

NOTES

APS and SRP Stakeholder Meeting For Transmission Planning
FERC 890 OATT Attachment K – 4th Quarter Meeting

SRP PERA Club – Big Horn Conference Room
1 E. Continental Drive, Tempe, AZ
MEETING NOTICE: OPEN PUBLIC PLANNING MEETING

December 10, 2008
10:00 a.m. – 1:00 p.m.
V2

1. Attendance –
Attached is a list of those persons in attendance (ATTACHMENT 1)
2. ACTION ITEMS – 4th Quarter Public Planning Meeting 2/10/2008
There were no action items generated by this meeting
3. Welcome, Introductions, and Stakeholder Meeting Overview

Robert Kondziolka (Rob) introduced the program and the purpose for the meeting. The power point presentation used at this meeting is found on ATTACHMENT 2

Rob asked every one in the group to introduce themselves.

Rob noted that some changes have been made to Attachment K but since the changes have already been addressed at the SWAT and WestConnect meetings they will not be discussed again unless someone has a specific question regarding the changes.

Q. What will be the January filing referred to in the opening remarks?

Ans. – Each year the ACC requires that transmission providers file their transmission plans for the next 10 years. This is normally done in January. The materials presented in this workshop are the proposed submittals for the January filing. The January filings may be amended based on stakeholder input.

Q. What actions can or does the ACC take in response to those filings? Does the ACC just accept what the transmission provider sends them or does it recommend changes?

Ans. – Before retail competition became law the ACC accepted whatever plans were filed with them. In the last decade legislation has passed which compels the ACC to verify that the transmission provider's have adequate justification for the projects presented in the plans they file.

Q. How does the Biennial Transmission Assessment (BTA) relate to the 10 year plans filed by each transmission provider each year?

Ans. – The plan being presented at this meeting will be reflected in the next BTA (Biennial Transmission Assessment).

Q. Is it true that the ACC requires that before an entity is allowed to file for a CEC (Certificate of Environmental Compatibility) for a project, the project must be in the 10 yr plan filed with the ACC.

Ans. – Yes that is correct for transmission projects. However, that is not the case for generation projects.

4. Status of Action Items – 5/21/08 Joint APS/SRP 2nd Quarter Public Planning Meeting

A/I 5-08-1 Update Slide #6 to clarify where the integration of retail network customers fits into the planning methodology block diagram.

STATUS: The requested information appears in red on Slides 9 & 31 in the presentation for this workshop (ATTACHMENT 2).

A/I 5-08-2 APS will report on why Western's request for a wires-to-wires interconnection at APS North Gila Substation from Western's Gila Substation is not on the APS OASIS.

STATUS: FERC has stipulated that transmission provider's post on oasis a listing of the large generator interconnection requests received and other information regarding each request. However, there is no obligation to post a list or queue of wires-to-wires interconnection requests received. The need for such a list is currently a topic for discussion by members of WestConnect but no decision to do so has been made to date.

Q. Do wires-to-wires interconnections absorb transmission capacity?

Ans. Transmission interconnections must be studied for adverse impacts. If adverse impacts are identified the party requesting the interconnection must mitigate the impacts. An interconnection in and of itself does not absorb transmission capacity. Transmission capacity is reserved through Transmission Service Requests.

Q. Is there a way to relate the position of a wires-to-wires interconnection request to the queue position of existing requests in the large generator interconnection queue?

Ans. One way to relate the two is to compare to date of the wires-to-wires request with that of the large generator requests in the queue.

A/I 5-08-3 APS will address SWAT CRT and other stakeholders interested in 230kV in the North Gila area to determine the appropriate forum for study work.

STATUS: APS is working with the SWAT CRT group to clarify this topic.

Q. What does the acronym CRT stand for?

Ans. The acronym CRT stands for Colorado River Transmission subgroup which is a subcommittee of SWAT.

Q. When during or as a result of this workshop a suggestion is offered for additional study work to be done, who decides whether the study work is worth doing and at what level it needs to be done (i.e. at the transmission provider level or the regional study group level etc.).

Ans. – The utility that receives the request for additional study work decides both whether the study is of value and at what level the study should be conducted.

Responses to all requests will be addressed in these stakeholder forums.

A/I 5-08-4 APS/SRP will work with the other WestConnect transmission providers to have Attachment K Stakeholder meeting material posted on the WestConnect website. STATUS: As a consequence of this action item the agenda, presentation material and notes for the Attachment K workshops will be posted on the WestConnect website. Due to space limitations the material for only the two most recent workshops for each transmission provider will be posted. Material for older workshop will be available upon request but not posted on the website.

A/I 5-08-5 APS will have the two additional substations APS is proposing for the area near Pinal Central (Milligan and SE10 Substations) included in the Pinal Central study work.

STATUS: The aforementioned substations have been added to the study work as requested. Note that the name of the SE10 sub has been changed to TS12.

