

TO: State-Provincial Steering Committee

FROM: John Savage, Chair

DATE: January 19, 2011

SUBJECT: **Follow-up actions from January 11-12 State Provincial Steering Committee meeting**

Following is a recap of the decisions and follow-up actions from our recent State-Provincial Steering Committee (SPSC) meeting.

2010 SPSC study requests

Regarding the SPSC's 10-year High DSM case, we agreed to make no explicit adjustment to generation to lower reserve margins (option 3).

Regarding the SPSC's 10-year Carbon Reduction case, we agreed to include retirements planned by utilities and approved by regulators or required by law.

WECC staff will be ready to run our 20 year Technology Breakthrough and Carbon Reduction cases once its new 20-year modeling tool is in place in mid-2011. The Scenario Work Group will prepare proposals on the elements of the Technology Breakthrough case for the full SPSC's consideration. These elements will include nuclear generation and fossil generation with carbon capture and storage. The Technology Breakthrough case will be discussed at the next SPSC meeting.

For the 20-year Carbon Reduction case, the SPSC agreed to explore a method that combines options 1, 2 and 3 to address plant retirements. The Scenario Work Group will present a proposal to the full SPSC for its consideration. (The options are contained in [slides](#) presented to the SPSC.)

2011 SPSC study requests

We agreed to submit a ranked list of our nine proposed study cases to TEPPC and WECC by January 31. We received responses from 19 members that ranked all or some of the proposed requests. The member rankings have been evaluated using a variety of methods. Three of the study cases rank consistently low no matter what method is used. The other study cases change rankings depending on the method.

I've asked the Staff and the Scenario Work Group to review the statistical results and develop a consensus recommendation on the final ranking of our study requests to bring to the full SPSC for its consideration before we submit our request to WECC.

Staff and the Scenario Work Group will change the 10-year and 20-year High DSM/Distributed Generation cases to ensure there is adequate treatment of photovoltaics.

SPSC participation in development of WECC 10-year plan

We charged the Scenario Work Group to represent us in the TEPPC Technical Advisory Subcommittee and other WECC groups charged with drafting the WECC 10-year transmission plan. The SPSC agreed to [guidelines](#) for the Work Group. The guidelines outline the Work Group's responsibilities, including its obligation to alert the full SPSC to new issues that are arising. The Work Group will be holding conference calls and webinars to ensure close communication with the full SPSC.

We identified four initial issues the plan needs to address: a clear goal statement; a framework for synthesizing study results; a clear approach to considering and adopting recommendations for the plan; and an inventory of information gaps and needed improvements for future plans. Potential recommendations in the plan will be discussed at the next SPSC meeting. All SPSC members are welcome to join the Scenario Work Group.

Important upcoming meetings include the January 25-26 TAS meeting, the February 9 Studies Work Group meeting, the February 16 TAS meeting and the February 24-25 TEPPC meeting. Travel reimbursement funds are available for all state/provincial participants.

FERC variable generation NOPR

Staff will email to SPSC members areas of potential comment that reflect the discussion at the San Diego meeting. Our aim is to seek agreement on comments to submit on behalf of CREPC, rather than the SPSC. My goal is to determine if unanimous agreement is possible by the end of January. That would allow time for individual or groups of states/provinces to develop their own comments by the March 2 deadline.

Energy Imbalance Market

States/provinces are encouraged to:

- Send a representative to the January 18 WECC workshop on the analysis of the benefits/costs of an EIM;
- Participate in a series of educational webinars (January 28 - What is an EIM?; February 2 - EIM tariff and seams issues; February 3 – EIM footprint and governance; February 17 – EIM start-up and exiting issues; March 3 - WECC benefit/cost study Phase 1 results);
- Participate in the March 7-8 EIM Crossroads meeting tentatively scheduled in Portland; and
- Encourage management of BAs to plan to participate in a meeting with regulators in the summer to enable a go/no-go decision on an EIM.

Funds are available to reimburse state/provincial travel to these meetings. A web site with information on these activities will be operational shortly.

Near-term windows of opportunity

There was agreement on the [near-term windows of opportunity](#) to advance the SPSC's goals of providing effective input into transmission expansion planning, fostering policies to lower the cost of integrating variable generation, and increasing use of the existing grid. The SPSC will again review windows of opportunity at its April meeting.

Appointment of a new chair of the SPSC DSM Work Group

Rebecca Wagner (NV PUC) was elected by acclamation to be chair of the DSM Work Group.

SPSC vacancies

Due to the changes at Governors' offices and PUCs, there are a number of vacancies on the SPSC. Members were encouraged to work to help fill these vacancies as quickly as possible.

Dianne Nielson (UT) is retiring. The SPSC honored her long-term outstanding service on western energy issues. The SPSC will consider a new vice-chair at its April meeting.

State nominations to TEPPC and the Scenario Planning Steering Group

Jason Marks (NM PRC) will replace Kris Mayes on the SPSG. Nominations for the regulatory commission slot on TEPPC are due to WECC by February 4.

Next meeting

The SPSC agreed to hold its next meeting in conjunction with the next meeting of the Committee on Regional Electric Power Cooperation. The meetings are targeted for the week of April 11. Staff will seek suitable meeting accommodations.