Basin area.

57. The Delaware Basin area currently lacks the necessary transmission facilities to address the area’s substantial historical and projected load growth, which far exceeds other areas of ERCOT.

58. ERCOT completed the Delaware Basin Load Integration Study Report (Delaware Basin study) in December 2019. The main purpose of the Delaware Basin study was to identify potential reliability needs and cost-effective transmission system upgrades whose need would be triggered upon reaching certain load levels in the Delaware Basin area.

59. The Delaware Basin study recommended the Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition, explaining that the addition’s need is triggered when the Delaware Basin area load level reaches 4,022 megawatts (MW). This load level could be reached as early as next year.

60. ERCOT completed the Permian Basin Load Interconnection Study Report (Permian Basin study) in December 2021. The Permian Basin study provided additional analysis of the Bearkat - North McCamey - Sand Lake 345-kV transmission line addition and reconfirmed its need. ERCOT’s Permian Basin study identified the addition as a preferred reliability upgrade.

61. Joint applicants and WETT submitted the Bearkat - North McCamey - Sand Lake 345-kV transmission line addition to ERCOT’s Regional Planning Group on April 7, 2022. ERCOT considered the submittal and in July 2022 issued its independent review of the Bearkat-to-North McCamey-to-Sand Lake transmission line addition. The Delaware Basin study and Permian Basin study served as the foundations for ERCOT’s independent review.

62. ERCOT’s independent review found that the addition is needed and critical to the reliability of the ERCOT transmission system. ERCOT’s independent review recommended that the
Bearkat - North McCamey - Sand Lake 345-kV transmission line addition be in-service by summer of 2026.

63. ERCOT’s board of directors formally endorsed the Bearkat - North McCamey - Sand Lake 345-kV transmission line addition as a tier 1 project and designated it as critical to ERCOT system reliability under 16 Texas Administrative Code (TAC) § 25.101(b)(3)(D).

64. DELETED.

65. Without the transmission line addition, capacity would not exist to serve further oil and gas development and load in the general study area.

66. The Delaware Basin study prioritized certain alternative project options while considering the Delaware Basin area’s estimated load growth and recommended transmission system upgrades in five stages. The trigger levels of these five stages range from Stage 1’s trigger level of 3,052 MW to Stage 5’s trigger level of 5,972 MW. The Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition is ERCOT’s recommended Stage 2 upgrade whose need is triggered when the Delaware Basin area load level reaches 4,022 MW.

67. ERCOT’s independent review identified the Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition as necessary to resolve potential voltage collapse and other reliability violations during an N-1 condition—that is, the unexpected failure or outage of a transmission system component—relating to certain North American Electric Reliability Corporation (NERC) Category P7 contingencies by the summer of 2026.

68. Under NERC Reliability Standard TPL-001-5.1, with certain exceptions, a Category P7 contingency includes the loss of any two vertically or horizontally adjacent circuits on a common structure. The Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition will address these NERC Reliability Standard violations.

69. ERCOT’s independent review recommended the Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition to reliably serve the Delaware Basin area once the peak demand level of this area exceeds 4,022 MW. Load growth in the Delaware Basin
area is expected to exceed 4,022 MW no later than summer of 2026 but has the potential to surpass this level sooner.

70. The Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition will address reliability and load growth issues by providing additional, new 345-kV outlets to, and improve the capability to import power into, the Delaware Basin area. The addition of new 345-kV outlets to the area will improve system strength by reducing overall system impedances and reactive losses, resulting in improved dynamic stability of the existing system in the area around LCRA TSC’s North McCamey station.

71. The Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition will result in transmission system improvements such as: (a) providing increased operational flexibility during emergency conditions; (b) enhancing voltage support for joint applicants’ service areas in the Delaware Basin area by creating a more integrated 345-kV transmission system; (c) providing transformer redundancy in the study area; and (d) allowing for future expansion in the study area.

72. ERCOT’s independent review considered numerous other alternatives to the Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition, including those submitted by Garland Power and Light and Texas-New Mexico Power Company, before recommending the transmission line addition as the Stage 2 upgrade.

