

Entergy & the SPP Independent Coordinator of Transmission

An Overview of Entergy's Transmission Planning 'Strawman' Proposal

FERC Technical Conference
Order 890 Transmission Planning Provisions

Little Rock, AR

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Requirements

Transmission Provider shall:

- Establish a coordinated, open and transparent planning process with
 - Its Network and Firm Point-to-Point Transmission Customers; and,
 - Other Interested Parties.
- Include the coordination of such planning with interconnected systems within its region.
- Ensure that the Transmission System is planned to meet the needs of both the Transmission Provider and its Network, and Point-to-Point Transmission Customers on a comparable and non-discriminatory basis.
- Provide the process as Attachment K to the OATT.

Requirements, cont'd.

The Transmission Provider's planning process shall satisfy the following nine principles:

1. Coordination;
2. Openness;
3. Transparency;
4. Information Exchange;
5. Comparability;
6. Dispute Resolution;
7. Regional Participation;
8. Economic Planning Studies; and,
9. Cost Allocation for New Projects.

An Overview of Entergy's Transmission Planning 'Strawman' Proposal

The strawman proposal is available in its entirety on Entergy's OASIS web site:
<http://oasis.energysolutions.com/documents/ees/EntergyTransmissionPlanningStrawman.pdf>

Planning Principle No. 1: Coordination

- A number of ICT planning procedures provide for significant coordination among Entergy, transmission customers, and interconnected neighbors:
 - *First, under the Planning Protocol, the ICT, using data provided by Entergy, develops the Base Case Model for the Entergy transmission system.*
 - *The Base Case Model is a power flow model representing Entergy's transmission system. The Base Case Model is used for reliability assessments, transmission service request studies, and economic studies. For the development of the Base Case Model, the ICT reviews and validates data inputs that are provided by Entergy to ensure consistency with the Planning Criteria. Once the model is developed, it is posted on OASIS.*
 - As part of the development of the Base Case Model, the ICT and Entergy will participate in the regional model development process for the SERC region. That process includes annual coordination among the SERC member systems and more frequent exchanges of information when appropriate.

Planning Principle No. 1: Coordination (cont'd)

- Second, Entergy is an active member in a number of SERC committees and subcommittees, including SERC's Engineering Committee Regional Studies Executive Committee ("RSEC") and its subcommittees. The RSEC's responsibilities include:
 - Overall responsibility for the intra-regional reliability study process and coordinating inter-regional reliability study processes.
 - Establishing and maintaining policies for conducting intra-regional studies and providing direction for inter-regional studies.
 - Promoting consistency in intra-regional and inter-regional studies.
- *Third, the ICT will be responsible for identifying any opportunities for regional optimization of the Construction Plan with the construction plans of individual Southwest Power Pool ("SPP") transmission owners (as included in the SPP regional plan).*

