

The 2009 Annual National Council Planning Meeting
Delivering Renewable Energy: The Role of the States in Transmission
December 2, 2009
The Gaylord Texan Hotel
Dallas, TX

Overview

This summary notes attendees, identifies key themes from this meeting's presentations and summarizes for the National Council members some of the brainstorm topics that were suggested as part of the Council's 2010 work plan.

Attendees:

Glen Andersen, National Conference of State Legislatures
Greg Dierkers, National Governors Association
Bevan Flansburg, NARUC
Jeanne Fox, President, New Jersey BPU
Chuck Gray, NARUC
Carl Holmes, State Legislator, Kansas House of Representatives
Miles Keogh, NARUC
Larry Mansueti, U.S. DOE
Julia Miller, U.S. EPA
Julie Rowlett, NARUC
Phyllis Reha, Commissioner, Minnesota PUC
Dub Taylor, Director, Texas State Energy Conservation Office
Jess Totten, Texas PUC

Observers:

Chris James, Synapse Energy Economics

Synopsis: National Council members have all played integral roles in development and integration of renewable energy and transmission build. States are achieving success in transmission development through the work of governors, State legislators, State regulators, State energy officials, and State air and climate officials. In the case of Texas and CREZ, legislators were proactive in directing the Texas Public Utility Commission to develop a statewide transmission and renewable direction. In the Southwest, the SPP developed the Regional State Committee, made up of State regulators, who have developed plans that work for the Southwest including cost allocation. Midwest governors and their staff designated transmission zones in MISO territory for wind development.

These successes were achieved by the collaborative approach to finding solutions to transmission and renewables. The National Council can and should play a larger role in fostering relationships between its members to further enhance and ease planning for future energy needs. Proposals for 2010 are outlined below, along with summaries from all presentations at the National Council 2009 planning meeting.

11:30 Welcome and Introductions

Hon. Jeanne Fox, New Jersey Board of Public Utilities and National Council chair

- Recap of recent activities from National Council including: Non-Transmission Alternatives and Energy Efficiency paper releases, Dub Taylor as the new vice-chair of the National Council, and co-sponsoring of the Utility of the Future Climate Conference in December 2009

11:45 RPS and transmission case study: Texas and CREZ

Jess Totten, Texas PUC

- Using the legislature directive to accelerate renewable energy development, the Texas PUC located optimal renewable resources in the state through the CREZ (Competitive Renewable Energy Zones) program, and approved transmission scenarios in 2008. ERCOT and the Texas PUC are currently determining best options to build transmission for up to 18,456 MW of potential wind capacity. A unique feature of the CREZ program is that it enables new transmission operators to build and operate transmission, which are then regulated by the PUC

and treated as a utility. Cost allocation is essentially a non-issue as ERCOT boundaries enable Texas consumers to share costs of new transmission. Negative pricing for wind has been an issue in ERCOT.

12:15 Approaches to Transmission Planning for Renewables: What does it look like?

Dale Osborn, MISO

- MISO uses both reliability and economic methods of planning for near-term, mid-term and long-term scenarios. Within MISO territory, economic planning methods have delivered more information to relevant questions as compared to reliability methods. MISO state regulators being engaged to determine cost allocation scenarios to deliver 25,000 MW of wind within MISO territory (Cost Allocation Regional Plan). A wind integration study – EWITS – will present reliability and economic scenarios for wind and transmission for off-shore wind and Midwest wind systems. In the regional generation outlet study (RGOS), zones were set up by governors and staff, to develop regionally coordinated transmission plans, making a case for linking wind farms in order to increase the capacity credit value and decrease concerns about variable nature of wind and the reliability of the grid.

Michael Goggin, AWEA

- Overview of U.S. wind generation growth, and identifies state-by-state 300,000+ MW's of projects waiting to connect to the grid. Goggin identifies three market failures: planning, paying, and permitting, and then presents solutions for barriers to new transmission using case studies to support AWEA's position, citing CREZ, SPP and WREZ as examples of successes.

Jay Caspary, SPP

- Overview of SPP planning process and focus on solutions to major barrier of cost allocation. State utility commissions involved in transmission planning through the Regional State Committee and cost allocation planning through the Cost Allocation Working Group. The SPP has established a system for reliability and economic cost allocation: reliability projects are 33% regional (postage stamp) and 67% impacted zone based on offloaded power. Economic projects are all postage stamp. Caspary also noted the importance of planning for future needs when building transmission so bottlenecking doesn't occur in the near future.

1:45 Visions for Future Transmission Upgrades and Interconnection Wide Planning

Larry Mansueti, U.S. DOE

- Overview of current transmission initiatives and priorities for U.S. DOE and the Administration, including congestion studies, western renewable energy zones project, and the need for interconnection-level planning studies (to be supported with the American Recovery and Reinvestment Act of 2009).

Alison Silverstein, Alison Silverstein Consulting

- Observations from experience in regional transmission planning, and suggestions for planners and stakeholders to ease the process. Outlines importance of leaders giving guidance to regional transmission planners, allowing time to establish trust between all stakeholders to develop optimal processes, and establishing clear policy goals for all steps of transmission construction.

2:30 Break

3:00 Non Transmission Alternatives

Miles Keogh, NARUC

- Outline of recently released National Council paper on Alternatives to Non-Transmission Alternatives, which includes end-use efficiency, demand response, distributed generation, efficiency improvements, and storage technologies. Case studies and barriers to NTA's are also outlined in the presentation and in the paper.

3:30 Discussion among National Council Members and Federal Partners

Explored ways forward for the National Council and proposals for 2010:

- Writing a Primer on the different approaches used around the country for cost allocation for multi-state transmission
- Explore fuel diversity by creating a Matrix that compares costs of different generation (and demand-side) technologies per diverse literature sources
- Writing a white paper on leveling the playing field for non-transmission alternatives
- Case study (or briefings) on characteristics of successful interstate transmission siting projects
- Holding meetings and forming a workgroup (or groups) to explore regional resource planning for Midwest and/or Southwest regions
- Discuss impacts of PHEVs on electricity policy (who has jurisdiction, and over what) and resources and establish priorities and action items
- Demonstration projects that build institutional infrastructure to enable Integrated economic and environmental regulatory functions
- Examining new need criteria for electricity policy other than the established "reliable and affordable" mandates, including a need for low-carbon infrastructure, dynamic resource mix, and maintaining environmental quality
- Review structure and process of National Council activities

5:00 Conclude session