73. Distribution alternatives to the proposed transmission line facilities are not practical because they would not improve the reliability and operational capability of the transmission system in the area, cannot adequately serve all of the increasing oil and gas load, and cannot address the voltage stability requirements in this area.

74. Upgrading the voltage of existing facilities, bundling of conductors, and adding transformers would not resolve the reliability issues identified in ERCOT’s independent review. Likewise, these types of alternatives would neither provide the necessary level of service to meet oil and gas customers’ needs nor improve the import capability of the transmission system serving many of these loads.

75. The Bearkat-to-North McCamey-to-Sand Lake 345-kV transmission line addition is needed to address critical reliability issues resulting from rapid load growth in an area of
oil and gas development. This addition will address reliability violations under NERC Reliability Standards and improve the transmission system’s import capability to support future load growth in the area, all of which will improve service for new and existing customers as swift economic expansion occurs in the Delaware Basin area.

76. On July 19, 2023, Commission Staff filed recommendations in consolidated Commission Docket Nos. 55120 and 55121, concluding that the Bearkin-to-North McCamey-to-Sand Lake 345-kV transmission line addition is the best option: (i) for efficiency, reliability, costs, and benefits; and (ii) when compared to employing distribution facilities to meet the specified need.

77. No party challenged the need for the transmission facilities.

Effect of Granting the Application on Joint Applicants and Other Utilities and Probable Improvement of Service or Lowering of Cost

78. Joint applicants are the only electric utilities involved in the construction of the proposed transmission facilities.

79. It is unlikely that the construction of the transmission line along any proposed alternative route will adversely affect service by other utilities in the area.

80. It is likely that the construction of the transmission facilities will enhance the reliability of the transmission system and facilitate robust wholesale competition.

Routing of the Transmission Facilities

81. The Burns and McDonnell project team included professionals with expertise in different environmental and land use disciplines who were involved in data acquisition, routing analysis, and environmental assessment of the transmission facilities.

82. To identify preliminary alternative route segments for the transmission facilities, Burns and McDonnell delineated a study area, sought public official and agency input, gathered data regarding the study area, and performed constraints mapping.

83. Of the 82 routes filed with the application to allow for an adequate number of alternative routes to conduct a proper evaluation, joint applicants identified route 65 as the route that best addresses PURA and the Commission’s rules.
84. Commission Staff identified route 65 as the route that best addresses PURA and the Commission's rules.

85. No intervenors who filed direct testimony concerning the proposed transmission facilities oppose route 65.

86. Route 65 is comprised of segments A1, A2, A6, A9, C3, D2, E3, E6b, E8, E9, G3, G7, G9, G10, I12, M4, M8, O3, P4, P7, R3, R6, R10, T2, and T4.

87. Route 65 is approximately 88.03 miles in length.

88. Route 65 presents an appropriate balance of routing factors, and there were no negative attributes that could not be addressed with mitigation and the application of best-practice engineering design and construction methods.

Estimated Costs

89. The estimated construction costs for the 82 filed routes range from $318,529,000 to $397,544,000, exclusive of station costs.

90. The estimated construction costs for route 65 are $318,529,000, exclusive of station costs.

91. The estimated construction costs for the modifications to Oncor's Sand Lake station are $5,534,000, and the estimated construction costs for the modifications to LCRA TSC's North McCamey station are $11,800,000.

92. The cost of route 65 is reasonable considering the range of the cost estimates for the proposed transmission facilities' proposed routes.

93. Oncor intends to finance its portion of the transmission facilities through a combination of debt and equity. LCRA TSC's portion of transmission facilities may be financed through a combination of tax-exempt commercial paper, tax-exempt private revolving note, or taxable commercial paper, and, after completion of the proposed transmission facilities, fixed-rate debt.

Prudent Avoidance

94. Prudent avoidance, as defined in 16 TAC § 25.101(a)(6), is the "limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort."
95. The number of habitable structures within 500 feet of the centerline of the 82 alternative routes range from zero to nine.

96. Route 65 has four habitable structures within 500 feet of its centerline.

97. The construction of transmission facilities along route 65 complies with the Commission’s policy of prudent avoidance.