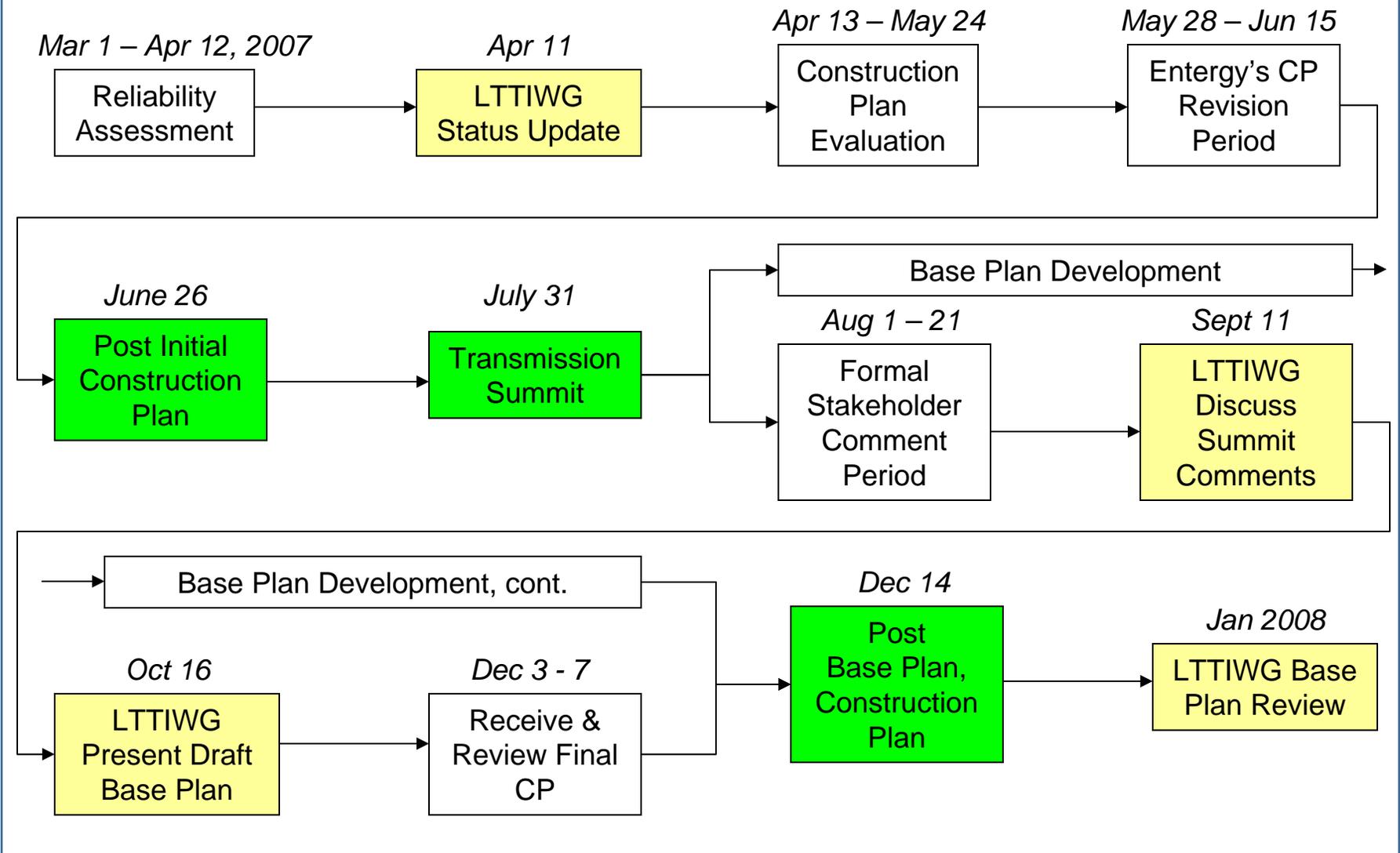
Planning Principle No. 1: Coordination (cont'd)

- *Fourth, the ICT will lead Entergy's annual Transmission Planning Summit with stakeholders and regulators, to review the ICT's independent reliability assessment and Entergy's Construction Plan. The purpose of the Transmission Planning Summit, which Entergy has conducted since 2001, is to involve all stakeholders in an organized planning process and to provide those stakeholders an opportunity for input to the process. Among other things, the ICT will*
 - a) solicit feedback on the transmission reliability projects and economic projects that have been identified,*
 - b) solicit alternatives to those projects,*
 - c) explain the planning process and desired customer input (e.g., load and resource data, proposed solutions, any reliability concerns), and*
 - d) explain how and where to obtain information about the transmission system.*

Planning Principle No. 1: Coordination (cont'd)

- *Fifth, Stakeholders are able to provide comments to the ICT through four technical stakeholder working groups and the Entergy ICT Stakeholder Policy Committee. The ICT stakeholder process is used to formulate official positions of the Entergy stakeholders, which will be included in the ICT's quarterly reports to the regulators. The Stakeholder Policy Committee (SPC) is a full-representation group.*
 1. *Stakeholder Policy Committee*
 2. *LTTIWG – Long-Term Transmission Issues Working Group*
 3. *NTTIWG – Near-Term Transmission Issues Working Group*
 4. *WPPIWG – Weekly Procurement Process Issues Working Group*
 5. *ICT Users Group*

