

Meeting Notes

RMATS STEERING COMMITTEE MEETING

8:30 a.m. – 1:30 p.m.

March 4, 2004

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

1. Welcome and Introductions – Steve Waddington

Attendees:

Steve Waddington – WY Gov.
Jeff Burks – UT Gov
Kurt Granat - PAC
Jamie Austin - PAC
Mike DeWolf – PAC
Steve Oxley - WY PSC
Ken Morris - PAC
Steve Ellenbecker – WY PSC
Ray Brush - Northwestern
Jim Tucker – DG&T
George Compton – UT DPU
Rick Anderson – WIEC
Ron Schellberg – IPC
Andrea Coon – UT DPU
Roger Hamilton – West Wind Wires
Mark Lindberg – MT Gov

Jim Byrne – RMATS

By Phone:

Doug Larson – WIEB
Dave Olsen - AWEA
Gregg Luther – BB&L
Gary Schmitt – CO PSC
Bob Easton – WAPA
Andy Shafer – High Plains
Rich Sedano – RAP
Bryce Freeman – WY Cons.
Bill Pascoe – Pascoe Energy
Ron Lehr – AWEA
Nancy Kelly – UT – CCS
Wayne Shirley – RAP
Dan Leach – HTH
John Stovall - ORNL

Steve explained that the Wyoming Legislature had just passed SB52 – Infrastructure Authority which allows the state to establish a state agency which can own and finance transmission. The Governor is expected to sign the legislation and appoint an Infrastructure Authority Board.

Steve also announced that he will be leaving the Governor’s office at the end of March to return to PacifiCorp. Steve Ellenbecker will step into the Wyoming Co-Chair’s role.

The Steering Committee thanked Steve Waddington for his leadership in the RMATS process.

2. Study Progress and Model Deadlines – PacifiCorp

(See meeting materials files – *RMATS_2013Alt_Results_030204.ppt* [To View Click here](#) and *Schedule_030304.ppt* [To View Click Here](#))

- Mike DeWolf indicated that the RMATS modeling effort is on schedule, thanks to the amount of energy that has gone into this effort. The TAWG will meet next Monday at the PDX Conference Center. The Agenda will be to finalize transmission alternatives for Alternative 2 and begin iterating on Alternatives 3 and 4. We also need to begin determining the transmission and generation costs. The Modeling Team will provide initial runs on Alternatives 3&4 without new transmission to the TAWG on Monday.

- Jamie Austin described the initial results for the 2013 Cases on Alternatives 1 & 2. Alternative 2 moves generation to mine-mouth coal locations and to open-range wind to save on fuel costs. The results from Alternative 2 (regionally “optimized”- pseudo IRP for the region) show greater value to the Rocky Mountain region over Alternative 1 (existing & uncoordinated company IRPs). This may point to developing a case for new transmission in Alternative 2. The modeling results are based on VOM costs only – no resource and transmission costs have been included yet.

➤ Discussion Points

- There were corrections made to slide 12.
- Alternative 1 shows \$51 million in VOM savings.
- Alternative 2 shows \$224 million in VOM savings.
- All LMPs go up in the RMATS region with addition of transmission; but you save over \$200 million in annual VOM costs in the WI.
- Alternative 2 shows that based on the generation added – pretty optimal transmission was installed.
- Perhaps we should compare Alternative One to Alternative Two – like column 2, row 4 – total VOM savings w/transmission = (\$167,287,000).
- We need to compare new construction costs versus upgrading existing lines.
- Is there transmission needed within the bubbles? Underlying system (secondary roads) issue. The costs of integrating spread-out wind into the existing system are not captured. We need to capture this discussion in the report write-up.

➤ **SC Conclusions (Agenda Item #2)**

Good work, Modeling Team.

3. Cost Allocation and Cost Recovery Team (CACRT) – Steve Ellenbecker

Steve reported on early CACRT efforts. The Team has benefited from background papers from Roger Hamilton, Rick Anderson and George Compton. The Team will do a brief description of existing and potential regulatory treatment, but will focus on real projects. Alternatives 1&2 may point to a traditional, reliability based cost allocation and cost recovery, and Alternatives 3&4 may point to a new methodology for cost allocation and cost recovery. The CACRT will meet after the Stakeholder Meeting on March 17th. Steve has heard many comments that the CACRT work is one of the most important RMATS activities.

4. Treatment of DSM and Carbon Sensitivities – Jeff Burks

(See meeting materials files – *EE_Methodology_RMAT_SC_March4.doc* [To View Click Here](#), *RMATS_DSM_HG.xls* [To View Click Here](#))

The Steering Committee had previously approved running high DSM sensitivities to Alternatives 2&4. Jeff provided a detailed proposal from the DSM and Carbon Risk Sub-Group, with costs for DSM/Expanded Energy Efficiency (EEE) sensitivities. Howard Geller has indicated that 1% savings in energy per year is basically what well-funded programs are providing today. The 1.5% in demand savings is a judgment based on ratio of summer energy to peak. These numbers can only be realized with high level of dedication. PacifiCorp has strong DSM/EEE programs in Utah for industrial and commercial customers.

➤ Discussion Points

- Should the report should include these type issues. We need to stay-the-course as this is a transmission study. Identify in the report and move on.
- The case is based on the L&R that people submitted and bought off on.
- DSM merely shifts the year that particular load occurs (shifts the peak).
- Perhaps do a sensitivity case.
- Howard will provide a couple of paragraphs on what good DSM/EEE programs are being pursued.
- CO2 sensitivities should also be run at \$5, \$10 & \$20 per ton of carbon to assess carbon risk.