Community Values

98. Information regarding community values was received from the January 2023 public participation meetings and from local, state, and federal agencies. This information was incorporated into Burns and McDonnell’s routing analysis and joint applicants’ eventual selection of the alternative routes included in the application.

99. The responses received from the public participation meetings indicated a preference for minimizing route length through residential areas, using existing transmission line corridors, and maximizing the transmission line’s distance from schools.

100. Route 65 adequately addresses the expressed community values.

Using or Paralleling Compatible Rights-of-Way and Paralleling Property Boundaries

101. The proposed transmission facilities’ 82 alternative routes use or paralleling of existing compatible rights-of-way and apparent property boundaries ranges from 25% to 63% of the length of the route.

102. Joint applicants evaluated the use and paralleling of existing compatible rights-of-way and apparent property boundaries when developing route 65.

103. Route 65 parallels existing compatible corridors for approximately 42% of its length.

104. Route 65 uses or parallels existing compatible rights-of-way to a reasonable extent.

Engineering Constraints

105. Joint applicants evaluated engineering and construction constraints when developing route 65.

106. Joint applicants did not identify any engineering constraints that would prevent the construction of transmission facilities along route 65.
**Other Comparisons of Land Uses and Land Types**

**Radio Towers and Other Electronic Installations**

107. No commercial AM radio transmitters were identified within 10,000 feet of route 65's centerline.

108. Four FM radio transmitters, microwave towers, or other electronic installations were identified within 2,000 feet of route 65's centerline.

109. It is unlikely that the presence of transmission facilities along route 65 will adversely affect any communication operations in the proximity of the route.

**Airstrips and Airports**

110. There are no airports registered with the Federal Aviation Administration equipped with a runway only 3,200 feet or shorter in length and within 10,000 feet of route 65's centerline.

111. There is one airport registered with the Federal Aviation Administration equipped with at least one runway longer than 3,200 feet in length and within 20,000 feet of route 65's centerline.

112. There are no private airstrips within 10,000 feet of route 65's centerline.

113. There are no heliports within 5,000 feet of route 65's centerline.

114. It is unlikely that the presence of transmission facilities along route 65 will adversely affect any airports, airstrips, or heliports.

**Irrigation Systems**

115. Route 65 does not cross agricultural lands with known mobile irrigation systems.

116. It is unlikely that the presence of transmission facilities along route 65 will adversely affect any agricultural lands with known mobile irrigation systems.

**Recreational and Park Areas**

117. Route 65 does not cross park or recreational areas.

118. No park or recreational areas are located within 1,000 feet of route 65's centerline.
119. It is unlikely that the presence of transmission facilities along route 65 will adversely affect the use and enjoyment of any recreational and park areas.

**Historical and Archaeological Values**

120. Route 65 does not cross any recorded cultural sites.

121. There are eight recorded cultural sites within 1,000 feet of the centerline of route 65.

122. Route 65 crosses areas with a high potential for historical or archeological sites for 25.9 miles.

123. It is unlikely that the presence of transmission facilities along route 65 will adversely affect historical or archaeological resources.

**Aesthetic Values**

124. An estimated 8.9 miles of route 65’s right-of-way is within the foreground visual zone of United States or state highways.

125. None of route 65’s right-of-way is within the foreground visual zone of park or recreational areas.

126. It is unlikely that the presence of transmission facilities along route 65 will adversely affect the aesthetic quality of the surrounding landscape.

**Environmental Integrity**

127. The environmental assessment analyzed the possible effects of the transmission facilities on numerous environmental factors.

128. Joint applicants and Burns and McDonnell evaluated the effects of the transmission facilities on the environment, including endangered and threatened species.

129. Joint applicants and Burns and McDonnell evaluated potential consequences for soil and water resources, the ecosystem (including endangered and threatened vegetation and fish and wildlife), and land use within the study area.

130. It is unlikely that constructing the transmission facilities approved by this Order will significantly affect wetland resources, ecological resources, endangered and threatened species, or land use.
131. Route 65 crosses upland woodland or brushland area for approximately 77.9 miles.

132. Route 65 crosses bottomland, riparian woodland, or brushland area for approximately 0.6 miles.

133. Route 65 does not cross the known habitat of any federally listed endangered or threatened species of plant or animal.