2008-10 Base Plan Development Process



Planning Principle No. 2: Openness

- Entergy believes that the Commission's requirement that transmission planning meetings must be open to all affected parties already is satisfied and that, in this regard, further procedures are not required to meet Planning Principle No. 2.
- The stakeholder process is designed to make transparent any inputs, assumptions, and methodologies relied upon in developing the Base Plan, subject to confidentiality requirements and the protection of commercially sensitive information. (Planning Protocol § 3.2.3)
Entergy plans to work with the ICT to develop mechanisms to manage confidentiality and CEII concerns.

Planning Principle No. 3: Transparency

- Entergy provides for transparency of criteria, assumptions, data, methodology, and processes used in Entergy's transmission planning by making available:
 - a) The power flow models used in its transmission planning analyses;
 - b) Modeling response files;
 - c) Documents detailing Entergy's proposed and approved transmission reliability projects; and,
 - d) Maps and special notices.

- *In addition to the processes for open planning discussed above, the Planning Protocol provides for the ICT to conduct stakeholder meetings to obtain stakeholder input regarding the Planning Criteria and other inputs, assumptions, and methodologies relied upon in developing the Base Plan.*
 - *On July 12, 2006, the ICT conducted a stakeholder meeting concerning Entergy's transmission planning criteria and solicited feedback. Issues identified by stakeholders are currently being addressed, in order of stakeholder priority, in the ICT's LTTIWG meetings.*

Planning Principle No. 3: Transparency (cont'd)

- *The Planning Protocol requires the ICT to ensure that the Planning Criteria (i.e., the criteria, standards, and processes used in developing the Construction Plan and the Base Plan) are posted on OASIS and sufficiently detailed so that the transmission planning process is transparent and understandable.*
 - *The ICT must independently review the description of the Planning Criteria to ensure that these criteria are sufficiently defined for transmission customers to understand how transmission planning is conducted.*
 - *If the ICT concludes that additional detail is required, Entergy must modify the appropriate business practice documents to include the additional detail.*
 - *The ICT will post on OASIS the final versions of the criteria.*
 - *Following the posting of the Planning Criteria, the ICT must conduct a stakeholder meeting to obtain stakeholder input regarding the Planning Criteria.*
 - *Entergy's planning criteria are posted on OASIS: https://oasis.e-terrasolutions.com/documents/EES/ICT_PlanningStudiesAndRelatedDocuments.htm*

The Commission previously determined that the level of disclosure under the ICT proposal provides all parties with the information needed to make the planning process transparent.

Planning Principle No. 4: Information Exchange

- In 2004 Entergy convened a Model Data Collection Meeting in an attempt to develop procedures for consistency in load forecasting and data submittal, and a standard format for LSEs to submit their forecasts.
- Among other things, Entergy proposed a template for submitting load and resource forecasts, and requested comments on that template.
- Entergy:
 - Plans to work with the ICT and stakeholders to formalize and standardize the template and procedures;
 - Will work with the ICT and stakeholders to expand the information exchange to point-to-point customers; and,
 - Believes that the (Long-Term Transmission Issues Working Group) LTTIWG provides an existing forum to address these matters.

