

# *Board and Committee Activities*

Following are:

- I. A synopsis of Board actions, and Board activities in support of WGA initiatives since the October 2008 meeting in Santa Fe;
- II. A review of the committee structure of the Board; and
- III. A report on the activities of the Committees since the October 2008 meeting.

## *I. Synopsis of Board Actions Since the October 2008 Meeting in Santa Fe*

### **Activities in Support of Governors' Priorities**

**West-wide Renewable Energy Zones.** WIEB staff continued to play a major role in implementing the WGA WREZ project, particularly in Phase 2 (conceptual transmission plans from Renewable Energy Zones). Staff also has the lead in the scoping of Phases 3 (coordinated procurement of generation from preferred REZs) and 4 (multi-state collaboration on interstate transmission lines in areas such as siting and cost allocation).

Four major Phase 2 milestones were reached since October. In late January, after approval by the WREZ Technical Committee and Steering Committee, staff on behalf of the WREZ Project submitted to WECC four study [requests](#) as part of WECC's 2009 transmission expansion study program.

**Resource Case 1: Near-Term Analysis of RPS Requirements.** This case would model a resource mix reviewed by LSE resource planners that meets or exceeds existing renewable portfolio standards (RPS) ten-years in the future. This case would serve as a reference case for other scenarios. Sensitivity analysis would be performed on: a) higher energy efficiency, b) carbon prices to reduce carbon dioxide (CO<sub>2</sub>) emissions, and c) natural gas prices.

**Resource Case 2: Near-Term Analysis with Carbon Constraints.** The resource mix in Case 2 would set renewable energy penetration to 25% and a reduction of CO<sub>2</sub> emissions by 25% to 40%. Sensitivity analysis of the carbon constrained resource mix would be performed on: a) higher energy efficiency, b) carbon prices to reduce CO<sub>2</sub> emissions by 25% to 40%, and c) natural gas prices. This case increases the renewable penetration higher than Resource Case 1 to reflect the trend of rising RPS targets and emerging policies to reduce greenhouse gas (GHG) emissions.

**Resource Case 3: Long-Term Analysis.** This case proposes a long-term analysis extending 20-years into the future. The resource mix in Case 3 assumes a 33% renewable energy penetration level and a 50% reduction of CO2 emissions in the Western Interconnection. Sensitivity analysis would be performed on: a) higher energy efficiency; b) carbon prices to reduce CO2 emissions by 50%; c) natural gas prices; and d) changes in technology. The purpose is to analyze the resource and transmission options in a longer time frame than the current 10-year planning horizon since capital investments in the power sector have a very long productive life. This case anticipates a resource mix based on recent trends in public policy.

**Case 4: Western Transmission Superhighway Network.** Model a transmission superhighway overlay that would be used to test the economics of the transmission assumptions under the resource mix and sensitivity analysis specified in Resource Case 3. There are multiple transmission voltage options for a superhighway transmission overlay including double circuit 500 kV lines, very high voltage DC lines, and 765 kV AC lines. The high voltage overlay would reflect the general location of the currently-proposed mega transmission projects with some adjustments as necessary.

The second major milestone was the development and release of the WREZ model to calculate the delivered price of power from Renewable Energy Zones to 20 load areas in the Western Interconnection. Staff has been working with Lawrence Berkeley National Laboratory and Black & Veatch to develop the model. Presentations on the model were made to a WREZ Technical Committee in December and January and to a Western Interconnection resource planning meeting in February (see item below). As part of the development effort, staff supported two work groups to develop information on (1) transmission characteristics (e.g., cost, transfer capacity) and (2) segments (e.g., location and distance). The user-friendly, Excel-based model is on the WREZ web site. Tom Carr (WIEB staff) will provide an overview of the model at the San Diego Board meeting.

A third major milestone, which was partially achieved, is the organization of training on the WREZ model. On March 12 and March 16 training sessions were held for the WREZ Generation and Transmission Modeling Work Group. On March 18, a training session was held for participants in the February 24-25 resource planning meeting. More training sessions and refinements of the model will be held in April and possibly May.

The fourth major milestone was the February 24-25 meeting of western PUCs and utility resource planners. This is one of the Board's priorities established at the October meeting and was an essential step in the WREZ project to engage resource planners to specify their preferred REZs and to enlist utility help in scoping WREZ Phase 3 (coordinated procurement). The meeting involved more than 70 PUC and utility planners from all states and provinces in the interconnection. The agenda and meeting presentations are at <http://www.westgov.org/wga/initiatives/wrez/gtm/index.htm> . An

extensive list of next steps was developed and WIEB staff will be working to complete as many of the items in that list as possible.