5. SRP

a. SRP Planning Calendar and Methodology – Robert Kondziolka

Q. Can anyone use the new slide created by APS in other forums (i.e. Slide #8 in this presentation).

Ans. Yes it is available for use by others if so desired.

Q. Can you tell us what you want to see the stakeholders provide in their annual resource forecast?

Ans. Attachment K contains a general outline of what the resource forecast should contain. Ideally we would like to receive a load forecast by bus and with respect to the resource forecast we would like to see a description of the fuel mix and where each new resource addition will be located.

Q. Does SRP have any plans to make public its resource plans?

Ans. There are no plans to make public any more resource addition plans beyond that which is made public today.

Q. What resource plans information is made public by SRP today?

Ans. The resource assumptions SRP provides to WECC for development of base cases, power supply assessment, and long term resource assessment is available.

Q. Is the resource plans information for SRP all together in one central location?

Ans. We are not aware of one central location where one can access the information on SRP's resource plans.

Q. How do we get the information about SRP's resource plans we need?

Ans. This information can be extracted from the WECC reports and power flow bases cases used by transmission planners. Requests can also be submitted to SRP.

b. Draft 10 Year Plan- Eldin Dizdarevic

Q. Why did SRP select 2014 as the last year of its planning study work?

Ans. The year 2014 was chosen as the first year of the longer term planning horizon.

Q. Are the several delays in project in-service dates in SRP's 10-year plan due to reduced demand caused by a down turn in the economy?

Ans. Yes, that is correct.

Q. What is the voltage level of SRP's Eastern Mining Area (EMA)?

Ans. The voltage level of the transmission system in the Eastern Mining Area is 115kV.

Q. Do the transmission system upgrades outlined on Slide 22 provide system support or bring additional transmission capacity?

Ans. They do both. The 2009 projects on Slide 22 increase the TTC on the Mead/Phoenix path and the Springerville/Coronado/Silverking path. The 2010 project on Slide 22 is needed to prevent an n-1 overload of the Kyrene 500/230 transformers brought about by increased load growth.

Q. In view of the fact that Slide #24 is very difficult to read both in the power point presentation and the paper handout of the power point slide, is there someplace we can go to get a clear image?

Ans. An improved version of the presentation material is posted on the WestConnect website.

c. Interconnection Requests and Transmission Service Requests

(1) Posting Interconnection Request Queues for Jointly-Owned Transmission Projects

d. Requests received for economic planning studies

No requests for economic planning studies were received during the past year.

e. Stakeholders invited to submit requests for additional transmission studies

f. Comments/questions

6. APS

a. APS Planning Calendar and Methodology – Peter Krzykos

Peter pointed out that the Loads and Resources Committee under the PCC (Planning Coordination Committee) in the WECC is another source for determining what resource additions the members of WECC have plans for.

Q. Is it true that Slide 24 represents only those requests for interconnection to facilities owned solely by SRP and that another queue exists for requests for interconnection to facilities that are jointly owned by transmission providers including but not limited to SRP?

Ans. That is correct for SRP. And both queues are located on SRP's page on the westTTrans website under the "Participants" tab. APS has elected to use only one queue for both types of requests.

b. Draft 10 Year Plan – Jason Spitzkoff

Q. What is the projected in-service date for the Delany Substation?

Ans. 2014 is the official in-service date but there are 1800MW worth of generators wanting to interconnect at Delany which may advance the construction of this substation a few years. The construction of the proposed new PaloVerde to Devers #2 line will also affect the actual in-service date of Delany Sub.

Q. If the proposed new PaloVerde to Devers #2 line received ACC approval to construct today would it affect the proposed in-service date for Delany sub?

Ans. Yes it would advance the in-service date for Delany sub.

c. Interconnection Requests and Transmission Service Requests

Q. Are all of the large generator interconnection requests currently in APS' queue for energy only interconnection service?

Ans. No, some of the requests are for network interconnection service plus energy interconnection service.

Q. Are the large generator interconnection requests in APS' queue coming from developers?

Ans. Yes they are mostly from independent power producers.

Q. It is difficult to read and to print APS' large generator interconnection request queue. Is there something going to be done to correct that situation?

Ans. Yes, APS is about to post a new update which will fix this problem.

d. Requests received for economic planning studies

No requests for economic planning studies were received during the past year.0

- e. Stakeholders invited to submit requests for additional transmission studies
- f. Comments/questions

7. Stakeholder Questions/Comments

Q. Referring back to Slide 23, if a generation project involves a wires-to-wires interconnection is it necessary to make both a generation interconnection service request and a wires-to-wires interconnection request?

Ans. No, if the wires-to-wires interconnection is needed for the generator interconnection then only one request is required.

Q. In general it might make sense to do some power flow studies to determine optimal locations on the transmission system for interconnection of new generation projects. Is this Attachment K workshop the appropriate forum for requesting that that type of study be conducted?

Ans. This is the correct forum to make this type of request. APS and SRP have already done this to some degree. They have identified a number of projects to upgrade different portions of the EHV transmission system (EOR 9300 Project, Navajo Southern Transmission System, Coronado Transmission System) and continue to look for more opportunities. You can submit requests or suggestions to APS or SRP.