Planning Principle No. 5: Comparability

- *The comparability requirement is satisfied under the ICT planning procedures. The Planning Protocol specifically provides that:*
 - *The ICT shall perform the functions enumerated herein and in Attachment S in an independent manner and, in all cases, shall use its independent judgment to ensure that transmission planning is conducted on a non-discriminatory basis. [Entergy] shall perform its functions in a manner consistent with Good Utility Practice, its obligations to Native Load Customers and its obligations to Transmission and Interconnection Customers under FERC Order Nos. 888 and 2003.*
- *(Planning Protocol § 1.2) The Planning Protocol also provides that "[t]he ICT will conduct transmission planning on a non-discriminatory basis in accordance with the Planning Criteria."*

Planning Principle No. 6: Dispute resolution

- *Dispute resolution is addressed in Attachment S of Entergy's OATT. Under Section 4.3 of Attachment S:*
 - a) *If the ICT believes that certain Required Information submitted by the Transmission Provider does not meet tariff requirements, reliability criteria, other applicable standards, or is otherwise inconsistent with the Transmission Provider's obligation to provide transmission and interconnection service on a nondiscriminatory basis, it shall meet and confer with the Transmission Provider in an effort to resolve the matter. Both parties shall have an obligation to use reasonable efforts to resolve the dispute expeditiously.*

Planning Principle No. 6: Dispute resolution (cont'd)

- b) In the event that a dispute cannot be resolved informally, and the dispute involves issues of significance to Market Participants or Interested Government Agencies, the ICT shall take all reasonable steps, on an expeditious basis, to inform Market Participants and Interested Government Agencies of the dispute, as further described below. Such steps need not be performed in the sequence listed below.*
- i. If the Transmission Provider and ICT cannot resolve a dispute informally, the ICT shall immediately post a notice of the disagreement on Entergy's OASIS site. The notice shall identify the nature of the dispute and provide a brief description of the respective positions of the Transmission Provider and ICT.*
 - ii. The ICT shall discuss the issue with Market Participants at the next applicable stakeholder meeting and solicit their views as to how it should be resolved.*
 - iii. The ICT shall, as soon as practicable, inform Interested Government Agencies of the existence of the dispute and recommend any appropriate action to resolve the dispute.*

Planning Principle No. 6: Dispute resolution (cont'd)

- c) *In the event the dispute relates to a specific request for interconnection or transmission service, the ICT shall seek to resolve the matter expeditiously by meeting with the affected customer and the Transmission Provider and, if the matter cannot be resolved informally, either the customer or the Transmission Provider may request that the FERC resolve the dispute. The ICT may inform Interested Government Agencies of such dispute at any time.*
- d) *The foregoing is without prejudice to any affected Market Participant requesting that the Commission resolve any dispute at any time that is within the jurisdiction of the Commission, including, but not limited to, by submitting a complaint pursuant to Section 206 or requesting the filing of an unexecuted service agreement to resolve a customer-specific dispute with the Transmission Provider.*
- e) *The ICT's position shall control pending resolution of any dispute under this Section 4 or the Transmission Planning Protocol attached hereto.*

Planning Principle No. 6: Dispute resolution (cont'd)

- *Other dispute resolution procedures already are defined under the Entergy OATT that relate to transmission upgrades associated with specific requests for interconnection and transmission services.*
 - *Interconnection Service Protocol Dispute Resolution*
 - *Feasibility Study*
 - *System Impact Study*
 - *Facilities Study*
 - *Transmission Service Protocol Dispute Resolution*
 - *System Impact Study*
 - *Facilities Study*

Planning Principle No. 7: Regional Participation

- Because of Entergy's strong ties with transmission owners to the east of its service territory, and its full membership in SERC, Entergy believes that SERC should be the broader region in which Entergy will participate in coordinated regional planning.
 - Entergy already shares system plans with other members of SERC to ensure that the plans are simultaneously feasible and otherwise use consistent assumptions and data.
 - Entergy intends to meet with other SERC transmission entities to address possible additional processes for identifying system enhancements that could relieve congestion or integrate new resources, including the coordination of requests for studies of possible economic upgrades in sub-regional or regional planning processes.

