

Truly Collaborative Transmission Planning: Breaking the Log Jam

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True Joint Transmission Planning... Now More Than Ever

- (Hopefully) we are coming to the end of the era of only making those “reliability” transmission improvements needed to avoid near-term NERC criteria violations, and letting the “market”/specific participants build/fund the rest
- The legacy of those policies:
 - DOE’s Identified “Critical Congestion” Areas (e.g., NY to NOVA)
 - Endless litigation at FERC (e.g., Entergy-related dockets!)

PJM's RTEPP Shows the Evolution

- From PJM's RM05-25 OATT Comments:
 - 2002: standardized interconnections for new generators
 - 2003: interconnection of independent merchant transmission projects (not many of them)
 - 2003-04: implement procedures for "economic planning" (an acknowledged "disappointment")
 - 2005: incorporate 15 year planning horizon
 - 2006 (soon): integrate "long-term market efficiency studies" into planning process

Why This Evolution?

“Today, rather than having the policy of a strong transmission grid, we effectively have a minimalist transmission policy, where transmission almost becomes in most regions of the country an antecedent to generation, and is just largely built to help move local generation to local load. As Mr. Harris has always talked about, we really have a transmission system on life support as opposed to that robust system that we want. As a result of these type of policies, we continue to talk about things like native low [load] priority, we continue to talk about who pays, and we simply can't get past, even after 13 years of the [EPA of the dime][paradigm?] of how do we create large regional grids?”

Audrey Zibelman, April 22, 2005 Technical Conference Transcript in *Transmission Independence and Investment*, FERC Docket No. AD05-5-000 (at 66-67)

How to Get Transmission Off “Life Support”?

- We have to acknowledge the reality that the “market” is not going to solve this problem
 - Transmission is not federally financed, like the interstate highway system
 - But it is definitely affected with the public interest; it is necessary to all of us, and is difficult and expensive to get built (much less duplicate)
 - Today’s “economic” upgrade may well be tomorrow’s “reliability” upgrade—this artificial distinction keeps us always behind the curve

“Why Can’t We All Just Get Along?”

- If those serving loads in a region and those supplying power to them could come together and cooperate on putting in place the transmission infrastructure they all will need to conduct business in the coming years, competitive wholesale power supply markets would be better supported and consumers would be better served.

CapX2020: Barn Raising on the Prairie

- Covers Upper Midwest, centering on MN, with SD, ND, IA, WI involved
- Has 11 IOU, Muni, Co-op Participants with highly interconnected systems and common needs
- MISO's shorter term planning process did not account for their longer term needs (and some are not in MISO)

CapX2020, con.

- Forecasted Customer Needs
- Did “non-denominational” (their word, not mine!) open access transmission facilities study to determine facilities needed for regional reliability in 2020
- Zeroed in on higher voltage transmission facilities common to many different generation/supply scenarios

CapX2020 “Group One” Projects

- Four 345 kV lines estimated at \$1.3 billion
- Coalition of all utilities in MN got needed changes in regulation, cost recovery through MN legislature to support projects
- Will file Certificate of Need with MN PSC
- Utilities will jointly own the transmission facilities
- www.capx2020.com

Attractions of Such a Model

- All LSEs' needs are considered
- Joint ownership of transmission by LSEs that use the system
- Multiple generation scenarios considered
- Working together instead of litigating against each other
- Ensures a reliable, substantial grid in years to come—not always behind the curve, adding yet the next reliability band-aid

Joint Ownership of Transmission

- Many APPA members own a pro rata share or pieces of the transmission system used to serve their loads (e.g., GA, IN, VT, WI, AZ)
- They report it is better to own than to “rent”
 - Less litigation at FERC—more collegial relationship
 - Seat at the table when transmission system is planned
- APPA membership passed resolution supporting joint ownership; APPA Staff is raising this issue in multiple FERC dockets