

**2nd Semi-Annual Report by the Western Interstate Energy Board
to the Western Governors' Association
in support of the State-Provincial Steering Committee
covering the period July 1 – December 31, 2010
re: Contract #30-230-20**

Progress Report

1. WGA-Western Interstate Energy Board contract 30-230-20 under DOE Award – DE-OE-0000422
2. Resource Assessment and Interconnection-Level Transmission Analysis and Planning for the Western Interconnect – Input into Topic A and support of the State-Provincial Steering Committee
Project Director – Doug Larson
3. Period Covered – July 1 – December 31, 2010.
4. Comparison of Goals with Actuals
Goals of the project remain the same as originally stated.
5. Major Activities/Accomplishments for the Period
Below are the major activities and accomplishments for the period July 1-December 31, 2010:
 - **State-Provincial Steering Committee (SPSC)**
 - The State-Provincial Steering Committee consists of appointees from the states and provinces in the Western Interconnection. The Western States' Water Council and the Western Governors' Wildlife Council are ex-officio members of the Committee. See current membership at <http://www.westgov.org/sptsc/site/members.htm>. The Committee has three primary tasks:
 - Providing input into regional transmission planning;
 - Improving the efficient use of the existing grid; and
 - Enabling the integration of large amounts of variable generation.
 - A fourth meeting of the SPSC was held on September 14-15, 2010. ([Summary](#), [agenda](#) [attendance](#)). Major actions included:
 - **Execution of SPSC 2010 study requests**
 - The SPSC's Scenario Work Group was assigned the task of fleshing out concepts, approaches, criteria, and considerations for moving from TEPPC's case studies to a 10-year transmission plan.

- The SPSC decided to request that TEPPC drop the Steering Committee’s January request for a 2020 Technology Breakthrough case. This decision is based on a recognition that the scale of technology breakthroughs by 2020 may not be sufficiently great to generate significant transmission impacts. The SPSC will focus on its requested 2030 Technology Breakthrough case.
 - The SPSC approved the approaches to executing the SPSC-requested High DSM, High Load Growth, and Low Carbon studies proposed by the chairs of the DSM and Scenario Work Groups. As the study work proceeds, the DSM and Scenario Work Groups will continue to consult with SPSC members on the details in the execution of these cases.
 - **Potential SPSC 2011 study requests**
 - The SPSC agreed to consider potential 2011 study requests due to TEPPC by January 31, 2011.
 - Staff will capture suggestions made at the meeting and circulate the suggestions/observations to the SPSC.
 - SPSC members agreed to provide feedback to staff on potential study requests and the philosophy on prioritizing requests.
 - **Ongoing discussion of emerging initiative opportunities**

SPSC members agreed to provide feedback to staff on potential targets of opportunity for the SPSC to advance its three tasks: input into transmission expansion planning; lowering the cost of integrating variable generation; and increasing utilization of the existing grid. The SPSC agreed to review new opportunities at its next meeting.
 - The SPSC approved \$25,000 for securing consulting services to drill down on transmission flows, schedules and Available Transfer capacity on specific paths in the interconnection.
 - The SPSC directed staff to send a memo to the SPSC further explaining and providing background on staff’s proposed allocation of \$25,000 for assistance in sorting through federal regulatory tariff issues related to the concept of an Energy Imbalance Market. This work will support tasks assigned to the Grid Utilization Work Group.
 - The next meeting of the SPSC was set for January 11-12 in San Diego.
- **Input into WECC transmission planning**
 - SPSC provided input to implement its 2010 [study requests](#) to the Western Electricity Coordinating Council’s (WECC) Transmission Expansion Planning Policy Committee (TEPPC).
 - The SPSC DSM Work Group, working with the WECC DSM Task Force, adjusted Balancing Area loads to reflect existing state, provincial and federal DSM policies. The DSM Work Group developed loads for the High DSM scenario that assumes implementation of economically achievable DSM and demand response resources.
 - The SPSC Scenario Work Group reviewed generation assumptions to model compliance with state renewable portfolio standards, high load sensitivity

assumptions, and carbon reduction policies. The Scenario Work Group monitored and participated in developing a WECC white paper on how to create a 10-year transmission plan.

- SPSC members participate in WECC's Scenario Planning Steering Group and TEPPC. During this period, TEPPC held meetings on September 16-17 and November 9-10. The SPSG held meetings on September 15-16 and November 8-9.
- WIEB staff is leading the TEPPC Resource Team to determine generation resource assumptions for all TEPPC cases.

