

Long Term Study Interim Report Comments

Reference document title	Long Term Transmission Analysis 2010-2030 Interim Report
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Market Segment	Concern Groups

Comments

Study Assumptions	
Recommendations	<p>(1) In the BAU case, it is important to note that the assumed natural gas price almost doubles, from \$4.38/mmbtu in 2010 to \$8.39/mmbtu in 2030. While these prices may be “relatively low” as stated on page 29 of Volume 2, it would be appropriate to also point out the assumed price increase.</p> <p>(2) The stated need to thoroughly evaluate the overall system impacts of the high wind generation cases, such the PTC sensitivity to the BAU scenario, is essential. The system costs that will be required for non-wind resources to invest and/or continue to operate in highly variable service need to be reflected in the wind generator economics.</p> <p>(3) Likewise, the cost for ensuring that adequate peaking capacity will be available should be incorporated into the wind generator economics. From a deregulated market perspective, a potential power purchaser should include those costs when evaluating alternate sources of generation.</p> <p>(4) The cost of offsetting below target reserve margins should be reflected in economics of the competing resource types. As a specific example, the BAU scenario with the PTC continuing sensitivity has a 3.3% lower reserve margin than the BAU scenario without the PTC.</p> <p>(5) For wind generator economics, the differences in the</p>

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	<p>variability of availability should be reflected. For instance, coastal and offshore wind generation is likely to be more attractive than inland wind generation from an availability perspective.</p> <p>(6) The cost of required transmission additions should be reflected in the generation resource economics, particularly in the case of remote resource locations.</p> <p>(7) On page 4 of Volume 1, it should be noted that the CREZ zones designation includes the Panhandle as well as West Texas.</p>
Other Observations	The overall project intent is fully supported.

Document Revisions

To submit proposed revisions to the draft documents, you can attach the full text of the original document or selected sections. All proposed revisions should be provided using the “track changes” function. Redlines and reference documents may be attached or merged with this form.