

Transmission & CREZ Fact Sheet

Transmission Lines Provide Real And Measurable Benefits To Consumers, Businesses, And Utilities

The Ability To Get Electricity From Where It's Generated To Where It Keeps The Lights On Is Essential To Nearly Everything Americans Do. "America's economy, national security and even the health and safety of our citizens depend on the reliable delivery of electricity." ("Grid Modernization & Smart Grid," [U.S. Department Of Energy](#), Accessed 11/25/18)

Transmission Provides Dozens Of Quantifiable Economic And Reliability Benefits For U.S. Families And Businesses.

For Example, Transmission:

- Helps consumers access lower-cost electricity;
- Reduces the need to build additional electricity generation to hold in reserve;
- Facilitates robust electricity markets;
- Provides economic development and jobs;
- And helps generators and utilities comply with public policy requirements." ("Transmission," [American Wind Energy Association](#), Accessed 11/25/18)

What Is CREZ?

"CREZ Stands For Competitive Renewable Energy Zones. These Are Specific Areas Located In West Texas And The Texas Panhandle That Have Been Identified As Resource Rich, High Wind Areas."

("What Is CREZ," [Oncor](#), Accessed 11/25/18)

The Texas State Legislature Introduced The Concept Of CREZ In 2005 As A Means Of Connecting Areas With Abundant Wind Resources To More Highly Populated Parts Of The State. "The state's Public Utility Commission, or PUC, approved the CREZ concept in 2008 in response to a directive from the Legislature in 2005. The plan calls for erecting a network of transmission lines — spanning more than 2,300 miles — to bring the wind power generated atop remote western mesas to cities in the Central and East Texas, where most of the population lives. The network has earned praise for its efficient planning from renewable energy advocates around the country." (Kate Galbraith, "Battle Lines: Fighting the Power," [The Texas Tribune](#), 9/8/10)

Completed In 2013, The CREZ Transmission Project Transmits More Than 18.5 GW Of Electricity Across Texas. "The overall CREZ project consists of 3,500 miles of transmission lines capable of carrying 18,500 MW of electricity. ... While wind-generated electricity is the primary source of power, the

transmission lines are capable of carrying electricity from any source.” (Nicholas Sakelaris, “How West Texas wind power will reach North Texas,” [Dallas Business Journal](#), 8/7/13)

Texans Can Be Proud That CREZ Lines Were Completed In An Efficient And Competitive Manner.

“Much of the credit for Texas’ success is attributable to the efficient and effective way in which the CREZ lines were completed, which is due in large part to PUCT using a competitive process to select the transmission companies that built the new lines.” (Barry Smitherman, Op-Ed, “Competition In Electricity Transmission Is Paying Dividends,” [The Hill](#), 3/14/18)

CREZ Is More Than Wind

“CREZ Is Generally Recognized To Be A Tremendous Infrastructure Success Story.”

- “Texas now has a more diversified portfolio of generation resources (71 percent fossil and 29 percent non-fossil).”
- “Carbon dioxide emissions from the electric sector are down to 1998 levels.”
- “Retail electric prices are among the lowest in America.” (Barry Smitherman, Op-Ed, “Competition In Electricity Transmission Is Paying Dividends,” [The Hill](#), 3/14/18)

The Expansion Of The Grid In Texas “Has Driven Down Wholesale Electricity Market Costs.” “Texas’ expansion of its electric grid has allowed for much more wind power to reach load centers which, along with a drop in natural gas prices, has driven down the wholesale electricity market costs. Those lower costs are then passed along to ratepayers.” (Joshua D. Rhodes, Op-Ed, “The old, dirty, creaky US electric grid would cost \$5 trillion to replace,” [The Conversation](#), 3/16/17)

The Lines Can Carry Any Type Of Power Generation. “The line is agnostic to what kind of electrons are put on it – whether they’re green electrons or brown electrons – it doesn’t care. Any type of generation can interconnect with them – wind, solar, gas, coal, nuclear.” (“Smitherman Chafes at Comptroller’s CREZ Line Criticisms,” Texas Energy Report, 9/25/14)

- **CREZ Has Been Used To Connect Shale Gas To The ERCOT System.** “Some CREZ circuits are also being used to connect new shale gas load to the ERCOT system.” (Warren Lasher, “The Competitive Renewable Energy Zones Process,” [ERCOT](#), 8/11/14)
- **CREZ Has Provided “New Opportunities For Fossil Generation Plants To Be Located Away From Densely Populated Load Centers Where It May Be Difficult To Find Suitable Sites For New Generation Facilities.”** “Similarly, the CREZ projects in Texas have also provided new opportunities for fossil generation plants to be located away from densely populated load centers where it may be difficult to find suitable sites for new generation facilities, where environmental limitations prevent the development of new plants, or where developing such generation is significantly more costly.” (Judy W. Chang, Johannes P. Pfeifenberger, and J. Michael Hagerty, “The Benefits of Electric Transmission,” [The Brattle Group](#), 7/13)

CREZ Allowed High Voltage Transmission To Extend Into The Texas Panhandle. “The CREZ lines also were also extended into the Panhandle, allowing high-voltage transmission where previously there had been none. That has allowed generators to put power generation onto the grid, wind or otherwise, for use by ERCOT customers, he said, adding the CREZ project was an opportunity to build out the rest of the grid, to make it more robust.” (“Smitherman Chafes at Comptroller’s CREZ Line Criticisms,” Texas Energy Report, 9/25/14)

CREZ Also “Enhanced The Resiliency Of The Grid In Places Like Midland And The Dallas-Fort Worth

Area.” “It also facilitated the state’s long-term target of delivering 10,000 megawatts of renewable energy to electric customers and enhanced the resiliency of the grid in places like Midland and the Dallas-Fort Worth area.” (Barry Smitherman, Op-Ed, “Competition In Electricity Transmission Is Paying Dividends,” [The Hill](#), 3/14/18)

Continued Investment Is Vital

Texas’ Population And Economic Growth Require Continuous Review Of Transmission Capacity.

“Texas has been in a state of steady population and economic growth, which requires the Electric Reliability Council of Texas (ERCOT) and utilities to continuously review transmission capacity.” (“Transmission,” [Oncor](#), 12/2/18)

Additionally, Larger Homes And Increased Use Of Electronics Have Driving Growth In Demand For Electricity.

Electricity. “Population growth, an increase in home size and air conditioning, and the proliferation of computers and other electronics are among the factors driving growth in demand for electricity in recent decades.” (James Hamilton, “Powering The Nation: Smart Grid Careers,” [Bureau Of Labor Statistics](#), 2013)

Building Strong Transmission Infrastructure Is Necessary For The Grids Overall Reliability And To Link New Renewable Energy Resources.

“New power lines are also needed to maintain the electrical system’s overall reliability and to provide links to new renewable energy generation resources, such as wind and solar power, which are often located far from where electricity demand is concentrated.” (“How Electricity Is Delivered To Consumers,” [U.S. Energy Information Administration](#), Accessed 11/25/18)

It Makes Economic Sense, Investment In Transmission Stimulates Economic Activity And Supports Employment.

Employment. “The analysis finds that transmission investment in the United States will likely range from \$12 to \$16 billion annually through 2030, assuming current barriers to planning, permitting, and cost recovery of regional transmission projects can be overcome. This level of investment is estimated to stimulate \$30 to \$40 billion in annual economic activity (sales and resales of goods and services) and support 150,000 to 200,000 full-time jobs each year over the 20-year period.” (“Brattle Study Estimates U.S. and Canadian Transmission Investment Needs and Associated Employment and Economic Benefits,” [The Brattle Group](#), 5/11/11)