➤ **SC Conclusions (Agenda Item #4)**

The SC accepted the proposals to run DSM/EEE sensitivities on Alternatives 2&4 and Carbon sensitivities at \$5, \$10 & \$20 per ton of carbon to assess future carbon regulation risk.

5. Wind Tariff and Operational Issues – Roger Hamilton

(See meeting materials files – *RMATS Wind Work Plan.doc* [To View Click Here](#))

Roger provided a Case Study Work Plan proposal. Wind power can be developed on a shorter time frame than can coal or gas fired generation or transmission. Therefore wind supporters are concerned about the extended time frame of the RMATS effort and are seeking analysis of improved utilization of the existing transmission system.

There is no ATC available across TOT 3 or West of Naughton; all of the capacity to deliver power across these interfaces 8,760 hours/year is reserved under long-term, firm contracts. But a large amount of the physical transfer capacity of the lines in these paths goes unused in most hours of the year (the WECC EHV data pool information shows TOT3 constrained 18% of time). The Work Plan recommends determining the actual physical utilization of these transmission paths and comparing the unused transfer capability over time to the hourly wind output profiles developed by NREL. The goal of this Case Study is to identify non-construction alternatives for making greater use of these existing transmission assets. Addressing these issues is important to developing a credible RMATS Report in order to gain political support for potential new transmission outcomes.

➤ Discussion Points

- Is TOT3 really under utilized?
- Are the folks identified in the paper are available to work on this effort?
- Institutional impediments must be considered. The modeling in the RMATS study doesn't address tariffs or scheduling issues.
- Issues regarding scheduled versus actual flow must be considered. From a reliability standpoint, transmission owners can't sell transmission when either limit is reached, even if line doesn't physically load up.
- RMATS should focus on its transmission additions mission and not include so much into report that it becomes too large.

➤ **SC Conclusions (Agenda Item #5)**

The work group proposed in the Work Plan should be established and proceed.

6. Stakeholder Meeting Preparations

- Agenda (See meeting materials files – *Tentative Stakeholder Agenda.doc* [To View Click Here](#))

Jim went over the Tentative Agenda for the Stakeholder Meeting. During discussion on the Tentative Agenda, changes were suggested and adopted. Jim will send out a revised Agenda to the Steering Committee tomorrow.

- Mock-up Presentation

Jamie Austin provided draft presentations for the Stakeholder Meeting which were briefly discussed, but not reviewed in detail. The presenters at the meeting will get together soon by conference call to review and refine the presentations.

- Discussion on How to Make the Meeting Effective

Suggestions were made on slide presentation and effective communication of the RMATS objectives and current results at the meeting.

- Meeting Logistics

Steve Oxley described the logistics for the meeting at the Hilton in Salt Lake City. He will need to know how many easels will be needed for maps, etc, and will need meeting presentations prior to the meeting for posting on the RMATS website. Steve Waddington and Jeff Burks will draft a press release.

7. Progress Reports

- Transmission Work Group – Ken Morris

There will be a TAWG meeting next Monday from 10:30 A.M. to 3:00 P.M. in Portland at the PDX Conference Center to develop Alternatives 3&4. Representatives of the other sub-regional study groups have been invited to attend to help with the export transmission alternatives. The TAWG will also finalize Alternative 2 transmission at this meeting.

- Resource Additions Work Group – Jim Tucker/Ray Brush

The RAWG, in developing the generation resources for Alternative 1, had sited another coal unit at Bridger. The RAWG has revised Alternative 1 by moving this coal plant from Bridger to Midpoint to be more consistent with the “minimum transmission” criteria and the current IRP proceedings at Idaho Power. This will increase the “coal by rail” in this alternative. The RAWG will be developing capital costs for the generation alternatives.

- Load Forecasting Work Group – Dill Ramsay/Andrea Coon

The LFWG has had a follow-up conference call to verify the load data submitted last fall. The load data matches up well with WECC data projections, and data back-casted to 2003. The additional information regarding the amount of DSM and energy efficiency included in the data is being compiled.

- Report Writing Work Group – Steve Oxley/Doug Larson
(Initial sections of the Draft Report are posted on the RMATS website at <http://psc.state.wy.us/hdocs/subregional/home.htm>)

Doug indicated that the initial sections of the Draft Report are posted on the RMATS website. Mike DeWolf will be revising the modeling section on page 8. Steering Committee members should review the “Insights Section” on page 20 and send any comments to Doug .

8. Liaison Reports

- SSG-WI Sub-Regional Planning Group Coordination – Ken Morris / Jim Tucker

On a conference call yesterday, SSG-WI and the sub-regional planning groups decided to have monthly coordination conference calls – first Tuesday @ 0900 Mountain prevailing time and quarterly meetings coinciding with SSG-WI PWG meetings. The groups will also try to post meeting notices on one web site (likely SSG-WI’s) and to look at linking web sites. The SSG-WI modeling RFP is moving forward slowly.

9. Future Schedule

- The next Steering Committee Meeting will be on April 29th in Salt Lake City
- The proposal for a Western Transmission Workshop will be brought up at the next SC meeting. (See meeting materials files – *T Workshop Proposal.doc* [To View Click Here](#))
- There will be a North American Energy Summit lead by Governor Bill Richardson in Albuquerque on April 14-16
- Next Steps – Consider what will be necessary to move RMATS on to Phase II. Form a group (Steve Ellenbecker, Ken Morris, Ron Lehr, Gas Industry Rep.?, Mark Lindberg) or hand off to CACRT to consider this. How will we hand this off to project developers, etc, how will we deal with financial issues, do we need some sort of representative financial model, should we contemplate working these issues in a public forum or perhaps address at the third stakeholder meeting that will probably occur in early summer.