



Comments on the Southern Sub-region Schedule K

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October 1, 2007

[Stakeholder comments concerning the Southern Sub-region Schedule K
posted on September 14, 2007.

Docket Nos. RM05-17-000, RM05-25-000, Order No. 890, 72 FR 12266 (March 15, 2007)]



Southern Sub-region Schedule K General Comments

- The FERC staff White Paper has been very helpful. It is often quoted in this presentation.
- Many comments are (hopefully) just omissions due to a lack of time on the Transmission Owners part. These are in plain text and included to serve as a ‘check list’ for the December 7 filings.
- Items in **RED** are those that there may be strong disagreement about. **Further FERC guidance may be needed on these items.**



Southern Sub-region Schedule K General Comments

Further FERC guidance may be needed on the following:

- **Geographic definition of REGION in the SERC area. (REGION needs to be SERC-wide.)**
- **SERC-wide, or 'inter-regional' transmission planning needs to comply with the 9 Principles.**
- **A committee structure is needed that involves stakeholders in the underlying development of the transmission plan.**
- **The RPSG needs; sufficient time to review materials, notice on required votes, control of member terms and control of its make up (Add the Demand Resources sector).**



Southern Sub-region Schedule K General Comments

Further FERC guidance may be needed on the following:

- **Transmission Owners need to make available all information necessary to REPLICATE transmission studies. All requested and appropriate information needs to be available.**
- **Dispute Resolution needs two mandatory (not just one) steps before expensive long term resolution methods are necessary.**
- **Transmission providers should consider whether reliability projects could be modified or changed to increase economic benefits and/or resolve economic constraints.**



Southern Sub-region Schedule K General Comments

Further FERC guidance may be needed on the following:

- **The cost responsibility is clearly assigned but the transmission rights associated with that expenditure need to also be specified. Stakeholders should not pay twice for economic projects.**
- **The cost allocation proposal should fairly assign costs among participants, including those who cause them to be incurred and those who otherwise benefit from them.**
- **This will require evaluations of benefits to everyone and an allocation of cost to those who benefit.**
- **Transmission Owners need to work with stakeholders in determining how beneficiaries will be identified and the benefits quantified.**



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.1 Any meetings held should be on a comparable basis. (FWP 1) ‘Inter-regional’ meetings need to be open to all stakeholders as are the current ‘regional’ meetings.

The definition of “Stakeholder” must include those who may potentially be in the defined categories. For example; an IPP who hasn’t yet built in the Region should qualify as a stakeholder.

1.2 The four annual meetings do not provide sufficient opportunity for customers and other stakeholders to participate in the planning process.

The participation of smaller groups of stakeholders in the committee structure suggested will allow participation in the underlying development of the transmission plan



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.2.1 Meeting dates must be noticed 60 days in advance. To achieve full stakeholder participation there must be sufficient lead time for meetings.

The stakeholders will be queried via Email, and a posting on the Regional Planning Website, to solicit their suggestions on Economic Planning Studies. The Stakeholder's suggestions will be consolidated by the RPSG.

The RPSG will be encouraged to coordinate with other stakeholder groups in the inter-regional area to compile 'regional' and 'inter-regional' economic planning study requests that cover their 'regional' needs and the 'inter-regional' needs. This would allow, for example, a 'region' with only 3 'regional' economic study requests to utilize its remaining two for 'inter-regional' studies that benefit the entire 'inter-region'.

The economic planning studies are done for the benefit of stakeholders and stakeholders are best able to decide for themselves what they want to have studied.



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.2.4.2 The input assumptions will be Emailed to stakeholders and posted on the website 30 days prior to the meeting date.

Materials that need consideration should be sent out in sufficient time for them to be fully reviewed. A week of review time would often result in only superficial review and little capability for meaningful stakeholder input.



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.3 To allow sufficient stakeholder involvement in transmission planning several other committees of stakeholders and sponsors need to be formed.

TPWG – Transmission Planning Working Group – to interact with the planning process as it proceeds, in addition to the 4 annual stakeholder general meetings.

CAWG – Cost Allocation Working Group – to work with sponsors and stakeholders on cost allocation within the ‘region’ and ‘inter-region’

RPWG – Regional Planning Working Group – to interact with stakeholders and sponsors in the ‘inter-regional’ area concerning consolidation of ‘regional’ plans, simultaneous feasibility, and economic planning studies.

IEWG – Information Exchange Working Group – will insure proper exchange of data and confidentiality of same. It will also insure that data is sufficient to replicate planning studies and sufficient to do planning studies.

