



June 17, 2024

Chairman Thomas J. Gleeson
Public Utility Commission of Texas
1701 North Congress Avenue, 7th Floor
Austin, Texas 78711

RE: Project Number 55718, Reliability plan for the Permian Basin under PURA §39.167

Thank you for the opportunity to express our support for the Permian Basin Reliability Plan, established in House Bill 5066 by Representative Charlie Geren and Senator Charles Schwertner. This plan seeks to address extending transmission service to areas where mineral resources are located, increasing available capacity to meet forecasted load, and provide infrastructure to reduce interconnection time in areas without access to transmission service.

The undersigned represent the industry that generates great economic opportunity for Texans—the Texas oil and natural gas industry which paid \$26.3 billion in state and local taxes and state royalties in fiscal year (FY) 2023 – the highest in Texas history. The Permian Basin produces approximately 50% of all crude oil and 23% of natural gas in the United States. To continue to produce these resources at these levels, and to support the economic, energy and security of Texas and the United States, transmission inadequacies in our region must be addressed.

In December of 2023, the Public Utility Commission (PUC) issued an order directing the Electric Reliability Council of Texas (ERCOT) to create the Permian Basin Reliability Plan. ERCOT and certain transmission service providers (TSPs) developed the load demand assumptions for the plan as directed, forecasting 26,400 megawatts of new load in the region by 2038 (“the 2038 Load”). We appreciate the engagement with PUC and ERCOT staff and other stakeholders providing technical input to shape and support the plan.

We support PUC approval of a reliability plan that includes the necessary transmission infrastructure and all necessary generation import path lines, to serve the complete 2038 Load. We encourage the PUC to timely adopt a single plan to serve 2030 and the 2038 Load following comments on the plan this summer.

Transmission infrastructure is vital for our operators. As reflected in the S&P Global’s 2022 “Electrification of the Permian Basin” report, the Permian Basin lacks basic electric infrastructure today¹, which requires the industry to engage in self-service with diesel generators for the mineral

¹ S&P global. Electrification of the Permian Basin, December 2022, Filed in PUC Project No. 55718

development that is the economic engine of this state. Building more infrastructure is critical to electrifying existing and future development and serves important industry goals of increased operational efficiency and air emission reductions.

As ERCOT developed this plan it has been our goal to establish a single plan that incorporates the 2030 and 2038 outlook and address existing inadequacies as expeditiously as possible. We are concerned that approval of a plan that does not include the projects necessary to meet the 2030 and 2038 Load comprehensively would result in deferral and delay of critical projects necessary to support existing unserved operation and planned industry operations into the future.

We greatly appreciate the diligent work on this matter and would appreciate your support of a single and urgently needed plan to include 2030 and 2038 needs. We look forward to working with you to ensure that the appropriate infrastructure is in place to ensure the economic engine of the oil and natural gas industry can flourish for generations to come.



Ben Shepperd
President, PBPA



Todd Staples
President, TXOGA



Karr Ingham
Interim President, TAEP

CC:

Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Kathleen Jackson