Q. Does it make sense to do power flow studies to determine where the constraints are on the transmission system and whether they are schedule constraints or actual flow constraints?

Ans. There is a flow based WestConnect committee looking at whether constraints on the transmission system are due to flow or due to schedules. If you have a particular area of concern which you would like this committee to explore please send a request identifying your concerns to SRP or APS at the email address identified at the end of the power point presentation. Also, you may request to be added to the distribution list for the flow based committee.

Q. Who would do the study work associated with determining whether a constraint is due to flow or schedule - WestConnect or APS or SRP?

Ans. Since WestConnect doesn't have a staff for running power flow studies it would have to be studied by a transmission provider.

Q. Currently what is the status of the work the WestConnect flow based committee is conducting?

Ans. Currently the committee is working on identifying paths within WestConnect that would be good candidates for a flow based experiment. The theory is that if

the path has historically been congested and yet the actual flows on the path have not approached the path limit it is a good candidate for increasing ATC by transitioning to the flow based method for calculating ATC.

Q. Are the WestConnect flow based committee meetings open to anyone interested?

Ans. Yes, all the meetings are open to anyone interested in attending.

Q. Is study work required in order for a transmission provider to be able to offer conditional firm transmission service on its system?

Ans. Yes, studies are required to determine the conditions under which curtailment may occur and the number of hours during the year curtailment may occur. The transmission provider must determine both of these pieces of information in order to be able to offer conditional firm transmission service.

Q. Does SRP or APS offer conditional firm transmission service today?

Ans. Yes, both SRP and APS offer conditional firm service today. But a transmission customer must first request firm transmission service on the path of interest. If firm service is not available then the customer may request that the transmission provider examine the potential for conditional firm service as an alternative to firm service. The transmission provider will then conduct studies to determine if conditional firm service is viable. Transmission providers are not required to offer a generic conditional firm product that transmission customers can buy over oasis.

Q. At what point in the study process does the conditional firm study begin – feasibility study or system impact study or facilities study?

Ans. The availability of conditional firm transmission service is determined as part of the system impact study done in response to a firm transmission service request. The process is explained in the transmission providers OATT.

Q. What is the curtailment priority for conditional firm transmission service?

Ans. If the conditional firm customer chose the “system conditions option” and the transmission system conditions causing the need for curtailment are those identified in the conditional firm agreement then all schedules of the conditional firm customer will be curtailed prior to schedules of customers with firm transmission service but after all non-firm schedules are curtailed. If the conditional firm customer selected the “number of hours option” and if the number of hours the transmission customer has already been curtailed during the year are less than the limit identified in the conditional firm agreement then the conditional firm customer will be curtailed back to zero schedule before any of the other firm schedules on the path are curtailed but after all non-firm schedules

are curtailed. Curtailment for the “number of hours option” must be for reliability events or maintenance events but do not have to be for the condition that created the need for conditional firm service.

Q. What is the curtailment priority if there is more than one transmission customer on a path with conditional firm transmission service?

A. Curtailment priority will depend on the business practice of the transmission provider offering the conditional firm service until FERC makes a ruling giving guidance on how to handle special situations such as the one described in this question.

Q. WECC is studying an expanded ACE (Area Control Error) mechanism (Ace Diversity Interchange or ADI) or reserve sharing. Is either SRP or APS involved in these studies? When will ADI be implemented?

Ans. ADI is already in operation among the members of the Northern Tier Transmission Group - PacifiCorp (PACE and PACW Balancing Authorities), Idaho Power and Northwestern Energy, administered by BCTC. A number of additional Balancing Authorities, including SRP and APS, have signed on to participate and are awaiting final installation by BCTC of hardware and software needed to administer the expanded ADI group. The new ADI hardware and software are expected to be up and running by the end of January 2009.

A subcommittee of the WECC Operating Committee is investigating concerns expressed by operators and owners of COI (e.g. BPA, CAISO, SMUD) that expansion of the ADI footprint to include SW and inland West BAs will negatively affect inadvertent flows on COI. While the investigation proceeds (which SRP supports), the expanded participants have agreed to implement ADI in two bubbles (NW entities and SW entities, divided according to current reserves sharing group boundaries) for 6 months. Thereafter, ADI may be operated as a single bubble, depending on what the WECC investigation shows and consensus of the ADI participants.

Q. When will ADI be implemented?

Ans. No one knows for sure but it will probably be no sooner than the end of 2009.. However, as noted above there are currently some Balancing Authorities that are already participating in ADI. We need to note that some WECC members raised reliability concerns on the implementation of ADI across the West. The WECC Operating Committee voted to require additional studies that demonstrate the system will respond reliability in the event of a contingency before ADI is implemented.

8. Action Items – No action items resulted from this meeting.

12/15/08 Add Eldin's comments

12/16/08 Add Jason's comments