

Draft
Interactive Meeting Notes

RMATS STEERING COMMITTEE MEETING

8:30 a.m. – 1:30 p.m.

January 13, 2004

**Pacificorp - NTO, 1407 West North Temple
Salt Lake City, Utah**

1. Welcome and Introductions – Steve Waddington

Attendees:

Steve Waddington – WY Gov.

Kurt Granat - PAC

Jamie Austin - PAC

Mike DeWolf – PAC

Connie White – UT PSC

Steve Oxley - WY PSC

Bryce Freeman – WY Cons.

Ken Morris - PAC

Steve Ellenbecker – WY PSC

Ray Brush - Northwestern

Jim Tucker – DG&T

Terry Ray - PAC

Kreg McCollum – Navigant

Becky Wilson _UT PSC

George Compton – UT DPU

Mark Lindberg – MT Gov

William Metcalfe – Steag Power

Rick Anderson – WIEC

Roger Hamilton – West Wind Wires

Jim Byrne – RMATS

By Phone:

Jeff Burks – UT Gov

Randy Loub – ID PSC

Dave Olsen - AWEA

Gary Schmitt – CO PSC

Nancy Kelly – UT CCS

Marianne Ramos – Tri-State

Roger Grim - IPC

Larry Taylor – FGS

John Greenlaw – WAPA

Meesha Bond - FERC

Robert Spendlove – UT Gov

2. Draft Alternative Cases for 2013 – Jim Tucker/Ray Brush

Jim Tucker reviewed the recommendations from the RAWG for alternative generation cases for 2013 ([Click here for RAWG for SC 01132004.ppt](#)). The general criteria for developing the four Alternative Cases ([slide 2](#)) were previously approved by the Steering Committee (SC). The rationale for developing the four cases follows:

- Designed Alternative 1 was based on RMATS load growth plus reserves of 3900MW. Generation additions were based on available IRPs of Rocky Mountain area utilities and balanced with load growth in each state. Incremental resource additions in each state were balanced to meet projected load growth plus reserves in that state. Major wind development was configured in CO-E and SW Wyoming close to load centers. This alternative is intended to represent minimal transmission in the 2013 cases.
- Designed Alternative 2 was based on RMATS load growth plus reserves with more of the new generation coming from Powder River coal and open range wind (cheaper resource cost) which may require more transmission in the region.

- Designed Alternative 3 was developed as an export case (incremental resources equal to 2 times RMATS load growth plus reserves) with additional Powder River (and Utah) coal and open range wind necessitating more transmission for export.
- Designed Alternative 4 as a larger export case (3 times RMATS load growth plus reserves) Powder River (and Utah) coal and open range wind necessitating more transmission for export.
- Discussion Points
 - Why is there less coal in Alternative 2 than in Alternative 1 and why is there export in Alternative 1 which is a non export case?
 - *An IPP coal unit of 950 MW was included in Alternative 1 and necessitated 500+MW export down the IPP DC line to balance with Utah loads.*
 - Why couldn't all the additional generation in Alternative 2 be wind?
 - *The RAWG wanted some resource balance between coal and wind.*
 - The SC had agreed not to do an IRP process to pick generation “winners”.
 - There will probably need to be some tweaking of the wind locations to the best wind resource areas.
 - Add maximum wind generation to “Pending Issues”.
- **SC Conclusions (Agenda Item #2)**
 - Alternative 1 was specified as a non-export case, therefore the Coal power in the IPP bubble was reduced to 200 MW, the export eliminated and the gas and wind power adjusted to balanced with in-state load growth.
 - The SC approved the Four Alternative cases as modified ([Click here for buckets by bubble2.pdf](#)).

3. Study Progress and Model Deadlines – Pacificorp

- Project Schedule

Mike DeWolfe described the interaction require between the RAWG, TAWG and the Modeling Team as portrayed on the attached slide “Iterations to Finalize Alternatives” ([Click here for iterations to finalize alternatives 011204-a.ppt](#)).

- Discussion Points
 - The RAWG has already developed the 2013 Alternatives without iteration with the TAWG. These Alternatives have been approved by the SC.
 - Perhaps some tweaking of the Alternatives may be needed, but not the emphasis on iterations indicated in the diagram.
 - A revised work schedule is needed.

- Final Draft of 2008 Base case and Sensitivities ([Click here for *RMATS_SC_BaseCase_01-13-04.pdf*](#))

Mike DeWolfe reviewed the Objectives and Modeling Approach for the Base Case ([slides 2 to 5](#)), Jamie Austin reviewed the Key Assumptions ([slides 6 to 24](#)), and Kurt Granat reviewed the Results ([slides 25 to 38](#)).

