

## Meeting Notes

### Project 2006-02 Assess Transmission Future Needs Standard Drafting Team

Conference Call  
September 20-21, 2012

#### Administrative

##### 1. Introductions

The chair brought the call to order at 12:00 p.m. ET on Thursday, September 20, 2012. Call participants were:

Members		
Darrin Church, TVA	Bill Harm, PJM	Doug Hohlbaugh, First Energy, vice chair
Julius Horvath, Wind Energy Transmission	Bob Jones, Southern	Ron Mazur, Manitoba Hydro
Tom Mielnik, Mid-American	John Odom, FRCC, chair	Bernie Pasternack, Transmission Strategies
Bob Pierce, Duke	Ed Dobrowolski, NERC	
Observers		
Eugene Blick, FERC	Ray Kershaw, ITC (1 <sup>st</sup> day only)	Ruth Kloecker, ITC
Charles Long, Entergy	Larisa Loyferman, Center Point (1 <sup>st</sup> day only)	Chifong Thomas, Bright Source

##### 2. Determination of Quorum

The rule for NERC Standard Drafting Team (SDT) states that a quorum requires two-thirds of the voting members of the SDT to be present. Quorum was achieved.

##### 3. NERC Antitrust Compliance Guidelines and Public Announcement

The NERC Antitrust Compliance Guidelines and public announcement were delivered. There were no questions raised.

##### 4. Review Current Team Roster

The team reviewed the roster and confirmed that it is accurate and up to date.

## 5. Review Meeting Agenda and Objectives

No items were added to the agenda. The objectives of the call was to review the recent call with FERC staff, review the data request results, finalize draft responses to comments in preparation for posting, and make any final changes needed in the footnote based on industry comments.

### Agenda

#### 1. Overview of Conference Call with FERC Staff – John Odom

##### a. General

- i. The tone of the call was favorable with regard to the direction the SDT took with the first posting.
- ii. FERC staff was concerned about the possibility that the SDT would retreat from its posted positions due to industry comments. Any retreat would be construed negatively.

##### b. Technical criteria or parameters

- i. FERC staff pointed out that the remand stated a concern about the lack of a constraint on the amount of Load that could be shed. The placeholder for a cap to this value was acknowledged but formal comments await the posting of the proposed value. Evaluation of the intermediate amount below which approvals aren't required is still being discussed internally. There was also concern about whether the proposal constrained Load shed by voltage level or location.

- ii. Will data request point to additional constraints?

It was pointed out that the data request had not been reviewed by the SDT at this time and any questions of this type were premature.

- iii. Questions were raised as to how operational solutions would be included in item II.7.

##### c. Stakeholder process

FERC staff reiterated the concern expressed in the remand that insufficient stakeholder participation was shown in the proposed process. Concerns about potential conflicts between multiple regulatory processes were also expressed.

##### d. Quantitative and Qualitative thresholds

Concerns were raised about the lack of constraint to the fringes of the system in the proposal. It isn't clear that this should be electrical, geographic, or some other parameter but the remand pointed to a fringe-based solution. FERC staff expressed hope that the data request would shed some light on this topic.

##### e. Regional Entity and/or NERC oversight

FERC staff pointed to guidance provided in the remand on the topic of oversight of any potential Load shed plans and raised concerns about the intermediate value being proposed for when this oversight would be required.

The SDT position on the intermediate value was explained. The intent was to reserve the oversight role for the more impactful instances. Load shed below the intermediate value was not considered noteworthy with regard to impact on the Bulk Electric System and thus not worth the burden of the additional steps.

f. Customer notification

FERC staff questioned how wholesale and industrial customers get included in the process.

The SDT noted that “affected stakeholders” was an inclusive term and that wholesale and industrial customers would be captured through this terminology.

g. Wide-Area Coordination and Operational Impacts

i. FERC staff wanted to know how wide-area coordination would be accomplished.