134. Joint applicants will cooperate with the United States Fish and Wildlife Service to the extent that field studies identify threatened or endangered species’ habitats.

135. It is unlikely that significant adverse consequences for populations of any federally listed endangered or threatened species will result from constructing the transmission facilities approved by this Order.

136. Joint applicants will mitigate any effect on federally listed plant or animal species according to standard practices and measures taken in accordance with the Endangered Species Act.

137. It is appropriate for joint applicants to minimize the amount of flora and fauna disturbed during construction of the transmission facilities.

138. It is appropriate for joint applicants to re-vegetate cleared and disturbed areas using native species and consider landowner preferences and wildlife needs in doing so.

139. It is appropriate for joint applicants to avoid, to the maximum extent reasonably possible, causing adverse environmental effects on sensitive plant and animal species and their habitats as identified by the United States Fish and Wildlife Service and the Texas Parks and Wildlife Department.

140. It is appropriate for joint applicants to implement erosion control measures and return each affected landowner’s property to its original contours and grades unless the landowners agree otherwise. However, it is not appropriate for joint applicants to restore original contours and grades where different contours and grades are necessary to ensure the safety or stability of any transmission line’s structures or the safe operation and maintenance of any transmission line.
141. It is appropriate for joint applicants to exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within rights-of-way. The use of chemical herbicides to control vegetation within rights-of-way is required to comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.


143. It is appropriate for joint applicants to use best management practices to minimize any potential harm that route 65 presents to migratory birds and threatened or endangered species.

144. It is unlikely that the presence of transmission facilities along route 65 will adversely affect the environmental integrity of the surrounding landscape.

**Texas Parks and Wildlife Department**

145. On August 18, 2023, the Texas Parks and Wildlife Department (TPWD) filed a comment letter making various comments and recommendations regarding the transmission facilities, but it did not become a party to this proceeding.

146. TPWD's comment letter addressed issues relating to effects on ecology and the environment but did not consider the other factors the Commission and utilities must consider in CCN applications.
147. TPWD recommended alternative route 73 as the route that best minimizes adverse effects on natural resources.

148. Before beginning construction, it is appropriate for joint applicants to undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and to respond as required.

149. Joint applicants will comply with all applicable environmental laws and regulations, including those governing threatened and endangered species.

150. Joint applicants will comply with all applicable regulatory requirements in constructing the transmission facilities, including any applicable requirements under section 404 of the Clean Water Act.

151. If construction affects federally listed species or their habitat or affects water under the jurisdiction of the United States Army Corps of Engineers or the Texas Commission on Environmental Quality, joint applicants will cooperate with the United States Fish and Wildlife Service, the United States Army Corps of Engineers, and the Texas Commission on Environmental Quality as appropriate to coordinate permitting and perform any required mitigation.

152. Burns and McDonnell relied on habitat descriptions from various sources, including the Texas Natural Diversity Database, other sources provided by TPWD, and observations from field reconnaissance to determine whether habitats for some species are present in the area surrounding the transmission facilities.

153. Joint applicants will cooperate with the United States Fish and Wildlife Service and TPWD if field surveys identify threatened or endangered species' habitats.

154. The standard mitigation requirements included in the ordering paragraphs of this Order, coupled with joint applicants' current practices, are reasonable measures for a transmission service provider to undertake when constructing a transmission line and sufficiently address TPWD's comments and recommendations.
155. The Commission does not address TPWD’s recommendations for which there is not record evidence to provide sufficient justification, adequate rationale, or an analysis of any benefits or costs associated with the recommendation.

156. This Order addresses only those recommendations by TPWD for which there is record evidence.

157. The recommendations and comments made by TPWD do not necessitate any modifications to the proposed transmission facilities.

**Permits**

158. Before beginning construction of the proposed transmission facilities, joint applicants will obtain any necessary permits from the Texas Department of Transportation or any other applicable state agency if the facilities cross state-owned or -maintained properties, roads, or highways.

159. Before beginning construction of the proposed transmission facilities, joint applicants will obtain a miscellaneous easement from the General Land Office if the transmission line crosses any state-owned riverbed or navigable stream.