- **Integration of variable generation**
 - Energy Imbalance Market
 - SPSC staff participated as a member of the WECC Efficient Dispatch Toolkit (EDT) Steering Committee, which oversees the WECC benefit-cost analysis of a potential Energy Imbalance Market (EIM) in the West, and the EDT Technical Review Subcommittee, which is guiding the technical aspects of the study. In December, the SPSC fulfilled the commitment it made in April to contribute \$25,000 to the WECC EDT benefit/cost study.
 - Several states and staff participated in the work of the WECC Seams Issues Subcommittee in the development of several documents relating to an EIM. In September, the SPSC voted to hire a consultant to advise staff on work to develop a tariff to implement an EIM in the West. The consultant, Larry Chaset, was hired in October.
 - Staff monitors and participates in the work of the Joint Initiatives and WestConnect relating to a western EIM.
 - In November, staff, in cooperation with several utilities, initiated the EIM Crossroads Meeting (see [website](#)) effort to engage stakeholder in a conversation about all elements of a western EIM. The goal of the Crossroads meeting is to identify areas of additional investigation necessary to make a decision on a Western EIM in the summer of 2011. Staff organized regular meetings of the Crossroads Meeting Planning Committee, drafted related documents, and prepared for the Crossroads Meeting (March 7-8, 2011).
 - At its September 14-15 meeting, the SPSC adopted a new targeted, fluid work plan approach that allows it to focus its efforts on appropriate and timely topics. Included in the approach are a number of topics relating to the integration of variable generation and efficient use of the existing grid.
 - SPSC members and staff regularly participate in meetings of the WECC Variable Generation Subcommittee, and in work groups within the VGS that address issues related to resource flexibility, forecasting, and studies of BA cooperation reform.
 - In December, the SPSC held a webinar with FERC staff on the Commission's proposed NOPR on variable generation.

- **Coordination with Topic A activities and Western States/Provinces**
 - The SPSC staff contributes information on SPSC activities to the WECC bi-weekly newsletter for members of its Scenario Planning Steering Group.
 - SPSC staff meets weekly with WGA staff to provide SPSC activities updates and support WGA activities in the RTEP initiative.
 - SPSC staff and some SPSC members participate in TEPPC monthly coordination calls.
 - SPSC staff and state/provincial representatives participate in meetings and webinars of TEPPC, TEPPC's Technical Advisory Subcommittee and work groups, and WECC's Variable Generation Subcommittee and its work groups. State/provincial travel to these meetings is reimbursed under the grant.
 - The SPSC Vice Chair briefed the Western Governors' Association Staff Council on SPSC activities in December at the Western Governors' winter meeting in Las Vegas.
6. Cost Status – Period 1 approved budget \$2,387,448; actual expenditures to date were \$529,540.
 7. Schedule Status: *(see attached document)*
 8. Changes in Approach:
No changes in approach; near-term work by National Laboratories will be critical to execution of several next steps.
 9. Problems: None at this time. Coming challenges will be timely lab support on integration of renewable generation.
 10. Changes in personnel
Larry Chaset was hired by WIEB as a consultant to provide assistance in sorting through federal regulatory tariff issues related to the concept of an Energy Imbalance Market.
 11. Products produced
 - [Briefing materials and summaries](#) of the September 14-15, 2010 SPSC meeting.
 - [Website](#) for the State-Provincial Steering Committee

Western Interstate Energy Board
State Provincial Steering Committee
Schedule Status
December 31, 2010

Task	Milestones	Anticipated completion date	Actual completion dates
Tasks 4-6 (Input into Topic A)	Steering Committee operating procedures	1 st q. 2010	Committee adopted charter and work plan in January 2010
	Nominate state representatives to Topic A multi-constituency steering group	1 st q. 2010	Representatives nominated in January 2010; replacement nominations occurring as vacancies occur
	Steering Committee briefings of meetings of states and provinces	2 nd & 4 th Annually	Briefings in 4/2010 and 9/2010
	Report on input to scenario development	3 rd 2010 & 1 st 2012	Ongoing
	Steering Committee recommendations on preliminary and final study results	Annually	In process
	Briefings of the State/Provincial Steering Committee on planning and variable generation activities	At least Biannually	Briefings in 1/2010; 4/2010; 9/2010. Ongoing
	Report to states/provinces on sub-regional planning group activities, work on integration of renewable generation and activities to promote the efficient use of transmission system	At least Annually	Briefings of SPSC in 1/2010, 4/2010 and 9/2010. Ongoing work integration work focuses on Energy Imbalance Market, SPGs' Joint Initiatives, and coordination with WECC Variable Generation Subcommittee. Analysis begun on historical use of the grid analysis of use of existing grid.
	Recommended agenda topics for resource planner meetings	Biannually	Completed for first resource planners' meeting under the grant June 2010