The next steps for WIEB support of the WREZ project are:

- Develop responses to transmission questions submitted as part of the 30-day comment period on Qualified Resource Areas on inputs to the WREZ model.
- Continue training on the WREZ model and provide a conduit from model users to Black & Veatch on needed improvements to the model.
- Work with Black & Veatch to input the final REZ information into the model by late April/early May.
- Hold a webinar in May wherein several utilities will explain how they went about defining their preferred REZs. This webinar will be one tool to encourage all utilities to specify their preferred REZs by June 1 when WECC 2009 transmission expansion modeling begins in earnest.
- Staff will continue its major effort with WECC's Transmission Expansion Planning Policy Committee to ensure that the WREZ study requests become part of the WECC 2009 study plan. This will be very important not only for the WREZ process but also in enabling the West to capitalize on funds provided in the stimulus bill for transmission planning and to respond to Congressional initiatives (e.g., Reid bill, Bingaman draft bill) to mandate interconnection-wide transmission planning.
- Staff will work with a small group of WREZ participants to scope Phase 3 (coordinated procurement).
- Phase 4 may be superseded or subsumed by Congressional legislation or action by Western Governors.

The Board's support of the WREZ project is funded through a \$100,000 contract between WIEB and WGA and these funds have been spent. WGA's work is funded by a grant from DOE. DOE is providing additional resources to WGA to finance continued support of the WREZ project.. WIEB will need to expand its contract with WGA for the next phases of the project

**Governors' Letter to Western Utilities.** On January 6, Western Governors wrote a [letter](#) to the CEOs of all significant load-serving utilities in the Western Interconnection outlining next steps that need to be taken in response to the dialogue between 15 western utility CEOs and Western Governors begun last April via an exchange of letters and continuing through the WGA annual meeting in late June. WIEB staff drafted the letter and provided follow-up.

**Governors' Letter to Congress on the Federal Role in Transmission for Renewables.** On January 27, Western Governors wrote a [letter](#) to Congressional leaders outlining the appropriate role for the federal government in enabling the construction of transmission to access geographically-constrained, low-carbon generating resources, such as renewable resources. This letter parallels a paper WGA developed for the Obama

Administration transition. WIEB staff drafted both documents and has provided follow-up support to WGA.

### **Board Priorities**

At its October meeting, the Board directed staff to:

- Expand its work on climate related activities, particularly federal legislation; and
- Prepare a discussion paper on nuclear power.

At the October CREPC meeting, requests were made for the WIEB staff to do more work on state/provincial transmission siting processes.

Work on federal greenhouse gas cap and trade legislation has been slower than expected. Staff is tracking federal cap and trade proposals -- there have been few -- and provided the Board with a memo on the Obama Administration's assumptions about cap and trade revenues as part of the federal 2010 budget.

Staff has prepared a white paper on nuclear power. A draft of this paper was shared with the WGA Staff Council at their December meeting. Jim Williams (WIEB staff) will provide a briefing on the paper during the Board meeting in San Diego.

In response to (1) requests made at the October CREPC meeting, (2) the growing focus in Congress on state transmission line siting, and (3) potential interest at WGA in re-examining the 2002 WGA Transmission Permitting Protocol, staff has undertaken a review of western state and provincial siting statutes. A draft of this information was provided to WECC as background material for its February 2-3 seminar on long-term transmission planning and supersizing transmission. At the Board meeting, Victoria Ravenscroft (WIEB staff) will provide the Board a briefing on this work and preview a new web site being crafted on transmission development.

### **People**

- With the appointment of Governor Janet Napolitano as Secretary of the Department of Homeland Security, Lori Faeth has left Arizona state government. Her alternate, Jessica Youle, has also left state service.
- Art Compton of the Montana Department of Environmental Quality has retired.

### **Funding, Board members' web site**

- To date, dues for FY 08-09 have been received from all 11 states and three provinces.
- In accordance with the Board's direction in April, staff maintains a private WIEB web site to allow all Board members to quickly view the most current and ongoing activities, working documents and meetings of each WIEB committee, as

well as activities of WIRAB. This page also serves as a quick reference archive of items of interest to Board members.