160. Before beginning construction of the proposed transmission facilities, joint applicants will obtain any necessary permits or clearances from federal, state, or local authorities.

161. It is appropriate for joint applicants, before commencing construction, to obtain a general permit to discharge under the Texas pollutant discharge elimination system for stormwater discharges associated with construction activities as required by the Texas Commission on Environmental Quality. In addition, before commencing construction, it is appropriate for joint applicants to prepare a stormwater pollution prevention plan if required, to submit a notice of intent to the Texas Commission on Environmental Quality if required, and to comply with all other applicable requirements of the general permit.

162. It is appropriate for joint applicants to conduct a field assessment of route 65 before beginning construction of the transmission facilities approved by this Order to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species’ habitats disrupted by the transmission line. As a result of these
assessments, joint applicants will identify all necessary permits from counties and federal and state agencies. Joint applicants will comply with the relevant permit conditions during construction and operation of the transmission facilities along route 65.

163. After designing and engineering the alignments, structure locations, and structure heights, Joint applicants will determine the need to notify the Federal Aviation Administration based on the final structure locations and designs. If necessary, joint applicants will use lower-than-typical structure heights, line marking, or line lighting on certain structures to avoid or accommodate requirements of the Federal Aviation Administration.

Coastal Management Program
164. Under 16 TAC § 25.102(a), the Commission may grant a certificate for the construction of transmission facilities within the coastal management program boundary only when it finds that the proposed facilities comply with the goals and applicable policies of the Coastal Management Program or that the proposed facilities will not have any direct and significant effect on any of the applicable coastal natural resource areas as defined under Texas Natural Resources Code § 33.203 and 31 TAC § 501.3(b).

165. No part of the proposed transmission facilities is located within the coastal management program boundary as defined in 31 TAC § 503.1(b).

Effect on the State’s Renewable Energy Goal
166. The Texas Legislature established a goal in PURA § 39.904(a) for 10,000 MW of renewable capacity to be installed in Texas by January 1, 2025. This goal has already been met.

167. The presence of transmission facilities along route 65 cannot adversely affect the goal for renewable energy development established in PURA § 39.904(a).

Limitation of Authority
168. It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.

169. Seven years is a reasonable and appropriate limit to place on the authority granted in this Order to construct the transmission facilities.
II. Conclusions of Law

The Commission adopts the following conclusions of law.

1. Oncor is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA § 31.002(6).

2. LCRA TSC is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA § 31.002(6).

3. The Commission has authority over this matter under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.

4. Oncor and LCRA TSC each must obtain the approval of the Commission to construct the proposed transmission line and to provide service to the public using the facilities.

5. PURA § 37.0541 required the consolidation of Commission Docket No. 55120 (the application to amend WETT’s and LCRA TSC’s CCNs for construction of the Bearkat to North McCamey double-circuit 345-kV transmission line) with Commission Docket No. 55121 (the application to amend Oncor’s and LCRA TSC’s CCNs for construction of the North McCamey-to-Sand Lake double-circuit 345-kV transmission line) because the two lines share a common endpoint.


7. The application is sufficient under 16 TAC § 22.75(d).

8. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act, and the Commission’s rules.

9. Oncor and LCRA TSC provided notice of the application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).

10. Additional notice of the approved route is not required under 16 TAC § 22.52(a)(2) because it consists entirely of properly noticed segments contained in the application.

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11. Oncor and LCRA TSC held two public meetings and provided proper notice of those public meetings in compliance with 16 TAC § 22.52(a)(4).

12. The hearing on the merits was set, and notice of the hearing was provided, in compliance with PURA § 37.054 and Texas Government Code §§ 2001.051 and 2001.052.

13. The transmission facilities using route 65 are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a).

14. The Texas Coastal Management Program does not apply to any of the transmission facilities proposed in the application, and the requirements of 16 TAC § 25.102 do not apply to the application.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission amends Oncor’s CCN number 30043 and LCRA TSC’s CCN number 30110 to include the construction and operation of the transmission facilities, including a 345-kV double-circuit transmission line along route 65 (comprising route segments A1, A2, A6, A9, C3, D2, E3, E6b, E8, E9, G3, G7, G9, G10, I12, M4, M8, O3, P4, P7, R3, R6, R10, T2, and T4). Oncor will own the northwestern half of the transmission line connecting to its Sand Lake station, and LCRA TSC will own the southeastern half of the transmission line connecting to its North McCamey station. The ownership division point on route 65 will be Structure 1/1 on tract 331 along route segment G3, and Oncor will own this structure, which will establish a new interconnection between Oncor and LCRA TSC.

