

Summary

SPSC Scenario Work Group

Conference Call October 6, 2010

Participants:

Jim Tarpey, Chair, Sharon Podein, and Duane Braunagel (CO PUC), John Savage (OR PUC), Kristin Mayes (ACC), Dian Grueneich and Michael Wheeler (CA PUC), Rich Halvey (WGA), and Tom Carr and Steve Ellenbecker (WIEB).

Action Items:

- Input will be sought from SPSC members to get their views on what should be included in a 10-year plan, what criteria we should use, and any other issues they want to offer. John Savage, Jim Tarpey and staff will develop a draft.
- Through November 3, the Scenario Work Group will hold weekly meetings on Wednesday at 1:00 pm Pacific Time / 2:00 pm Mountain Time to monitor efforts to develop transmission plans and coordinate SPSC input in advance of the November SPSC and TEPPC meetings.
- Staff will inquire about what other studies outside the SPSC study requests that TEPPC will run among the 10 year cases. Staff will also inquire about the process to develop future Foundational Project lists.

Summary

Tom Carr outlined the agenda and presented a brief overview of the first meeting of TEPPC/SPSG's 10 Year Plan Task Force on October 1, 2010. Jim Tarpey identified the goal as providing feedback from SPSC members for the upcoming SPSC and TEPPC meetings November 8-10. John Savage, a member of the Task Force, spoke about his two takeaways from the first meeting. First, many Task Force members view the Foundational Projects as an input to the TEPPC modeling process. If the Foundational Projects are included as component of the ultimate plan, then the key issue becomes what additional projects are needed. Second, the 10 year plan is under a very tight timeline. We should look at this first 10 year plan as our first draft and expect to improve it over time.

Dian Grueneich recommended that the state-adjusted loads be adopted by TEPPC as an input to the study process. Jim Tarpey noted that TEPPC has a policy of allowing the entity that submitted a study request to have the choice of using the original Balancing Area (BA) loads or the state-adjusted loads. All SPSC study requests will use the state-adjusted loads. There was concern that other studies may be performed using the unadjusted BA loads and influence the 10 year plan. Staff will inquire about what other studies, if any, may be run by TEPPC.

Kristin Mayes suggested that the SPSC get more directly involved in the next round of developing the Foundational Project list and noted that the Subregional Coordinating Group

(SCG) was meeting in Vancouver last week. There was agreement to position the SPSC to be engaged in this decision making process the next time around.

John Savage stated that he wants the SPSC to be polled on input to the transmission plan. He wants information on SPSC member sentiment and to keep the information flowing between SPSC and the 10 Year Plan Task Force.

Tom Carr identified and summarized key issues that have emerged in the 10 Year Task Force and the Scenario Work Group discussions.

Methodological approach. A “normative” methodology assumes a general outcome based on policy goals or other drivers and then develops a plan to meet that goal in a top down approach. Alternatively, the “objective” methodology proceeds by reviewing study results and drawing findings that guide conclusions for a plan.

Selection criteria. Grace Anderson drafted an outline for the 10 Year Plan Task Force that included a proposed set of criteria for selecting transmission to be added in a plan. Grace’s proposed 5-part criteria are as follows:

1. Certainty of commitment
2. Contribution to reliability
3. Contribution to relieving congestion on the highest congested paths
4. Responsiveness to public policy requirements
5. Degree of environmental compatibility

There was general agreement that items 2-5 are the right questions, and that item 4 (public policy) criteria should be moved up to a higher priority. There was discussion about whether we currently have the ability to review item 5 (environmental capability). Tom Carr explained that WGA staff is planning on using the Montana wildlife data pilot study as a prototype filter to examine wildlife/environmental issues. The SPSG is developing the Environmental Data Task Force (EDTF). Kristin Mayes observed that most of the 10 Year plan projects will be from the Foundational List, and many of those projects have gone through an environmental review in their respective states.

Relationship of 10 year and 20 year plans. DOE requested that WECC produce a 10 year plan in 2011 and a 20 year plan in 2013. WECC will rely on a long range planning tool and conduct an expanded scenario development process for the 20 year studies. John Savage felt it was premature to discuss the relationship of the 10 and 20 year plans during this call.