OTHERS – as necessary.



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.3 How they will be formed, the responsibilities of each, and how decisions will be made within the group and/or committee will be decided by the combined action of the sponsors and the RPSG.

Identify the rules governing committee and group activity and whether those rules are established by the transmission provider or the committee/group itself.

Transmission providers should clearly identify the matters for which a particular group or committee is responsible so that customers and other stakeholders can easily access the particular planning activities in which they are interested. Staff recommends that the number of groups within which planning activities occur are not so large as to become unwieldy for parties interested in participating.

Describe what role the transmission provider will play in coordinating the activities of the planning committees or meetings, as relevant.



Southern Sub-region Schedule K

1. Coordination (P 451-454)

In some instances, it may be appropriate for the transmission provider to act as facilitator for a particular group or committee, while other groups or committees may be better suited to self-governance or need a neutral moderator. **The role of the transmission provider and other parties in these groups and meetings should be clearly described in Attachment K.**



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.3.1 Demand Resources needs to be added as an 8th sector.

1.3.2 The RPSG will have 16 members with the addition of the Demand Resources sector.

1.3.3 Nothing will impose limitations on the number of terms those serving on the RPSG may serve except as imposed by the RPSG.

This is in consideration of how the RPSG is geographically scattered, the time it takes to establish working relationships, the time it takes to achieve understanding of the complexities the RPSG deals with, the need for year-to-year continuity within the RPSG and the proposed 'inter-regional' time frame of 2 years. Not Comparable in that Transmission Owners are not expected to serve only one year terms.



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.3.4 All deadline dates for relieving the Transmission Provider of obligations must be specified at least 60 days in advance. Concerning deadline dates, as specified herein, the simple majority rule will apply to only deadline dates where the RPSG meeting was properly noticed, simple majority is more than fifty percent of those present, including those having been assigned votes of others, in writing, for this meeting.

1.3.5 (i) 8 sectors not 7.

(iii) Nothing will impose limitations on the number of terms those serving on the RPSG may serve except as imposed by the RPSG.

(iv) Concerning decisions having deadline dates only, as specified herein, the simple majority rule will apply to only deadline dates where the RPSG meeting was properly noticed, simple majority is more than fifty percent of those present, including those having been assigned votes of others, in writing, for this meeting. Otherwise the RPSG voting and formal incorporating documents will be those as decided by the RPSG



Southern Sub-region Schedule K

1. Coordination (P 451-454)

1.5 Meeting notices and notices of changes to the website will be emailed to all stakeholders (regardless of CEII status) that have signed up for the Email distribution list.

Requirements for certification for CEII data will be as required by FERC.



Southern Sub-region Schedule K

2. Openness (P 460)

2.1 All Meetings, be they annual meetings of stakeholders, RPSG or other committees, related to Planning and the concerns of this Schedule K shall have minutes taken and published on the planning website, and shall be open to all stakeholders and sponsors.

Transmission providers, in consultation with affected parties, must also develop mechanisms to manage confidentiality and CEI concerns, such as confidentiality agreements and password-protected access to information.

“Transmission providers should describe the composition of any committees or groups used in the planning process.” “All parties interested in the planning process should be allowed to participate, as relevant.”



Southern Sub-region Schedule K

2. Openness (P 460)

To allow sufficient stakeholder involvement several other committees of stakeholders and sponsors need to be formed. This will allow the sharing and review of information commencing early in the process and ongoing, rather than commencing only after the transmission provider has prepared a final draft plan without stakeholder input.

TPWG – Transmission Planning Working Group – to interact with the planning process as it proceeds, in addition to the 4 annual stakeholder general meetings.

CAWG – Cost Allocation Working Group – to work with sponsors and stakeholders on cost allocation within the ‘region’ and ‘inter-region’

RPWG – Regional Planning Working Group – to interact with stakeholders and sponsors in the ‘inter-regional’ area concerning consolidation of ‘regional’ plans, simultaneous feasibility, and economic planning studies.

IEWG – Information Exchange Working Group – will insure proper exchange of data and confidentiality of same. It will also insure that data is sufficient to replicate planning studies and sufficient to do planning studies.

OTHERS – as necessary.



Southern Sub-region Schedule K

2. Openness (P 460)

2.2 Per the FERC White Paper;

Describe the procedures used to notice meetings and other planning-related communications.