## II. Committee Structure

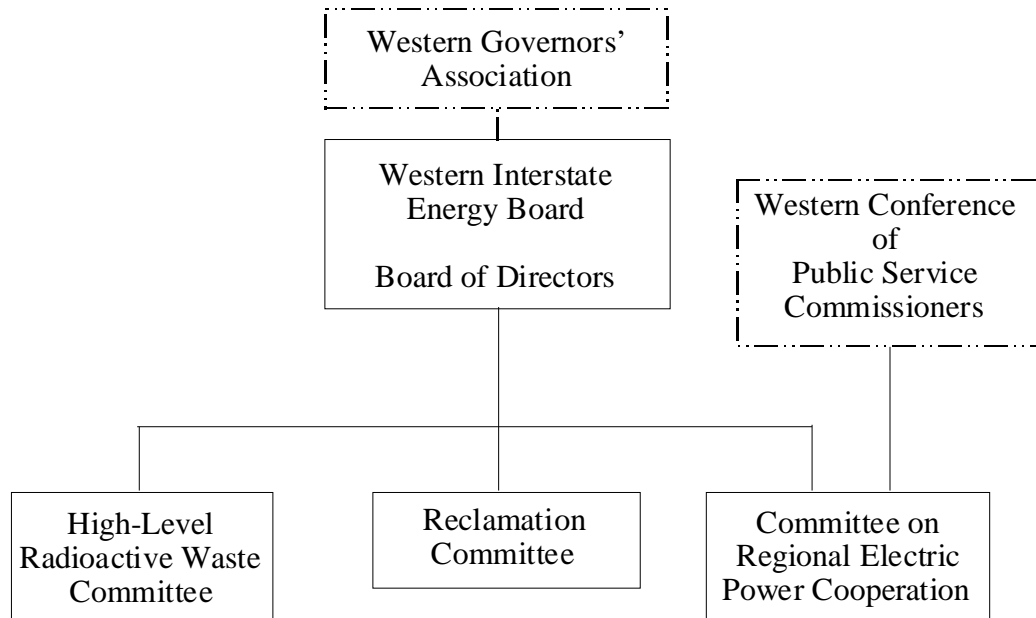
The Board has three committees. The committee structure allows subgroupings of states/provinces to pursue particular issues in depth. One committee, the Committee on Regional Electric Power Cooperation, is a joint committee of the Board and the Western Conference of Public Service Commissioners.

The Board chair appoints committee chairs. (The exception is the chair of the Committee on Regional Electric Power Cooperation who is jointly appointed by the chairs of WIEB and the Western Conference of Public Service Commissioners.)

Board members make appointments to committees of interest to their state/province. Typically, Board members have appointed the state/provincial experts in a particular topic to such committees. Often committee appointments are from agencies other than the Board member's agency.

In pursuing their issues, the committees have developed working relationships with outside parties, such as: the Reclamation Committee's work with the Office of Surface Mining and the Interstate Mining Compact Commission; the Committee on Regional Electric Power Cooperation's relationship with the Western Electricity Coordination Council, DOE, and the Federal Energy Regulatory Commission; and the High-Level Radioactive Waste Committee's relationship with DOE's Office of Civilian Radioactive Waste Management, the Department of Transportation, and the Nuclear Regulatory Commission.

The following chart shows the Board's committees.



## ***Committee Activities Since October***

### ***Energy Minerals Reclamation Committee***

*[The [Energy Minerals Reclamation Committee](#) includes the states of Colorado, Montana, New Mexico, Utah and Wyoming. David Berry, Colorado DNR, chairs the Committee and Bill Brancard, New Mexico Energy, Minerals and Natural Resources Department, is the vice-chair.]*

#### **Activities Since October 2008**

No meetings of the Committee have been held. The major new developments are:

- The Obama Administration's 2010 proposed budget proposes not to provide funds to states which have certified completion of the reclamation of abandoned coal mines. If adopted by Congress, this change would deny funds to Wyoming, Montana, Louisiana, and Texas, as well as three Indian Tribes -- the Crow, Hopi, and Navajo. While these states and tribes would no longer receive payments, the fee on coal produced in those states and tribal lands would continue. In 2006, Congress extended the AML program and included a provision that would provide payments to the certified states and would allow unrestricted use of the funds. It is not clear at this point if President Obama's proposed changes to the AML program will be adopted or rejected by the 111<sup>th</sup> Congress.
- In action on the 2009 budget, Congress added \$1 million for state regulatory grants to administer coal mine reclamation programs. This level of funding will allow the federal government to pay its share of the cost of western state regulatory programs. Inadequate funding of the federal share of western state regulatory programs has been a major concern to the Committee for several years.
- In November, the Committee, working with the Interstate Mining Compact Commission and the National Association of Abandoned Mine Land Administrators, provided the Obama transition team a [briefing paper](#) on issues related to the Office of Surface Mining.
- In the waning days of the Bush Administration, OSM decided to move ahead on several initiatives (e.g., "732 letters" to states on compliance with ownership and control rules which are being litigated, rules implementing 2006 changes to the AML program). It is unclear if the new Administration will revisit these actions. The December catastrophic failure of a coal ash waste impoundment at a TVA powerplant in Tennessee is bringing new attention to the regulation of these structures. At the moment, it appears that EPA will likely take on this responsibility, although state coal mine regulatory programs may be involved since coal ash is often deposited back into mines.

- OSM Director Brent Wahlquist has retired. The President has not yet appointed a replacement. The Committee will likely hold a meeting shortly after a new Director is confirmed and invite the new OSM Director.

### ***High-Level Radioactive Waste Committee***

*[This Committee focuses on issues related to the transportation of commercial spent nuclear fuel and high-level radioactive waste (SNF/HLW) under the Nuclear Waste Policy Act (NWPA). Joe Strolin of the Nevada Agency for Nuclear Projects and Barbara Byron of the California Energy Commission co-chair the Committee. Eleven [states](#) participate in the Committee's activities.]*

### **Activities Since October 2008**

#### **Developments related to past WGA resolutions**

**WGA Resolution 06-07: Private Storage and Transportation of Commercial Spent Nuclear Fuel.** When adopted in 2006, this resolution reflected concerns about the proposed private fuel storage facility in Utah. In revision for renewal, the HLW Committee clarifies that the resolution applies to federal as well as private away-from-reactor storage. As before, the resolution states that no such facility should be located in a western state without the written consent of its governor. Note that DOE's December report to Congress asserts that away-from-reactor storage requires not just Congressional authorization and access to the Nuclear Waste Fund, but also "an expedited siting and licensing process."

**FY'09 Budget and Implications.** The budget for cooperative agreements with state regional groups was cut from \$250,000 in FY'08 to \$150,000 in FY'09. In February 2009, when Congressional appropriations removed \$100MM from DOE's continuing resolution budget, the DOE Office of Civilian Radioactive Waste Management (OCRWM) payment to WIEB and other state regional groups (SRGs) was limited to \$102,000.

Under the \$150,000 budget, the program manager's job was trimmed by 25%, and the Fall meeting was cancelled. However, coordinating activity, responses to federal documents and several special initiatives were continued. Under the \$102,000 now expected for FY'09, the Spring meeting (in Denver) was conducted, and the program manager's job will be trimmed to 50% for April, May and June.

**FY'10 Budget and Implications.** The Obama Administration's FY'10 budget will limit OCRWM to licensing support activities. A two-year "blue ribbon commission" will likely be formed to consider future directions for the U.S. nuclear waste program. OCRWM's Office of Logistics Management (OLM) staff will be retained, but its contractors and cooperative agreements will be "zeroed out," providing no funding for

the WIEB HLW Committee during a period when the overall direction for the program will be reconsidered and debated.

The Board may recall that the WIEB cooperative agreement was unfunded in FY 1998 through FY 2002. During those five years, the HLW Committee was retained, but the program coordinator position was eliminated. Individual committee members were active and WIEB staff provided limited coordinative services. In its March meeting, the Committee will consider whether to adopt a similar policy in this case.

**The GNEP PEIS.** In October 2008, the DOE Office of Nuclear Energy issued an assessment of options for the nuclear fuel cycle, including options for reprocessing. The HLW Committee response was that the report's identification and assessment of options was useful, but that additional information (e.g. costs, uncertainties, extent of application) is needed to provide a basis for selection. Though DOE's Global Nuclear Energy Partnership (GNEP) program is zeroed out in the Administration's FY'10 budget, recycling and advanced reactors will be factors in the upcoming debate on directions for the U.S. nuclear waste program.