The SDT intent was that a combination of the oversight function and the implementation of the proposed TPL-001-2a, Requirement R8 would accomplish such coordination.

ii. FERC staff raised a concern about how footnote ‘b’ plans would be handed off to Operations.

The SDT sees no difference in how a plan is handed off in the future with the revised footnote ‘b’ from what occurs now. Utilization of footnote ‘b’ is one element of the plan today and would remain so in the future and would continue to be included in the information passed over to operations.

## 2. Review Footnote ‘b’ Comment Response Straw Man Proposals

a. Data Request – John Odom & Doug Hohlbaugh

100 percent of the Transmission Planners in the continental US replied to the survey. Only about 10 percent of them have utilized footnote ‘b’ in their Planning Assessments in the last three years. The average utilization value was approximately 19 MW and the maximum value was 75 MW. Long lines and large industrial Loads were prominently mentioned for outage type.

The 25 MW threshold for the intermediate value below which oversight is not required had originally been set using the registration criteria for Load Serving Entities. This value was to be vetted against the data request results. With the average value around 19 MW, the SDT felt that 25 MW was an acceptable value and decided to stay with that value in the next posting.

The first posting showed a placeholder for a ceiling on footnote ‘b’ usage with an explanation that the actual value would be determined using the data request results. 75 MW was the maximum value shown in the data request. Several other entities reported values in the 60 – 70 MW range. The SDT was reluctant to set a ceiling that was so prescriptive that existing users would be excluded and forced to build. While there are almost always other options than building such as interruptible rates, an entity can’t force an existing customer into such rates. Such solutions are only valid for future problems. The SDT also felt that the institution of the Stakeholder Process and its requisite oversight provisions for these larger utilizations raised the

bar considerably with regard to footnote 'b' utilization. Therefore, the SDT decided to set the ceiling value at 75 MW.

The proposed 300 kV constraint was consistent with the treatment of EHV facilities in the proposed TPL-001-2a and this distinction has already been approved by the industry and the NERC Board of Trustees. The data request showed three instances of footnote 'b' utilization at the 500 kV level. The SDT feels that it is important to get those cases into the oversight process as generally EHV would be used for bulk power transfers and not serving Load. Therefore, the SDT decided to retain the 300 kV threshold and that any planned Load shed related to an EHV Contingency require oversight within the proposed process.

The SDT did not believe that the data request results pointed to any other constraints that should be placed on the process.

FERC staff questioned the SDT decisions on threshold values stating that in their opinion a least common denominator (LCD) approach was taken. Such an approach has been cited in various Orders as unacceptable. Since all reported uses of footnote 'b' were accommodated in the threshold decisions, staff felt that the LCD approach was being used by the SDT. For example, 96 percent of all reported planned uses were at voltages 230 kV and less and 90 percent were at voltages less than 200 kV. FERC staff questioned why was 300 kV set as the voltage level as it appears to staff to be an LCD. They also questioned why transformer outages were not excluded since 83 percent of the reported uses were for line outages. This appears to staff to again be an LCD solution. And the cap value allows all present users to continue their planned use of footnote 'b'. This too was cited by staff as an LCD approach.

The SDT did not agree with the LCD comments. It was pointed out that all thresholds are new values and constraints and as such could hardly be considered as an LCD approach. In all cases, constraints are being placed where they never were before. Transformer outages were not excluded since 11 instances is still viewed as a viable statistic for inclusion and warrant footnote 'b' treatment.

FERC staff stated that the proposed solution still didn't constrain the use of footnote 'b' to the fringes of the system. The remand pointed to footnote 'b' usage at the fringes of the system as a possible acceptable solution for footnote 'b' utilization. However, the Order did not define fringe leaving that up to the SDT to decide.

