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March 7, 2006

MEMORANDUM

TO: Power Committee

FROM: Wally Gibson

SUBJECT: Background Briefing on Transmission Planning in the West

The Western Electricity Coordinating Council (WECC) is taking on a new role - doing high-level, west-wide commercial transmission expansion planning. This role was previously taken by the Seams Steering Group - Western Interconnection (SSG-WI), which is losing the support of its funders, who represent a limited set of utilities in the West. WECC is taking on this role partly at the urging of the Western Governors' Association (WGA), since it represents all parts of the industry in the West. This new role will be additional to its basic role of coordinating and overseeing system reliability.

There will continue to be sub-regional planning groups. The one in the Northwest is the Northwest Transmission Assessment Committee (NTAC), which may be replaced by the either the combination of, or a joint effort of, Grid West and Columbia Grid.

The briefing will expand upon this description.

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Transmission Planning in the West



Northwest Power and Conservation Council
Power Committee
March 14, 2006

Summary



- Background: Individual sponsors and Western Electricity Coordinating Council (WECC)
- Seams Steering Group – Western Interconnection (SSG-WI)
- Subregional planning groups
 - Northwest Transmission Assessment Committee (NTAC)
 - Successor(s) to NTAC
- New role for WECC

Background



- Basic approach for projects with sponsors:
 - Individual sponsor proposes line
 - WECC reviews and studies for system impacts
 - WECC grants path rating, which sets maximum reliable level of use of line
 - Sponsor builds line, gets rights up to rating
 - This process stays in place – applies after decisions to build are made
- Historically, this reliability review was the only approach
- WECC used to be precluded from looking at commercial planning questions by its bylaws

SSG-WI



- Association of utilities involved in RTOs in West
- Took on challenge from Western Governors' Association (WGA) to look at west-wide commercial transmission planning
 - Focused on developing transmission responses to generic generation scenarios (e.g., new gas, new coal, new wind)
- Sponsored several west-wide transmission studies and plans
 - Finishing up 2005 study
- Spawned several sub-regional planning efforts across West
- Lost financial support from sponsors

New Role for WECC

- Demise of SSG-WI created gap
- Ongoing interest in work SSG-WI did from, e.g., WGA
- WECC bylaws recently changed to allow commercial transmission planning
- WECC now in the process of defining new role - High-level, west-wide studies of economic expansion projects
 - Taking over SSG-WI data base
 - Creating Transmission Expansion Policy Planning Committee (TEPPC) – Board committee with fixed stakeholder representation
 - Adding staff and modeling capability

What WECC Won't Do



- Do sub-regional or detailed project-specific studies
- Choose among alternatives
- Be a backstop for construction of any specific project(s)
- Provide funding mechanisms
- Develop or advocate cost allocations or criteria
- Allocate transmission rights

Sub-regional Planning Efforts

- Several across West with different goals
 - Focus on remedying specific problems, e.g. in Southwest
 - Focus on facilitating specific export strategies, e.g., in Rocky Mountain area
 - Focus on mix of above, e.g., Northwest Transmission Assessment Committee (NTAC)
- Potential NTAC successor(s)
 - Grid West and ColumbiaGrid
 - Joint effort of the two
 - May have more implementation responsibility than NTAC