

COMMITTEE REPORTS

ELECTRICAL COALITION

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The Electric Coalition did not conduct a member meeting during the fourth quarter, but many members participated in an Electric Reliability Council of Texas (ERCOT) virtual meeting held on October 28, 2020. The meeting included representatives from the electric utility companies serving the Permian Basin.

The ERCOT meeting was in line with our continuing efforts to work with ERCOT, the Public Utility Commission (PUC) and the utility companies to increase the capacity and the reliability of electricity in the Permian Basin. ERCOT staff provided status updates on both ongoing and proposed West Texas infrastructure projects. No projects have been postponed due to the oil & gas demand downturn; as all parties agreed the recent events provided an opportunity to close the gap between grid capacity and forecasted production loads. ERCOT confirmed the implementation of several policy changes meant to streamline infrastructure project review and approval. This was part of last year's efforts to reduce the overall in-service timeline for grid capacity and reliability projects. There are still outstanding strategies that were proposed, but ERCOT staff did not provide clear indication of when those may be implemented.

In ongoing business, we have not been successful in our efforts to independently gather data on the magnitude of the decline in electrical consumption in the Permian Basin, resulting from demand destruction. The initial concern of previously published numbers negatively influencing electric utility and/or regulatory agency actions, did not come to fruition. At this time, the published demand decline values do not appear to pose any significant risk to electric infrastructure planning in West Texas.