**NRC Revised Waste Confidence Rule.** Prompted in part by Nevada's 2005 legal challenge,<sup>1</sup> the Nuclear Regulatory Commission (NRC) proposed a revised rule, expressing confidence that Spent Nuclear Fuel (SNF) can be safely stored onsite (and effectively overseen by NRC) for 50-60 years beyond a 60-year term of operations (40 year initial term, plus a 20-year extension). The rule will allow NRC to issue new reactor licenses without a repository or other path to permanent disposal. The HLW Committee response observed that the NRC's Federal Register Notice provided no evidence regarding the safety of SNF pickup and transport after extended onsite storage.

States with commercial nuclear reactors may object to extended onsite storage while their ratepayers continue to support the Nuclear Waste Fund. The attorney generals of Vermont, New York and Massachusetts are preparing a legal challenge.

**Meeting in Denver.** The WIEB HLW Committee met in Denver on March 24. The meeting agenda included an OCRWM update, a presentation on the current Government Accountability Office (GAO) study comparing extended onsite storage, centralized storage and Yucca disposal options, a discussion of the OCRWM/OLM National Transportation Plan, a NRC report on "burnup credit" and other issues, a report on WIEB's FY'09 initiatives and Western state reports. Joe Strolin (NV) was honored for his contributions to the Committee over almost a quarter of a century.

**The Question of Queue.** In FY'09 WIEB staff conducted an inquiry on "the question of queue," the inconsistency between the Spent Nuclear Fuel (SNF) acceptance ranking under the Standard Contract and best transportation practices such as full implementation of DOE's dedicated train decision, shipment of older fuel, prioritization of shutdown sites, and/or consolidated shipment to maximize coordination and attention at shipment

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<sup>1</sup> Nevada alleged that the current rule (expressing confidence that permanent disposal will be provided by 2025, could bias NRC's review of DOE's Yucca license application.

origins. The inquiry included the assembly (from several sources) of data needed to examine the question, and several case studies of best practice options at selected sites owned by different utilities. The inquiry suggested a preliminary scheme for resolving the inconsistencies. A paper was prepared for presentation at the Waste Management Symposia (WM2009) in Phoenix.

**Integrated Information-Assessment Resource for SNF/HLW Transportation System Design.** At its March 2008 meeting in Tempe, the HLW Committee approved a WIEB initiative to consider the application of IRRIS (a geospatial integration tool developed by GeoDecisions and employed by DOD for hazmat shipment) in DOE's SNF/HLW transport program. The initiative (which used FY'08 funds that would otherwise have been returned to DOE) explored: a) The existing IRRIS information resource, and the options and mechanisms for enrichment and update; b) The capability of IRRIS to "call" existing routing and radiological assessment tools, integrating the results in a large geospatial data base; c) The IRRIS capability for visualization of routes and route environments; d) The potential application of GIS tools to compare urban, suburban and rural route vulnerabilities and capabilities among states and regions; and e) The potential to assemble the above in a multi-user geospatial information-assessment resource for consultative SNF/HLW transportation system design.

The inquiry produced a concept for a system that could inform multi-party consultation in all phases of SNF transportation system design, from modal and sequence choices, to route identification, to emergency response needs assessment and planning with subsequent shipment tracking and monitoring. The concept was reviewed in several "webinars" among SRG committee members and coordinators, and described in a paper prepared for presentation at the Waste Management Symposia (WM2009) in Phoenix.

**The OCRWM National Transportation Plan: Rev. 0.** In January 2009, OCRWM issued its long-awaited "National Transportation Plan" (NTP), a 28-page document which Office of Logistics Management (OLM) describes as a framework for detailed implementation plans<sup>2</sup> yet to be prepared. The WIEB HLW Committee's 16-page response says that NTP: Rev.0: a) Does not make a firm commitment to federal-state consultation in transportation system design (TSD), b) Does not clearly describe the phases of the TSD process, or how the phases generate provisional and final decisions, c) Does not commit to "best practice" in SNF/HLW TSD, and d) Does not provide the detailed information required in SNF/HLW TSD. The Plan and comments on it were discussed in several conference calls and at the March 24 meeting in Denver.

**NWPA Section 180(c).** In October 2008, DOE published a Federal Register Notice (FRN) requesting comments on how Section 180(c) should apply to Tribes. The WIEB HLW Committee response reiterated previous positions (e.g. predictable and sufficient funding based on assessment of needs; funding for inspections, escorts, contingency route designation and public information; regional coordination via SRGs), and addressed the Tribal questions within that framework (e.g. no set-asides for Tribes; no break-out of

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<sup>2</sup> Operations plan, campaign plans, Section 180(c) plans, fleet maintenance plans, security plans, emergency response plans.

mileage within tribal areas; coordination by Tribes with states in ER assessment and training).

