



FINAL NOTES

NW TRANSMISSION ASSESSMENT COMMITTEE (NTAC)

**August 28, 2003, 9:00 AM-4:00 PM
Portland, OR – Sheraton Airport Hotel**

Introductions, Arrangements, and Agenda Changes

Don Johnson (PAC), TPC Chair, presided over the meeting. The attendance list is Attachment 1. Don thanked those who met on August 22 to draft the Scoping Document. They are Hardev Juj, Scott Waples, Lon Peters, Kurt Granat, Tuan Tran, and John Martinsen.

The Agenda is Attachment 2. The following changes were made to the agenda: Item #3 dealing with the CERA study was moved to the end of the agenda. In its place, Jamie Austin and Kurt Granat (PAC) provided an overview of SSG-WI studies. A report by Marv Landauer on the FERC Alturas decision was added before Item 4.

Meeting Notes – August 6, 2003

No corrections.

SSG-WI Update

Kurt Granat and Jamie Austin (PAC) presented an overview of some SSG-WI studies (See Attachment 3). The SSG-WI study effort started by examining paths in the WECC Path Rating Catalog. The assumed gas prices may have been too low. The study team noted that a \$1/mmbtu change in average gas prices results in a \$2 billion difference in operating costs over a year. Gas price swings are more significant than hydro availability swings for the western interconnection. There have been several problems with modeling hydro. This effort is not capturing all of the paths within a region that may be constrained, as some are not included in the WECC Path Rating Catalog. But it does provide a start to placing a value on transmission. The dollar value may be right, the placement may be wrong. Or the dollar value may be low, as the paths not monitored may also cause restrictions. The SSG-WI study team assumed that if a line is loaded more than 75% of the time, it may need to be expanded.

Scott Waples commented that we need to define the “what” before we get into details. Production cost models may be wrong way to go. He notes that line limits change frequently – sometimes hourly.

Ron Schellberg asked who would build the new resources and where would they be located. Idaho Power is back into the mode of acquiring capacity and energy to meet firm load obligations. He felt that production costing evaluation tools do not address all the issues that face the Northwest. For one, reserves and resource capacity requirements cannot be determined with this tool. Other analysis methods need to be considered. Mr Waples responded that ultimately the firm load customers will pay for these infrastructure additions be it on a regional, a sub-regional, or a control area basis. The energy policy of states will influence many of those decisions. Chris Reese notes that the SSG-WI effort shows there is interest in several paths. There is a clear indication of a need to do a regional study.

FERC Alturas Decision

Marv Landauer commented on the Alturas line case that came before FERC 2-3 years ago. FERC reached a decision reached this week that was mostly favorable to the Northwest. 1) There was no basis to the argument that California reliability was degraded by the Alturas intertie. 2) California parties do not have a perpetual right for their continued use of the NW Intertie without needing to purchase full firm capacity. 3) Agreements put in place did not violate prudent utility practice because good utility practice does not impute an absolute right by users of the separate COI to schedule up the full rated capacity of the NW Intertie. The COI and NW Intertie do not constitute a single system that cannot be split. 4) Future upgrades to the Alturas intertie will not have to go through special approval process beyond normal regional planning. FERC docket er99-28 opinion 465 8-25-03.

Review Draft Scope of Work

The bulk of the meeting was spent refining the Scope of Work document. The revised document is Attachment 4. It was noted that the name change to NTEC was an improvement from NWTEWG. The Committee would later change its name to Northwest Transmission Assessment Committee (NTAC). Some issues are highlighted below.

The group decided that the Mission Statement needed to be more succinct and to express why NTAC existed.

There were concerns over the relationship of NTAC to SSG-WI including a question as to whether NTAC was duplicating the SSG-WI effort. Some felt that any reference to other organizations should be general. There is no intent to be exclusive.

NTAC would have no authority to order that a particular project were built. Individual utilities could use the plan as a starting point and modify it as needed. The plan should not conflict with any utility's plan or with existing obligations. The plan would be advisory. There are no guarantees that anything would be built.

Which resources ultimately get built and where will impact NTAC's plan. SSG-WI experienced the same sort of "chicken and egg" problem. The process will likely be iterative, but it would be a start. Some problems are already known.

NTAC could fill the need of providing a body of info to support decisions to invest in transmission. The plan is not an exercise in deterministic planning but an exercise in deciding what final scenarios might be. There may be commonalities among scenarios where it would make sense to expand transmission in certain areas regardless of what the future is. Not all shared that opinion. A hope is to cover as many risks as possible.

A hope is to provide a different environment for planning transmission expansion. FERC order 888 said wait for requests, then form a queue, then study each request separately. This forum might be able to take some leeway with requests – possibly suggest that a resource would be better located in another place. One resource of 50 MW may not be economic, but group of 200 MW might be.

The Scoping document should include an appendix with definitions (eg safety nets).

The issue of non-transmission alternatives will require more thought.

Some words in the document may not convey just the right meaning (too strong, not strong enough.)

The intent of funding language is that majority of TPC members approve/disapprove. NTAC won't study anything and everything.

How Will Study Work Be Performed?

Many present favored adopting a SSG-WI style approach.

There was considerable discussion as to what data should be collected and who should collect it. NWPP has hourly load history, but not for all NWPP parties (some submit directly to WECC.) Some voiced the opinion that we need to decide what the end products (reports) should be and then decide how to get those products.

The committee discussed the issue of granularity of load data. Load centers are represented on diagrams as bubbles. WECC represents the NWPP area with seven bubbles. One bubble represents nine control areas with the other seven split among the other six bubbles. SSG-WI used eight for their studies. Some felt that there should be enough bubbles to adequately represent existing (restricted) cut planes. Rebecca Berdahl noted that it takes considerable work to break out load data for each bubble. It's much easier to have fewer bubbles. Marv Landauer showed a copy of a bubble diagram (Attachment 5) used in some early RTO modeling. Each company is asked to review the diagram and decide the number of bubbles needed to represent its interests.

Next Meeting

The next meeting will be September 16, 2003 from 9:00-4:00 at the Portland Airport Sheraton Hotel.