



Transmission Workgroup

Meeting Summary

November 29, 1999

Welcome and Introductions

Gabe Petlin, RESOLVE

After introductions and adoption of the agenda, Gabe Petlin reviewed the purpose of today's meeting:

- Review NWCC Transmission Case Studies
- Discuss Transmission and FERC RTO Proposed Outreach Activities
- Review draft NWCC Blue Print Transmission Goals

Transmission Case Studies

Overview and Insight:

Ron Lehr, Ed DeMeo, and Charles Smith presented case study findings.

CASE ONE: Transmission Policy and Pricing in Texas (Ron Lehr)

- Transmission policy and pricing is critical to wind
- ISO handles planning and pricing and FERC approves
- Texas is a unique example - state approved ERCOT ISO
- 100% flat fee (or 'postage stamp') transmission rates

CASE TWO: Virtual Wheeling (Ed DeMeo)

- The link from wind generation to load is long and/or costly (or nonexistent)
- Wind availability and load's need for energy are poorly coordinated
- There is a significant cost differential between scheduled (firm) and unscheduled (non-firm) transmission costs

CASE THREE: Transmission Upgrades (Charles Smith)

- The problem is inadequate transmission in MAPP to move remote sources of generation to load centers
- Relevant issues explored include the following:
 - Remote generation is located in the Dakotas (coal)
 - Excellent wind resources in the Dakotas
 - Loads are in Chicago and Minneapolis
 - Inadequate transmission to bring the generation to market
 - Opposition to new lines from environmentalists and abutters
 - Transmission benefits are shared unequally

There is continued general support for the case study process. Group members agreed the cases have been helpful in the following ways:

- In helping the NWCC and wind energy constituents to focus on transmission issues
- In initiating involvement and discussion about wind energy and transmission issues in the wind industry
- As an information tool for non transmission experts
- In educating NWCC stakeholders about wind transmission barriers and opportunities

Participants commented on the three case studies highlighting these and other issues:

- Transmission governance should occur on a region wide basis to facilitate wind energy's open access to transmission services
- Transmission governance needs broader multi-stakeholder representation
- Who pays for transmission upgrades is a key issue for wind.
 - e.g. Texas: loads pay, which can facilitate interconnection for new generation sources
 - e.g. Other areas: generation usually pays
- Relevance of each case may depend on the context
 - e.g. In Wisconsin, siting issues are the focus of attention
 - e.g. Transmission policies in Texas may or may not be relevant outside of the state
- One participant suggested that virtual wheeling may work better in a regulated market.

Goal of Case Studies and Final Product:

The group agreed that the goal of the case studies remains to educate the NWCC. The cases would need additional work to be ready for

release as official NWCC products. Most counseled that the NWCC not expend the resources needed to achieve that goal. Rather, the group recommended that the NWCC "clean up" the cases, incorporate outstanding comments, and complete the cases as "working drafts" for use as an educational tool that is updated periodically.

- After Gabe Petlin completes drafts of the case studies, the Transmission Workgroup will draft an NWCC "conclusions overlay." The purpose of this would be to synthesize the main lessons that the NWCC draws from the cases while leaving intact the different views expressed by respondents interviewed, including views that some committee members disagree with. Whether the "final" product is released to a larger audience is likely to be further discussed by the Workgroup and the NWCC.

Transmission and FERC RTO Outreach Proposed Activities

Discussion focused on determining the appropriate role for the NWCC to play in analysis of and outreach for transmission issues and the FERC RTO process. The committee considered whether working at the central level of FERC or at the regional level would be more effective. After hearing from invited panelists the group agreed that important transmission issues are being decided at the regional level because FERC has essentially delegated the task of implementing open access transmission policy to a process of regional transmission institutional development. The NWCC should therefore focus its outreach efforts at the regional level.

Workgroup's discussion on the role of the NWCC in FERC RTO Process:

- There are two ways to influence the FERC RTO process:
 - Act as legal intervenor in a contested case proceeding
 - Participate in the RTO filing proceedings in response to the Order (more likely role for NWCC)
- Provide a bridge to non-technical people on transmission issues.
- Convene transmission experts to make knowledge and perspectives accessible to a broader audience.
- Become active in regions to learn and be a resource for expertise.
- Assemble expertise and increase NWCC's knowledge of transmission and FERC RTO issues.
- Support members and wind stakeholders to participate in transmission forums e.g. Western Interstate Energy Board, CREPC, Regional Transmission Associations, Northwest Education Forum, and FERC RTO workshops and meetings.
- Given limited resources, target efforts towards 1-2 key regions, i.e. possibly MAPP or Western region.
- Monitor-what groups are forming.
- Look for 'coat tails' benefits.
- Look for opportunities to succeed in fair open competition.
- Identify the RTO process and strategic input points for affecting outcome.