Contingent plans. Staff distributed a discussion paper on September 28 on the concept of contingent plans. The premise is that transmission outcomes are driven by assumptions on loads, generation and policy. Rather than picking one future to build transmission, examine a small number (3-4) to bound the relevant possible futures, such as a low, medium or high level of aggregate transmission expansion. The RTEP process may select one transmission outcome as the “preferred plan.”

Discussion questions raised by the 10 Year Plan Task Force. The following six discussion questions were raised in the agenda of the first meeting of the 10 Year Plan Task Force and briefly discussed.

- a. Will the 10-Year Transmission Plan identify specific transmission needs (i.e., 1000 MW of transmission capacity between New Mexico and Southern California) and recommend that these needs be addressed?
- b. Will the 10-Year Transmission Plan identify preferred transmission projects (i.e., SunZia) and recommend that these projects be built?
- c. By identifying specific transmission needs and/or preferred transmission projects, will the 10-Year Transmission Plan be, in effect, identifying preferred resources?
- d. Will the 10-Year Transmission Plan endorse or recommend the projects on the Foundational Projects List?
- e. How will the 10-Year Transmission Plan address a range of possible futures?
- f. What differences, if any, do we anticipate between a 10-Year Transmission Plan (delivered in 2011 and 2013) and a 20-Year Transmission Plan (delivered in 2013)?

In question (a), Dian Grueneich observed that the term “needs” is a term of art for state regulators and we should find an alternative word such as “potential need”.

High Load Case Implementation

Tom Carr briefed the group on questions regarding the implementation of the SPSC’s high load case. Two specific issues were identified in the presentation. (1) Does SPSC want to use the WECC staff proposed High Load forecast for 2020 using extrapolation of 2008 LRS forecasts, consistent with NERC’s methodology? (2) Does SPSC want to specify additional generation resources in anticipation of the higher 2020 loads, or would we prefer to assume the higher 2020 loads are unexpected?

The subsequent discussion focused on (1). WECC staff proposed a high load forecast using an extrapolation from the 2008 load forecasts that utilities submitted to WECC that were made prior to the recession. This methodology was used by NERC in a recent study examining the potential impact of a fast economic recovery. The Scenario Work Group previously planned to look at utility IRP assumptions as guidance for specifying a high load case. Pete Larsen of LBNL reviewed the IRPs and provided information on 11 utility annual load growth rate assumptions for their base/reference and a high load case.

LSE	IRP Year	Unit	Type	Range	Average Annual Growth Rate (AAGR)		Notes:
					Base/Ref	High	
APS	2009	Peak MW	Base	2009-2025	3.30%		Forecast prior to EE/DSM/DG impacts.
APS	2009	Peak MW	High	2009-2025		4.30%	Forecast prior to EE/DSM/DG impacts.
Avista	2009	aMW	Base	2010-2029	1.60%		Includes effects of conservation.
Avista	2009	aMW	High	2010-2029		2.60%	Includes effects of conservation.
BC Hydro	2008	Peak MW	Mid	2009-2020	-0.30%		Includes current and future DSM. +1.0% AAGR without DSM effects.
BC Hydro	2008	Peak MW	High	2009-2020		0.10%	Includes current and future DSM. +1.4% AAGR without DSM effects.
El Paso	2009	GWh	Expected (2009-2013)	2009-2013	2.90%		Conservation and load management effects are included in forecasted demand.
El Paso	2009	GWh	Upper Bound (2009-2013)	2009-2013		4.00%	Conservation and load management effects are included in forecasted demand.
Idaho Power	2009	aMW	Expected	2009-2029	0.70%		Includes existing EE/DSM program effects.
Idaho Power	2009	aMW	High	2009-2029		1.60%	Includes existing EE/DSM program effects.
LADWP	2007	Peak MW	Base	2007-2020	0.90%		EE and DSM effects not included in forecast.
LADWP	2007	Peak MW	Hot	2007-2020		0.90%	EE and DSM effects not included in forecast.
NV Power	2009	GWh	Base	2010-2020	1.40%		Past/recent conservation only.
NV Power	2009	GWh	High	2010-2020		2.70%	Past/recent conservation only.
Pacificorp	2008 (Update)	MWh	Base	2010-2019	2.10%		Includes effects of current and incremental DSM.
Pacificorp	2008 (Update)	MWh	High	2010-2019		3.10%	Includes effects of current and incremental DSM.
PGE	2009	aMW	Reference	2010-2030	1.90%		Includes current and future EE effects. Without EE, AAGR is +2.2%.
PGE	2009	aMW	High	2010-2030		2.70%	Includes current and future EE effects. Without EE, AAGR is +3.0%.
PSE	2009	aMW	Base (2007)	2008-2027	1.90%		Past/recent conservation only.
PSE	2009	aMW	High (2007)	2008-2027		2.20%	Past/recent conservation only.
Seattle City Light	2008	aMW	Base	2007-2027	1.30%		Includes past, but no future conservation. New IRP filing soon.
Seattle City Light	2008	aMW	High	2007-2027		2.00%	Includes past, but no future conservation. New IRP filing soon.
Average					1.61%	2.38%	

