

To: State-Provincial Steering Committee

From: Steve Ellenbecker

Date: August 23, 2011

Subject: **Reconciliation of proposed final 10-Year Plan language with SPSC proposed text**

On August 16, Tom Carr and I sent you a status report on the latest SPSC efforts to influence the text of WECC's proposed final 10-Year Regional Transmission Plan (Plan). The report included an explanation of SPSC's participation in the August 10 TEPPC meeting, and summarized the five final points we advocated for to be included in the Plan.

On August 21, WECC staff released the proposed final text of the Plan (attached in redline showing final changes). Below, please find a reconciliation between the five points presented by the SPSC representatives in the TEPPC meeting and the subsequent text of the proposed final Plan developed by WECC staff:

1. Insert in Introduction, at page 10, line 8, after "environmentally sound":

*State and provincial decision-makers have made it clear that to help guide such decisions, the Plan should:*

- *address a robust transmission system over a wide range of plausible futures;*
- *identify significant and demonstrable economic efficiency benefits that can be captured through transmission line expansion; and*
- *identify transmission additions that if foregone or delayed will result in significantly diminished opportunities to develop infrastructure that would be desirable over a likely range of futures.*

*WECC has begun to address these needs of policy-makers in the current plan and is intent on further meeting them in future plans.*

**WECC staff language – Executive Summary- page 2, lines 5-12:**

**"The objective of the Plan is to provide a sufficient level of detail to inform stakeholder decision-making processes regarding where and when to build new transmission or take other related actions to help ensure the Western Interconnection is reliable, low-cost, efficient, and environmentally sound. In support of this objective, WECC's analyses aim to understand transmission system needs over a broad-range of potential futures, recognize the potential economic benefits of transmission expansion, and identify transmission additions that, if foregone or delayed, will result in diminished opportunities to realize infrastructure benefits over a likely range of futures."**

2. In the discussion of Montana to Northwest and the Pacific Tie Paths in the Executive Summary, insert this statement:

- *In the future, evaluation of specific paths should also consider impacts on reliability, overall system costs and economic benefits, and the interest of buyers in procuring renewable resources that would be delivered over the path.*

WECC staff language – Executive Summary – page 3, lines 3-7:

“However, two transmission paths - Montana-to-Northwest and the Pacific-Tie Paths – merit further evaluation for possible upgrades or expansion based on the levels of utilization and congestion observed in the Plan analyses. The future evaluation of these and other paths should consider impacts on reliability, system costs, economic benefits, market demand, and environmental considerations.”

3. Insert in Section 4.9, Gaps in regional transmission planning processes:

- *Future plans should expand interconnection-wide the economic analysis of resource relocation cases and transmission expansion.*

WECC staff language – Section 4.8 – Gaps in Regional Transmission Planning Process – page 68, lines 8-13:

“Expand WECC’s analytic capabilities and activities to assure the future regional transmission plans include the following:

- a. *Information to enable the comparison of the costs and benefits of transmission expansion with other alternatives (e.g., DSM, distributed generation, and other non-traditional options). Expand Interconnection-wide the economic analysis of resource relocation cases and transmission expansion.”*

4. Insert in Section 4.9, Gaps in regional transmission planning processes:

*Future plans should test potential transmission expansion solutions against a broad range of alternative futures with major public policy implications.*

WECC staff language - Section 4.8 – Gaps in Regional Transmission Planning Process – page 68, lines 18-21:

“Expand WECC’s analytic capabilities and activities to assure the future regional transmission plans include the following:

- d. Testing potential transmission expansion solutions against a broad-range of possible generation and load futures with major public policy implications (e.g., testing the transmission assumptions against a plausible range of generation and load combinations).”

5. Insert in Section 4.9, Gaps in regional transmission planning processes:

- *In future transmission plans adopt a more objective and consistent set of criteria for identifying projects on the Foundational Projects List. Projects on this list should include such criteria as: (i) under construction, (ii) permitted or (iii) meet other criteria that provide a very high level of confidence the project will be built over the 10-year time horizon.*

WECC staff language – Section 4.8 – Gaps in Regional Transmission Planning Process – page 68, lines 29-32:

“Expand WECC’s analytic capabilities and activities to assure the future regional transmission plans include the following:

- i. Define an objective and consistent set of criteria for identifying transmission projects assumed constructed. The criteria should include items such as: 1) under construction, 2) permitted, or 3) other criteria that provide a high level of confidence the project will be constructed within the planning time horizon.”

The attached letter from Brad Nickell provides information on the remaining actions leading the WECC Board’s consideration of the final version of the Plan at its meeting September 21-23.

Please let me know if you have any questions.