➤ Discussion Points

- The high wind sensitivity case will be done later.
- The Model tends to mask tariff and contractual constraints. This is still an issue that the wind folks want addressed.
- The Model uses DC load flow and maintenance outages the same as SSG-WI.
- Gas prices have to get down to the \$2.50 range to start displacing coal generation.
- Were loads changed in the 2013 Case for the whole western interconnection, or just the RMATS area? The whole interconnection, *consistent with WECC 2003 L&R.*
- We need to determine how to distribute the Base Case when finalized.
- It may be appropriate to change the MPC bubble to MT-West or MT-W because it is referred to as Montana Power on slide 26.
- “Net Position” slides like 20 & 21 may be difficult to explain to policymakers and perhaps should be eliminated.
- “Expansion Value” slides represent the annual value of variable cost saving of relieving one MW of congestion on a transmission line, and should only be used as an indicator of where to look in depth for possible transmission additions.
- “Duration Curve” slides are another indicator.
- There were questions about whether the LMP’s on slide 35 and 36 were properly calculated, and that the delta columns were confusing.

➤ SC Conclusions (Agenda Item #3)

- A revised work plan should be developed. The door will be left “slightly ajar” for adjustments to the 2013 Alternatives as indicated by feedback from the TAWG.
- The SC would like to see a technical peer group review of the 2008 Base Case to help debug it and test it for accuracy and reasonableness. *A meeting has been scheduled for January 26, 2004 at 10:00 A.M. at Pacificorp’s North Temple Office for this purpose.*

4. Cost Allocation and Cost Recovery Team – Jim Byrne

Jim provided an update on the effort to create a Cost Allocation/Cost Recovery Team approved by the Steering Committee at the last meeting ([Click here for *Cost Assignment_Cost Recovery Team 011304.ppt*](#)).

- Discussion Points
 - The group should include customer representatives as well as those listed.
 - Also include a financial representative in the group.
 - This is not a cost of service group.
- SC Conclusions (Agenda Item #4)
 - The SC approved the plans and schedule to create a Cost Allocation/Cost Recovery Team.

5. Treatment of DSM Sensitivities – Jeff Burks

Jeff reviewed the follow-up on the DSM Issues raised by Eric Guidry at the last Steering Committee. The Steering Committee agreed to include some DSM sensitivity runs in the modeling effort at the last meeting.

- Discussion Points
 - Look at a DSM level above that suggested in IRPs.
 - The WRAP AP2 showed an 8% reduction in electricity demand by 2015 with a modest increase in DSM investment and utility activity. Using a more aggressive approach the SWEEP study shows a technical potential reduction in electricity use of 30% was possible in 6 state region of Utah, Wyoming, New Mexico, Nevada, Arizona and Colorado by 2020.
 - Using 20% as a DSM sensitivity reduction was suggested. However, there is a question whether the 20% DSM sensitivity would be modeled as a “decrement” against load growth between 2008-2013 or against total load in the RMATS region in 2013.
 - We need to look at load mix in each bubble to determine potential efficiency gains for each bubble.
 - There has been some good work on costs and savings for DSM portfolios. Include Howard Geller in the DSM work group.
 - Perhaps do a sensitivity run on a 1X case and look at where get most information back from additional run.
 - Apply resources to requirements outside RMATS concerning Carbon and renewable generation.
 - Be concerned about adding significantly to the Modeling Group work.
- SC Conclusions (Agenda Item #5)
 - A small group should be formed to develop plans for DSM Sensitivity inputs to the Modeling Team. This group should also address Carbon Sensitivity inputs and report back at the next SC meeting.

6. Progress Reports

- Transmission Work Group – Ken Morris

Ken reported that the TAWG has been compiling transmission addition plans and ideas in order to be ready to proceed with transmission alternatives when Modeling Team has completed the initial 2013 case runs.

- Resource Additions Work Group – Jim Tucker

(See Agenda Item #2)

- Load Forecasting Work Group – Dill Ramsay

Jim Byrne reported that the LFWG had received responses back from those entities that submitted load forecast data with additional information on DSM Conservation and Losses, and that those responses have not yet been tabulated in a form that can be useful to the RRWG.

- Report Writing Work Group – Steve Oxley

Steve reported that the RRWG would have a conference call on January 15th to organize resources for the RMATS Report and develop plans for a Report Outline.

7. Liaison Reports

- SSG-WI SPDBIG – Ray Brush

Ray reported that the SSG-WI PWG would meet on January 21st to review and potentially approve the Draft Database Management RFP and the Draft 2004 PWG Planning Objectives for forwarding on to SSG-WI.

8. Plans for Stakeholder Meeting - Steve Waddington

After discussion of the current modeling progress and material available for a Stakeholder Meeting on February 5, 2004, the Steering Committee decided to reschedule the Stakeholder Meeting to March 17 or 18 ,2004 (specific date to be determined by hotel availability) in order to have more results available for Stakeholder review and comment.

9. Schedule

- Steering Committee Meetings were scheduled for February 5, 2004 and March 4, 2004 from 8:30 A.M. to 1:30 P.M. at Pacificcorp's NTO in Salt Lake City.
- Next Steps

- Peer Review of Base Case
- TAWG to develop transmission for Alternative 1
- RRWG begin drafting initial report sections
- Small work group to develop DSM and Carbon sensitivities
- Initiate Cost Allocation/Cost Recovery Team