The table specifies the year of the IRP, the unit of measurement, the period of forecast, and includes notes regarding assumptions. There are limitations of comparing high load assumptions in this sample since different utilities use different units of measurements, the forecasts are from different years, and they use different assumptions regarding energy efficiency and DSM. Despite these issues in the sample, the base/reference case annual average load growth is 1.61% while the high load case growth rate is 2.38%.

As reflected in the Table on the following page, the average IRP high load growth rate (rounded to 2.4%) was then compared to the original LRS/BA load forecasts, the SPSC's state-adjusted loads, and the high load case proposed by WECC staff. The annual average growth rate for each load is as follows:

- LRS/BA load forecasts: 1.55%
- SPSC's state-adjusted loads: 1.19%
- WECC staff proposed high load: 1.69% assuming 2009 loads were higher than actual 2009 loads, and 1.95% assuming the same 2009 loads as the other cases.
- IRP higher load average: 2.4%

The issue before the SPSC is whether we should specify the SPSC's high load case using a growth rate consistent with the WECC staff proposal (1.95% growth) or a higher level such as the average IRP high case (2.4% growth rate)? Participants on the call needed more time to think about the data and consult with their staff.

			2008 LRS	IRP Rate
Year	LRS	SPSC Ref. Case	LRS High Load	IRP Higher Load
1990	650,792	650,792	650,792	
1991	649,876	649,876	649,876	
1992	662,227	662,227	662,227	
1993	669,369	669,369	669,369	
1994	688,101	688,101	688,101	
1995	689,885	689,885	689,885	
1996	721,596	721,596	721,596	
1997	734,614	734,614	734,614	
1998	742,892	742,892	742,892	
1999	754,430	754,430	754,430	
2000	786,087	786,087	786,087	
2001	758,837	758,837	758,837	
2002	792,137	792,137	792,137	
2003	795,161	795,161	795,161	
2004	816,079	816,079	816,079	
2005	831,570	831,570	831,570	
2006	862,357	862,357	862,357	
2007	883,022	883,022	883,022	
2008	889,670	889,670	889,670	
2009	861,314	861,314	885,460	861,314
2010	868,490	872,251	900,779	882,236
2011	882,382	883,188	917,364	903,665
2012	897,984	894,125	934,349	925,616
2013	915,262	905,062	952,082	948,099
2014	932,989	915,999	969,546	971,129
2015	949,197	926,936	985,838	994,718
2016	966,579	937,873	1,002,922	1,018,880
2017	981,600	948,810	1,018,623	1,043,629
2018	996,928	959,747	1,034,920	1,068,979
2019	1,012,752	970,683	1,050,820	1,094,945
2020	1,021,873	981,620	1,066,819	1,121,541
2009-2020				
Annual Rate	1.55%	1.19%	1.69%	2.40%
			1.95%	