The SDT pointed out that the data request results do not point the SDT to a definition of fringe of the system. The SDT believes that restricting use of footnote 'b' to only portions of the system, whether defined by electrical or geographic parameters, is potentially discriminatory and thus unacceptable. The institution of the Stakeholder Process will bring all uses of footnote 'b' into the light of day for the first time. This will allow fringe to be defined from a societal perspective as part of the proposed process and the resolution of footnote 'b' usage resulting from execution of the process. Stakeholders will let entities and regulators know when footnote 'b' usage unduly impinges on societal needs and thus will essentially define fringe.

b. Q1 – Bernie Pasternack

The response describing the previous acceptance of a Stakeholder Process by industry and the NERC Board of Trustees will be supplemented with a sentence stating that the remand was not due to the implementation of the Stakeholder Process but rather due to insufficient detail surrounding the process.

The SDT believes that sufficient safeguards have been built into the language to protect stakeholders and that a review during each planning cycle of the same situation without changing conditions was unnecessary. FERC staff objected to this clarification. Staff expressed a belief that an annual review was required regardless of the circumstances. After further consideration, the SDT added language to clarify its intent.

The references to the new TPL-001 should be changed from -3 to -2a.

Clarification was provided on the use of footnote 'b' for the Long-Term Transmission Planning Horizon. An entity does not have to go through the process for long-term planning purposes.

FERC staff questioned this approach since they felt that the long-term plan may contain proposed resolutions that would take longer than five years to implement. If these plans included use of footnote 'b' and the entity was allowed to wait until the near-term to vet its plans for this instance, then the possibility exists of its solution being turned down and forcing increased use of footnote 'b' until other solutions can be found.

The SDT stated that any use of footnote 'b' may be a business and compliance risk and that entities needed to make certain that they weighed the risks and time factors involved in such decisions and to plan accordingly. While use of the Stakeholder Process is only mandated for the near-term, an entity may want to use the process during the long-term as well to reduce its risk.

c. Q2 – Ron Mazur

Language was added to state that an existing process that meets the criteria in Attachment 1, Section I would be acceptable.

Clarification was provided that once a footnote 'b' utilization successfully went through all appropriate stages of the process that an entity didn't have to repeat the process for that particular utilization unless conditions have materially changed.

Questions on implementation will be answered by again pointing out the originally filed Implementation Plan hasn't changed and that 60 months is already cited for TPL-002-1c.

Attachment 1, Section 1, Bullet #2b will be changed from "applications" to "locations" to clarify the SDT's intent.

d. Q3 – Bob Pierce

The SDT clarified the wording for Attachment 1, Section II, Bullet #2b.

The use of "planners" was expanded to the full functional entity names – Transmission Planner and Planning Coordinator.

e. Q4 – Bob Jones

The rationale for setting the 25 MW and 75 MW thresholds, namely that the values were based on the data request findings, will be supplied in the responses.

The role of the regulatory authority was clarified to show a review and not approval. The true requirement here is on the planner to submit and there is no requirement applied to the regulatory authority. This clarification may clear up the potential confusion with the conflicting jurisdictional issue.

FERC staff questioned who the appropriate regulatory authority is and what they would be doing.

The SDT responded that the applicable regulatory authority is whoever is responsible for that area's retail rates and quality of service issues. They would be deciding societal impacts including rate impacts for the proposed usages of footnote 'b' within their areas.

The language that placed requirements on the Regional Entity was deleted, since it was determined that the oversight should be provided by the ERO.

f. Q5 – John Odom & Doug Hohlbaugh

Since question 5 was a general catch-all question, many of the comments are duplicative of items brought up in questions 1 through 4. Responses to those comments need to be fully coordinated with the responses provided in the other questions so that a consistent approach is presented to industry.

### 3. Next Steps

The response sub-teams will finalize their work based on the results of the conference calls.

The goal is to submit the posting documents to quality review no later than Friday, September 28, 2012 in order to maintain the schedule.

### 4. Action Item Review

The sub-teams working on the response revisions need to submit their work no later than Tuesday, September 25, 2012.

### 5. Future Meeting(s)

A meeting or conference call will be scheduled to discuss responses to industry comments from the initial ballot posting once the exact posting date is known.

### 6. Adjourn

The Chair adjourned the call at 3:00 p.m. on Friday, September 21, 2012.