

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter I. TRANSMISSION AND DISTRIBUTION.

DIVISION 1. OPEN-ACCESS COMPARABLE TRANSMISSION SERVICE FOR ELECTRIC UTILITIES IN THE ELECTRIC RELIABILITY COUNCIL OF TEXAS.

§25.195. Terms and Conditions for Transmission Service.

- (a) **Transmission service requirements.** As a condition to obtaining transmission service, a transmission service customer that owns electrical facilities in the Electric Reliability Council of Texas (ERCOT) region shall execute interconnection agreements with the transmission service providers (TSP) to which it is physically connected. The commission-approved standard generation interconnection agreement (SGIA) for the interconnection of new generating facilities shall be used by power generation companies, exempt wholesale generators, and TSPs. A standard agreement may be modified by mutual agreement of the parties to address specific facts presented by a particular interconnection request as long as the modifications do not frustrate the goal of expeditious, non-discriminatory interconnection and are not otherwise inconsistent with the principles underlying the SGIA.
- (b) **Transmission service provider responsibilities.** The TSP will plan, construct, operate and maintain its transmission system in accordance with good utility practice in order to provide transmission service customers with transmission service over its transmission system in accordance with Division 1 of this subchapter (relating to Open-Access Comparable Transmission Service for Electric Utilities in the Electric Reliability Council of Texas). The TSP shall, consistent with good utility practice, endeavor to construct and place into service sufficient transmission capacity to ensure adequacy and reliability of the network to deliver power to transmission service customer loads. The TSP will plan, construct, operate and maintain facilities that are needed to relieve transmission constraints, as recommended by ERCOT and approved by the commission, in accordance with Division 1 of this subchapter. The construction of facilities requiring commission issuance of a certificate of convenience and necessity is subject to such commission approval.
- (c) **Construction of new facilities.** If additional transmission facilities or interconnections between TSPs are needed to provide transmission service pursuant to a request for such service, the TSPs where the constraint exists shall construct or acquire the facilities necessary to permit the transmission service to be provided in accordance with good utility practice, unless ERCOT identifies an alternative means of providing the transmission service that is less costly, operationally sound, and relieves the transmission constraint at least as effectively as would additional transmission facilities.
 - (1) When an eligible transmission service customer requests transmission service for a new generating source that is planned to be interconnected with a TSP's transmission network, the transmission service customer shall be responsible for the cost of installing step-up transformers to transform the output of the generator to a transmission voltage level and protective devices at the point of interconnection capable of electrically isolating the generating source owned by the transmission service customer. The TSP shall be responsible, pursuant to paragraph (2) of this subsection, for the cost of installing any other interconnection facilities that are designed to operate at a transmission voltage level and any other upgrades on its transmission system that may be necessary to accommodate the requested transmission service.
 - (A) An affected TSP may require the transmission service customer to pay a reasonable deposit or provide another means of security, to cover the costs of planning, licensing, and constructing any new transmission facilities that will be required in order to provide the requested service.

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§25.195(c)(1) continued

- (B) If the new generating source is completed and the transmission service customer begins to take the requested transmission service, the TSP shall return the deposit or security to the transmission service customer. If the new generating source is not completed and new transmission facilities are not required, the TSP may retain as much of the deposit or security as is required to cover the costs it incurred in planning, licensing, and construction activities related to the planned new transmission facilities. Any repayment of a cash deposit shall include interest at a commercially reasonable rate based on that portion of the deposit being returned.
- (2) A transmission service customer that is requesting transmission service, including transmission service at distribution voltage, may be required to make a contribution in aid of construction to cover all or part of the cost of acquiring or constructing additional facilities, if the acquisition of the additional facilities would impair the tax-exempt status of obligations issued by the provider of transmission services.
- (d) **Curtailement of service.** In an emergency situation, as determined by ERCOT and at its direction, TSPs may interrupt transmission service on a non-discriminatory basis, if necessary, to preserve the stability of the transmission network and service to customers. Such curtailments shall be carried out in accordance with §25.200 of this title (relating to Load Shedding, Curtailments, and Redispatch) and in accordance with ERCOT protocols.
- (e) **Filing of contracts.** Electric utilities shall file with the commission all new interconnection agreements within 30 days of their execution, including a cover letter explaining any deviations from the SGIA. These interconnection agreements shall be filed for the commission's information. Interconnection agreements are subject to commission review and approval upon request by any party to the agreement. Upon showing a good cause, appropriate portions of the filings required under this subsection may be subject to provisions of confidentiality to protect competitively sensitive commercial or financial information.