

Study Request for WECC TEPPC¹ 2009 Work Plan
Submitted by
The Western Electricity Industry Leaders

Last October, following a presentation by WECC representatives, the WEIL had a discussion about submitting study requests to WECC for the TEPPC Work Plan. There was interest in the WEIL in doing so, but there was not a subsequent meeting at which specific recommendations could be ratified. Knowing that there was a January 31 deadline for making such requests, a sub-group of WEIL members submitted a draft study request to the WECC with the intent of capturing the spirit of the discussion as to the types of issues the WEIL would like to see addressed. This study request was further discussed and ratified at the March 3, 2009, WEIL meeting.

Important public policy issues are pending before state and Federal government bodies that have far-reaching and as yet not well understood implications for costs, reliability, and environmental protection. The WEIL supports more in-depth analysis of these issues and believes the WECC-TEPCC analysis can be an important vehicle for shedding light on critical issues confronting the west.

We have previously pointed to the need for new transmission infrastructure to allow renewable resources located far from the urban centers to serve loads. Therefore, it is requested that TEPPC study the benefits and costs of transmission infrastructure additions needed to deliver resources to load for the following cases:

- Utility implementation of existing renewable portfolio standards (RPS) and greenhouse gas (GHG) emission reduction policies;
- Utility implementation of aggressive RPS and GHG emission reduction policies, consistent with possible future mandates;
- Loss of existing resources due to such factors as the elimination of once through cooling (OTC) for existing power plants and degradation of hydro capability resulting from Federal relicensing, Clean Water Act, or Endangered Species Act requirements; and
- Establishing the concept of three or four major resource zones and subsequent east-west and north-south conceptual transmission corridors connecting them to the major load centers, as was done in the E3 study to simplify inclusion of capital costs, will aid in determining the cost impacts of different policy choices. This would also allow determining commonality of required transmission across broad scenarios leading to a “no regrets” transmission approach.

¹ Transmission Expansion Planning Policy Committee

In developing this study request, there has been collaboration with the Western Renewable Energy Zone Project (WREZ), in an attempt to create synergies for the 2009 TEPPC study work plan. We believe this request is complementary to the study request being submitted by the WREZ. The WREZ/WECC intent to involve Load Serving Entities in the development of key assumptions, including the specific set of resources that would comprise the scenarios to be studied, including discussions at the meeting in February in San Diego is appreciated. Expanded west-wide collaboration on TEPPC studies is our goal.

For the resource and transmission expansion cases ultimately selected for study by TEPPC, the studies should include appropriate analyses needed to understand the impact on electricity costs, reliability and adequacy, and environmental parameters.

The output of WECC's PROMOD studies is limited to a comparison of relative electricity production costs in the various cases. The WEIL has completed and can share study results and assumptions performed for us by the consulting firm E3. These results should, at a minimum, provide estimates of capital costs for WECC's analyses but may also be useful in testing other study assumptions and outputs, along with the ongoing WREZ analysis. The WEIL is planning to contract with E3 to extract and update these capital costs.

We also suggest a jointly sponsored proposal from WECC, the WEIL, and the Western Governors' WREZ requesting DOE funding for WECC TEPPC to complete the coordination of the western interconnection planning efforts in cooperation with the states, regulators, and the CAISO and sub-regional planning groups building on the already established processes and entities in the region.

As the current planning cycle under Order No. 890 will be completed at the end of 2009, and given the potential availability of DOE funding specific to these interconnection-wide efforts, the timing is optimal to further our cooperative efforts in establishing the western coordinated transmission expansion plan.

Siting and permitting of projects, along with cost allocation issues, are also important factors leading to necessary and appropriate grid expansion. As an interconnection-wide plan is established, these collaborative stakeholder efforts can build upon this framework and established needs and policy impacts. A continued western spirit of cooperation will lead to a "no regrets" action plan of establishing "core" transmission corridor connectivity consistent with future scenarios and policies. Timing and implementation of specific projects to effectively meet established needs will then have a consistent basis for development.

Results of the requested analysis will provide important insights that should be considered by regional industry and government leaders as we plan the west's electricity future. Thank you for your consideration of these requests and joint proposal.



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Approved for Signature:

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