

NERC TPL footnote 'b' Technical Conference- August 10, 2010

Duke Energy Comments

Ed Ernst

Director, Transmission Planning

Duke's view on the scope of NERC Reliability Standards

- NERC Reliability Standards, as stated in the Energy Policy Act of 2005, are to “..provide for reliable operation of the bulk-power system.”
- The Energy Policy Act of 2005 defines “reliable operation” to mean operating the bulk-power system so that “instability, uncontrolled separation, or cascading failure of such system will not occur as a result of a sudden disturbance...”
- Duke believes any NERC Reliability Standard must be developed with its goal to address reliable operation of the bulk-power system as defined by the Energy Policy Act of 2005.
- Duke believes reliability of local load, including any planned or unplanned interruption of load that does not impact the reliable operation of the bulk power system, is beyond the scope of NERC Reliability Standards.

Existing footnote 'b' with phrases that need to be interpreted and resolved in italics and underlined

- b) Planned or controlled interruption of electric supply to radial customers or some local Network customers, connected to or supplied by the Faulted element or by the affected area, may occur in certain areas without impacting the overall reliability of the interconnected transmission systems. To prepare for the next contingency, system adjustments are permitted, including curtailments of contracted Firm (non-recallable reserved) electric power Transfers.

Duke's practice in applying footnote 'b'

- Duke's practice is to use footnote 'b' on a limited basis.
- Limited basis means both small MW amounts and limited number of applications.
- The end-use customer impact of applying footnote 'b':
 - Low probability of the initiating contingency times Low probability at being at load level where contingency will result in an overload times low frequency of use of the footnote 'b'

VS.

- The certainty of the impact/cost of the project that can be avoided by application of footnote 'b'.

Under what circumstances do you believe the existing footnote 'b' allows an entity to plan to shed non-consequential firm load for a single contingency (Category B)? Please provide specific information to the extent possible

- Current footnote 'b' provides the Transmission Planner discretion as long as it meets the performance criteria of Category B of no cascading outages and not impacting overall reliability of the bulk power system and respecting applicable facility ratings.
- Hypothetical examples of using footnote b language are:
 - Line A is short and thus has limited exposure to tripping. For a limited number of hours during the year, the tripping of Line A due to a fault causes an overload on Line B. Line B is located in an area that is environmentally and culturally sensitive. In addition Line B is in an area with minimal load growth. Shedding a small amount of load on line B, when the line A contingency causes an overload on line B, eliminates the need for a major project to upgrade line B.
 - An N-1 overload of an autobank that can be addressed with shedding of small amount of local load knowing that the N-1 overload will be addressed within several years due to addition of new generating capacity or other transmission improvements.

The June 11th order from FERC suggested that planning to shed non-consequential firm load for a single contingency (Category B) could be applied at the fringes of the system.

Is this limitation appropriate and if so, please define it.

What other specific criteria could be applied to limit the planned use of non-consequential firm load loss for a single contingency (Category B)?

- The use of the phrase ‘fringes of the system’ is inappropriate as it suggests load in an area located remote from the center of the system.
- A better statement would be a small amount of load as determined by the Transmission Planner taking into consideration stakeholder/customer input and state regulatory review, per the Transmission Planner’s Order 890 Planning Process.
- Examples are provided on the previous slide.

If footnote 'b' were re-stated such that there would be no planned loss of non-consequential load allowed for a single contingency event (Category B), what changes to your transmission plan would be required? Please quantify your response to the extent possible.

- The impact today would be zero, as Duke currently does not have any planned applications of footnote 'b' load-shedding today.
- What is important is for the Transmission Planner to retain the flexibility that footnote 'b' currently allows.
- Retaining the flexibility of footnote 'b' in the Transmission Planner's toolkit provides the Transmission Planner with the ability to provide reliable electric service with least cost, subject to stakeholder and regulatory review.

The June 11th order from FERC suggested that planning to shed non-consequential load for a single contingency (Category B) could be handled on a case-by-case basis with affected entities asking for an exception from the ERO. Could you support such a process? If your response is no, then what process would you suggest? If your response is yes, then what technical criteria should be developed to identify and evaluate cases?

- Duke would not support such a process.
- Duke believes that taking a request to the ERO for what is a local quality of service issue is inconsistent with the Reliability Standard Authority granted to the ERO under the Energy Policy Act of 2005.
- Duke believes that the Transmission Planner's planning process is the proper process to address this issue; i.e., providing for stakeholder/customer input and local state regulatory review per the Transmission Planner's Order 890 Planning process.