2. Oncor and LCRA TSC must consult with pipeline owners or operators in the vicinity of the approved route regarding the pipeline owners’ or operators’ assessment of the need to install measures to mitigate the effects of alternating-current interference on existing metallic pipelines that are paralleled by the proposed electric transmission facilities.

3. Oncor and LCRA TSC must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission line approved by this Order and
cooperate with metallic pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting metallic pipelines being paralleled.

4. Oncor and LCRA TSC must obtain all permits, licenses, plans, and permission required by state and federal law that are necessary to construct the transmission facilities approved by this Order, and if Oncor or LCRA TSC fail to obtain any such permit, license, plan, or permission, must notify the Commission immediately.

5. Oncor and LCRA TSC must identify any additional permits that are necessary, consult any required agencies (such as the United States Army Corps of Engineers and United States Fish and Wildlife Service), obtain all necessary environmental permits, and comply with the relevant conditions during construction and operation of the transmission facilities approved by this Order.

6. If Oncor or LCRA TSC encounter any archaeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and Oncor or LCRA TSC must report the discovery to, and act as directed by, the Texas Historical Commission.

7. Before beginning construction, Oncor and LCRA TSC must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.

8. Oncor and LCRA TSC must use best management practices to minimize the potential harm to migratory birds and threatened or endangered species that is presented by the approved route.

TSC must take precautions to avoid disturbing occupied nests and take steps to minimize the burden of the construction of the transmission facilities on migratory birds during the nesting season of the migratory bird species identified in the area of construction.

10. Oncor and LCRA TSC must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the rights-of-way. Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with Texas Department of Agriculture regulations.

11. Oncor and LCRA TSC must minimize the amount of flora and fauna disturbed during construction of the transmission facilities, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. In addition, Oncor and LCRA TSC must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practicable, Oncor and LCRA TSC must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the United States Fish and Wildlife Service and the Texas Parks and Wildlife Department.

12. Oncor and LCRA TSC must implement erosion-control measures as appropriate. Erosion-control measures may include inspection of the rights-of-way before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the effect of vehicular traffic over the areas. Also, Oncor and LCRA TSC must return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. However, the Commission does not require Oncor or LCRA TSC to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the structures or the safe operation and maintenance of the line.

13. Oncor and LCRA TSC must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the proposed transmission line approved by this Order. Any minor deviations from the approved route
must only directly affect landowners who were sent notice of the transmission line in accordance with 16 TAC § 22.52 (a) (3) and have agreed to the minor deviation.

14. The Commission does not permit Oncor or LCRA TSC to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without first further amending the relevant CCN.

15. If possible, and subject to the other provisions of this Order, Oncor and LCRA TSC must prudently implement appropriate final design for the transmission line to avoid being subject to the Federal Aviation Administration’s notification requirements. If required by federal law, Oncor and LCRA TSC must notify and work with the Federal Aviation Administration to ensure compliance with applicable federal laws and regulations. The Commission does not authorize Oncor or LCRA TSC to deviate materially from this Order to meet the Federal Aviation Administration’s recommendations or requirements. If a material change would be necessary to meet the Federal Aviation Administration’s recommendations or requirements, then Oncor and LCRA TSC must file an application to amend their CCNs as necessary.

16. Oncor and LCRA TSC must include the transmission facilities approved by this Order on their monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule in accordance with 16 TAC § 25.83(b). In addition, Oncor and LCRA TSC must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when Oncor and LCRA TSC identify all charges.

17. The Commission limits the authority granted by this Order to a period of seven years from the date this Order is signed unless the transmission line is commercially energized before that time.

18. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.
Signed at Austin, Texas the 30th day of November 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

KATHLEEN JACKSON, INTERIM CHAIR

WILL MCADAMS, COMMISSIONER

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER