



Golden Spread
Electric Cooperative, Inc.
A Touchstone Energy™ Cooperative 

January 7, 2022

Rules Coordinator
Office of General Counsel
Railroad Commission of Texas
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**RE: Comments of Golden Spread Electric Cooperative, Inc.
Proposed Amendments to 16 TAC §7.455 relating to Curtailment Standards**

To the Honorable Commissioners of the Railroad Commission of Texas:

Golden Spread Electric Cooperative, Inc. (“Golden Spread”) respectfully submits these comments in response to the Railroad Commission of Texas’ (“Commission”) proposed amendments to 16 Tex. Admin. Code (“TAC”) §7.455, published for comment in the *Texas Register* on November 26, 2021 (the “Proposed Rule”). The Proposed Rule directs comments to be filed by January 7, 2022. These comments are timely filed.

I. EXECUTIVE SUMMARY

Golden Spread supports the Commission’s efforts in the Proposed Rule and appreciates the opportunity to submit comments. Golden Spread recommends one edit to the Proposed Rule and that is to modify §7.455(d)(1)(B) of the Proposed Rule to include both firm and interruptible deliveries of natural gas to electric generation facilities.

II. GOLDEN SPREAD

Golden Spread is a non-profit electric generation and transmission cooperative with its principal office in Amarillo, Texas. It supplies cost effective and reliable wholesale electric power

to its sixteen-member non-profit distribution cooperatives (“Members”).¹ Golden Spread’s Members serve about 310,000 retail electric meters serving their Member-Consumers over an expansive area, including the Panhandle, South Plains and Edwards Plateau regions of Texas (covering 24% of the State), the Oklahoma Panhandle, and small portions of Southwestern Kansas and Southeastern Colorado.

Golden Spread owns the following natural gas-fired generation assets: (i) Mustang Station, a natural gas-fired combined cycle electric generating facility located near Denver City, Texas, which consists of Units 1, 2 and 3 with a combined capacity of approximately 521 megawatts (“MW”), and Mustang Station Units 4, 5 and 6, which have a capacity of 153 MW, 153 MW and 166 MW, respectively, (ii) Antelope Station, a natural gas fired electric generating facility located near Abernathy, Texas, which consists of Units 1, 2 and 3, each of which has six Wärtsilä 9.34 MW reciprocating engine generators with each bank of generators having a combined capacity of 56 MW, located near Abernathy, Texas; and (iii) Elk Station, consisting of Units 1, 2 and 3, each being an approximately 200 MW gas-fired combustion turbine, located just east of the Antelope Station. The Antelope Station and Elk Station are constructed at the same site and are referred collectively as the Antelope Elk Energy Center.

III. COMMENTS

Golden Spread appreciates the Commission’s efforts to update its Rules to recognize the changes in the natural gas and electric industries and the increased interdependence of one industry

¹ Bailey County Electric Cooperative Association (Muleshoe, Texas); Big Country Electric Cooperative, Inc. (Roby, Texas); Coleman County Electric Cooperative, Inc. (Coleman, Texas); Concho Valley Electric Cooperative, Inc. (San Angelo, Texas); Deaf Smith Electric Cooperative, Inc. (Hereford, Texas); Greenbelt Electric Cooperative, Inc. (Wellington, Texas); Lamb County Electric Cooperative, Inc. (Littlefield, Texas); Lighthouse Electric Cooperative, Inc. (Floydada, Texas); Lyntegar Electric Cooperative, Inc. (Tahoka, Texas); North Plains Electric Cooperative, Inc. (Perryton, Texas); Rita Blanca Electric Cooperative, Inc. (Dalhart, Texas); South Plains Electric Cooperative, Inc. (Lubbock, Texas); Southwest Texas Electric Cooperative, Inc. (Eldorado, Texas); Swisher Electric Cooperative, Inc. (Tulia, Texas); and Taylor Electric Cooperative, Inc. (Merkel, Texas). Golden Spread also serves Tri-County Electric Cooperative, Inc. (Hooker, Oklahoma).

on the reliable operations of the other. As the Commission rightly noted in the publication's preamble, "[s]ince Order 489 was issued by the Commission in January 1973, there have been significant changes in both the natural gas and electric industries." Importantly, Texas' electric generation mix has become far more dependent on natural gas in the decades since Order 489 was adopted. This includes Golden Spread's own generation fleet, which is heavily dependent on the reliable production and delivery of natural gas. Winter Storm Uri exposed the need to update the curtailment priority policy, as highlighted in the Commission's proposal for comment.

During Winter Storm Uri, the amount of natural gas reaching Texas' power plants was limited, which in turn, limited the electricity available to operate natural gas production and delivery facilities. This downward loop contributed to the magnitude and duration of power outages. Golden Spread is pleased by the improved coordination between the Commission and the Public Utility Commission to address this interdependence and views this Proposed Rule as an important element of that process.

As an electric power generator with a primarily natural-gas fired fleet, Golden Spread relies on natural gas to ensure that it can deliver cost effective, competitive and reliable power to both the Southwest Power Pool ("SPP") and Electric Reliability Council of Texas ("ERCOT") markets. Golden Spread supports the Proposed Rule's effort to update the curtailment priority to recognize the differences in the modern environment from what existed in 1973. As noted above, maintaining gas supply to power plants helps ensure that there is electricity to run pumps and other equipment essential to the production and delivery of gas not only to power plants but to human needs customers. Additionally, many Texans rely on electric heat that generators, such as Golden Spread, provide electricity; so, there is a human needs element to the prioritization of electric generation in this regard as well.

Golden Spread appreciates the recognition in the Proposed Rule that electric generation customers must be protected from fuel shortages. However, Golden Spread would request that the Commission modify the Proposed Rule to include prioritization of both firm and interruptible deliveries of natural gas to electric generation facilities. Due to the complex interactions between the gas and power markets, many generators utilize interruptible natural gas pipeline contracts to be able to adapt to changing customer needs. By subordinating these agreements to the end of the prioritization list, the Commission is limiting the potential available natural gas to electric generators that provide electricity to support critical life functions and natural gas operations.

Lastly, the Proposed Rule's §7.455(e) is an important addition. All historic curtailment policies need updating, including those filed at the Commission in years past. The Proposed Rule offers a vitally important opportunity to refresh the treatment of curtailment priority for all concerned.

IV. CONCLUSION

For the above stated reasons, Golden Spread respectfully requests that the Commission consider these comments as it moves forward.

Dated: January 7, 2022

Respectfully submitted,

/s/ Todd Kimbrough

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