Planning Principle No. 7: Regional Participation (cont'd)

- Entergy will continue to be a liaison member on Southwest Power Pool's ("SPP's") Transmission Working Group ("TWG"). This group is responsible for:
 - Planning criteria to evaluate transmission additions;
 - Seasonal Available Transfer Capability ("ATC") calculations;
 - Seasonal flowgate ratings;
 - Oversight of coordinated planning efforts, and,
 - Oversight of transmission contingency evaluations.
- The TWG:
 - Develops recommendations for SPP's Operations Policy Committee regarding changes to SPP criteria.
 - Works with individual transmission owners on issues of coordinated planning and NERC and SPP compliance.
 - Coordinates the calculation of the ATC for maintaining regional reliability.
 - Is responsible for publication of seasonal and future reliability assessment studies on the transmission system of the SPP region.

Planning Principle No. 7: Regional Participation (cont'd)

- *The ICT will study and review regional optimization opportunities with Entergy, other affected transmission owners, and stakeholders.*

- *ICT's current involvement in regional activities*
 - *Acadiana area study*
 - *SOCO RPSG*
 - *SERC LTSG Model Development*
 - *SPP RTO STEP*

Planning Principle No. 8: Economic Planning Studies

Section 11 of the Planning Protocol addresses the economic planning studies and provides that:

- *The ICT will identify potential economic upgrades on the Transmission System, including upgrades to existing facilities as well as construction of new facilities. The ICT will identify upgrades based on screening criteria, which may include:*
 - *Frequent TLRs;*
 - *Frequently constrained flowgates in the AFC or WPP process;*
 - *Flowgates with high congestion costs as identified in the WPP process;*
and
 - *Commonly invoked must-run operating guides.*
- *The ICT, in conjunction with the Transmission Provider, will do preliminary analysis of the cost of upgrading each facility identified by the ICT, and will post this information on OASIS, subject to the provisions of Attachment S.*

Planning Principle No. 8: Economic Planning Studies (cont'd)

- *The ICT will provide information about the potential benefits of the upgrades.*
- *Transmission and Interconnection Customers may request the ICT to conduct an economic upgrade study.*
 - *Customer requests for economic upgrade studies will be processed in a separate queue from transmission service requests.*
 - *Customers wishing to proceed with upgrades must make a service request pursuant to either:*
 - i. *A Network Integration Transmission Service Agreement or an appropriate grandfathered transmission arrangement or agreement;*
 - ii. *A request for Point-to-Point Transmission Service; or*
 - iii. *A request for optional upgrades under an existing Interconnection and Operating Agreement of Large Generator Interconnection Agreement.*

Planning Principle No. 8: Economic Planning Studies (cont'd)

- *Customers will be free to fund economic upgrades based on their own economic analysis of the value of the upgrade.*
 - *The ICT may not require the Transmission Provider to construct such upgrades unless the customer has agreed to fund such upgrades.*
 - *Neither the ICT nor the Transmission Provider guarantees any economic benefits from such upgrades.*
- *To the extent that the requesting customer funds an economic upgrade in order to permit a change in the dispatch of an existing Network Resource, the Transmission Provider and the ICT will reflect the new dispatch in the Base Case Models for the Transmission System and in the Transmission Provider's operating guides, as applicable.*
- *The ICT will report periodically to the Transmission Provider's retail regulators and FERC regarding all economic upgrade planning activities.*

Planning Principle No. 8: Economic Planning Studies (cont'd)

- *This provision addresses the basic requirements of Order No. 890 related to economic planning studies. The Transmission Planning Protocol can be expanded to:*
 - (a) address more specifically the clustering or batching of requests for economic planning studies,*
 - (b) address OASIS postings, and*
 - (c) specify the right to request high priority studies and the allocation of costs of economic studies.*

Planning Principle No. 9: Cost Allocation for New Projects

- The pricing mechanism for transmission upgrades on the Entergy transmission system, including for economic upgrades, has been approved in Attachment T of Entergy's OATT.
- Planning Protocol, Section 9.3
 - “The ICT may recommend an allocation of costs among individual transmission owners, but such recommendation will not be binding.”
- Entergy will work with other transmission owners to develop cost allocation proposals for regional projects.