Workgroup identified these issues and questions:

- Early NWCC activity is important, because responses to the FERC RTO Order will be filed in 2000.
- Large number of RTO-related meetings will be challenging to keep up with even with targeting.
- One size does not fit all - RTO regions will vary considerably.
- The ability of the NWCC to be a technical resource in this complex RTO process is limited.
- Energy based access charges are an important consideration for wind energy.
- Should/could the NWCC have a message for these RTO meetings? Is consensus possible? Some felt that the NWCC should identify issues on which to focus other stakeholders attention and when possible agree on principle.

Panelist's Comments on the FERC RTO Process:

Four guest panelists were present at the Transmission Workgroup Meeting to respond to questions about the FERC RTO process. The panelists included Alan Davis, Montana Department of Environmental Quality; Jeff Gilardi, Enron Wind Corporation; Leon Lowery, FERC; and Gary Thompson, Nebraska Public Power. Some of their comments are listed below.

- FERC will issue the Final Order by the end of the year.
- A collaborative process will convene in Spring 2000. Rather than FERC proposing regional transmission governance structures, each region will propose its own RTO structure and FERC will either approve or deny RTO proposals.
- The NWCC's broad-based alliance has been good at broadening the appeal and understanding of wind energy.
- NWCC can influence the process of forming RTO proposals that will be submitted to FERC, but the NWCC will be ineffective if it asks the commission for special treatment for wind, because FERC will not advocate for wind and will work for a level playing field for all energy sources.
- FERC will ultimately decide on RTOs, but will solicit guidance from the regional level.

The Transmission analysis and outreach activities proposed by the Workgroup have been incorporated into the Goals section below.

NWCC Transmission Goals

The group reviewed the draft NWCC Blue Print Transmission Goals. The following goals were agreed upon and presented at the Business Meeting. (Note: these goals have been updated to reflect the Transmission Goals adopted by the NWCC at the 11/30 Business Meeting)

Action Item: One of the goals of the Transmission Group is to emphasize outreach. A member of the Transmission Group needs to create draft agenda for a general outreach forum.

Goals:

- **Create opportunities to bring wind-related issues before regional decision making bodies that affect transmission so that wind issues are raised, addressed, and resolved.**
- **Develop and provide information for key stakeholders to use at the regional level.**
- **Document examples of how transmission issues are being addressed in ways that are beneficial or harmful for wind**

development.

1. Review FERC RTO Order:
What does it say?
What does it mean for wind energy? 4th Qtr. 1999/1st Qtr. 2000
2. Continue case study process:
Clean-up case studies,
Incorporate comments,
add conclusion overlay, and
develop additional case study(s). 2000
3. Convene Workgroup and invited experts to discuss RTO
Order and plan/strategize activities. 1st Qtr. 2000
4. Conduct regional transmission issues forum(s) possibly in
conjunction with RTO discussions/meetings March 2000 and TBA
5. Participate/engage in RTO proposal discussions/meetings in
targeted priority region(s): #1 Midwest, #2 Texas, #3 West 2000
6. Provide resources and educate local stakeholders on issues.
7. Disseminate information in a targeted way to key participants. 2000-2002
8. Utilize outside consultant expertise as required. 2000-2002

National Wind Coordinating Committee

Transmission Workgroup Meeting
Monday, November 29, 1999

RESOLVE

1255 Twenty-Third St., NW Suite 875
Washington, DC 20037

Participants List

- Abby Arnold
RESOLVE, Inc.
- Alan Davis *
Energy Division, Montana Department of Environmental Quality
- Ed DeMeo
Renewable Energy Consulting Services, Inc.
- Mark Eilers
NEG Micon
- Jeff Gilardi *
Enron Wind Corporation
- Roger Hamilton
Oregon Public Utilities Commission/National Association of Regulatory Utility Commissioners
- Karen Lane
Utility Wind Interest Group
- Ron Lehr
National Association of Regulatory Utility Commissioners
- Leon Lowery *
Federal Energy Regulatory Commission
- John Nunley
Composite Technology Corporation
- Brian Parsons
National Renewable Energy Laboratory
- Gabe Petlin
RESOLVE, Inc.
- Kevin Porter
National Renewable Energy Laboratory
- Lori Riggs
RESOLVE, Inc.
- Charlie Smith
Utility Wind Interest Group/Electrotek Concepts Inc.
- Gary Thompson *
Nebraska Public Power District

** Denotes guest panel member*

[About NWCC](#) | [Membership](#) | [Workgroups](#) | [Meetings/Events](#) | [Publications](#) | [Resources](#)

© 1998-2007 NATIONAL WIND COORDINATING COLLABORATIVE
Formerly known as the National Wind Coordinating Committee
c/o RESOLVE, 1255 23rd Street NW, Suite 875, Washington, DC 20037
(888) 764-WIND (202) 965-6398 fax: (202) 338-1264
Send Comments, Questions, or Suggestions to: nwcc@resolv.org