**Federal-State Consultation in SNF/HLW Transportation System Design.** Though federal-state consultation has long been a core concern of western states in SNF/HLW TSD, DOE has not made a firm commitment to consultation, and has not described how consultation applies in mode and sequence choices, routing, emergency response planning, monitoring and tracking, or operations. In October, WIEB and other SRGs received a letter from DOE OCRWM, DOE Environmental Management (EM), and the Carlsbad Field Office stating that “RW does not require the intensity of planning, preparation, and stakeholder outreach envisioned under an earlier repository opening date (and that) EM is now a mature, steady-state program.” The WIPP-TAG and WIEB HLW Committees prepared a joint response stating that SNF/HLW TSD is a multi-year process requiring sustained consultative effort, and that the “institutional infrastructure” for WIPP and other EM shipments that was developed in the 1990s requires ongoing maintenance and renewal.

Subsequent to this exchange, WIEB began an inquiry into the institutional impediments to federal-state consultation in SNF/HLW TSD. The inquiry focused on OCRWM/OLM, but could extend to states as well. Observations were presented at the Institute for Nuclear Materials Management seminar in January 2009, and in a paper prepared for presentation at the Waste Management Symposia (WM2009) in March. The preliminary conclusion is that OCRWM/OLM will not consult with states just because it is right, or even because it is the best path to a publicly-acceptable Transportation System Design (TSD). It may be up to states to propose in some detail how consultation applies to provisional and final decisions in a phased, fully informed TSD process, and to specify the relevant state as well as federal roles and obligations.

### ***Committee on Regional Electric Power Cooperation (CREPC)***

*[CREPC is a joint committee of the Board and the Western Conference of Public Service Commissioners. It includes all the states and provinces in the electrically-synchronized western grid, plus Saskatchewan. The Northwest Power and Conservation Council is also a member of the Committee. John Savage, Commissioner of the Oregon Public Utility Commission, chairs the Committee]*

### **Activities Since October 2008:**

CREPC, WGA and WECC co-sponsored the Western Interconnection Resource Planners meeting for resource planners from load serving entities and regulatory commissions on February 24-25, 2009 in San Diego. Based on discussions from the past two CREPC meetings, this meeting launched the idea of a resource planner forum to promote information sharing on common issues and improve transmission planning assumptions about future generation. The February resource planner meeting addressed a

range of issues including the risks of future carbon regulations, the cost of integrating significant amounts of wind and solar power, the connection between transmission and resource acquisition, and the WREZ project. The WREZ project is attempting to engage LSE resource planners with the WREZ transmission model to identify preferred resource zones and incorporate that information into interconnection-wide planning being implemented by WECC's Transmission Expansion Planning Policy Committee (TEPPC).

WIEB staff collaborated with WECC in the formation of a long-term transmission planning meeting February 2-3, 2009 in Phoenix. The first day of the conference featured sessions on the technical considerations of major grid expansions using high voltage AC technology, DC technology, and extra high voltage 765 and 800 kV systems. The second day examined policy issues involving transmission siting and corridors, reserving capacity and paying for expansion options, and consideration of an interconnection master plan.

At the October CREPC meeting, there were requests to explore permitting and siting issues related to transmission expansion. WIEB staff began reviewing and researching the existing statutory and regulatory framework on permitting and siting. Staff drafted a white paper that summarizes siting laws across the Western Interconnection. This white paper was released and posted as part of WECC's February 2-3, 2009 long-term transmission planning meeting in Phoenix. WIEB staff is incorporating permitting and siting information on the WIEB website. The WREZ project envisions a future phase 4 that will address siting, cost allocation, and other potential institutional reforms that could facilitate transmission expansion to renewable energy zones. Initial plans are being discussed to hold a conference among some regulatory jurisdictions to address siting issues this summer.

FERC market monitoring staff holds monthly conference calls on its energy snapshot report which reviews energy market developments in the West. WIEB staff and many western state representatives participate in the FERC snapshot calls.

WIEB staff participated in the Western Wind and Solar Integration Study through the technical review committee and stakeholder meetings. WIEB staff joined WECC's new Variable Generation Subcommittee that will address Western Interconnection integration issues.