Staff suggests use of a transmission planning page on OASIS containing information such as:

- notice procedures and e-mail addresses for points of contact and questions;
- a calendar of meetings and other significant events, such as release of draft reports, final reports, data, *etc.*;
- a subscription page that allows stakeholders to sign up to an e-mail distribution list to receive meeting notice and other announcements; and
- the form in which meetings will take place (*i.e.*, in person, teleconference, webinar, *etc.*).
- Staff also encourages transmission providers to have mechanism in place to notify affected parties of the development of a potential project, or other significant events, and invite them to participate in related planning meetings.



Southern Sub-region Schedule K

2. Openness (P 460)

2.3.1 CEII data needs to be specifically identified and be consistent between all sponsors.

2.3.3 Certification criteria needs to be specifically stated in the Schedule K.



Southern Sub-region Schedule K

3. Transparency (P 471-479)

3.1 The sponsors will provide information regarding the status of upgrades identified in the transmission plan at the 4 annual meetings and update the same information as it becomes available on the website.

In Attachment K the sponsors will specify the frequency of transmission plans and the planning study horizons used and provide a flow chart diagramming the steps of the planning process.

Sponsors will describe their process to notify interested parties of changes or updates in the data bases used for transmission planning.

Transmission providers will develop a transmission plan briefing paper that describes the plan in a manner that is understandable to stakeholders (e.g., describing any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need).



Southern Sub-region Schedule K

3. Transparency (P 471-479)

3.1 Sponsors will identify a knowledgeable technical point of contact to respond to questions regarding modeling criteria, assumptions, and data underlying transmission system plans.

Transmission providers will establish a process by which stakeholders can discuss, question, or propose alternatives for any upgrades identified by the transmission provider. With the concurrence of the RPSG, this may be assigned to one of the stakeholder/sponsor committees.

3.2 (4) Any other external or internal (relative to the sponsor) criteria or other direction considered for planning activities.



Southern Sub-region Schedule K

3. Transparency (P 471-479)

3.3 The sponsor will also supply data requested by stakeholders or other sponsors. The release of such information may be made subject to appropriate confidentiality or CEI protection procedures.

3.4 (2) (a) Questions and answers concerning transmission planning will be posted on the web site.

3.5.1.1 change last phrase to; facilitate Stakeholders' ability to replicate transmission planning study results to those of the Transmission Provider.

3.5.1.2 These explanations and their background information will be posted on the website.

3.5.2 The ten (10) year transmission expansion plan will be developed in concert with stakeholders and especially the TPWG.



Southern Sub-region Schedule K

3. Transparency (P 471-479)

3.5.3 For stakeholders to be 'involved' in the planning process that process needs to take place in conjunction with stakeholders. This will be done by involvement of the TPWG throughout the process.

Transmission providers should identify the frequency of updates regarding the status of upgrades or alternatives, and how such upgrades or alternatives are reflected in future plan development (*i.e.*, in-service, under construction, planned, proposed, or concept).



Southern Sub-region Schedule K

4. Information Exchange (P 486-488)

Staff recommends that transmission providers, in consultation with customers, identify procedures for submission of data by transmission customers.

Transmission providers should identify how information provided by each class of customer is used in the planning process.

Staff recommends that the exchange of information be a continual, two-way process as the transmission provider moves through the study process



Southern Sub-region Schedule K

4. Information Exchange (P 486-488)

Data exchange could be accomplished through automated means, such as through an “e-room,” subject to appropriate confidentiality restrictions.

Transmission customers should provide the transmission provider with timely written notice of material changes in any information previously provided relating to its load, its resources, or other aspects of its facilities or operations affecting the transmission provider’s ability to provide service.



Southern Sub-region Schedule K

6. Dispute Resolution (P 501-503) (Sch K as 5)

Utilize a three-step dispute resolution process of negotiation, mediation, and arbitration, in that order.

After the negotiation period of 30 days the parties, if no settlement is reached, the dispute will be submitted to the use of the Commission's Alternative Means of Dispute Resolution (18 C.F.R. § 385.604, as those regulations may be amended from time to time.

If still unresolved the Parties may by unanimous agreement voluntarily submit to the use of the Commission's Arbitration process (18 C.F.R. § 385.605, as those regulations may be amended from time to time) or such other dispute resolution process that the Parties may unanimously agree to utilize.

5.2 And an Email notice sent to stakeholders signed up for such Email.



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

“each transmission provider is required to coordinate with interconnected systems”

“Within regional planning it must be shown how each transmission provider is satisfying its obligations under Order No. 890.”

SOCO is also interconnected with Entergy, TVA, Duke, Santee, SCEG, CPL and FPL and should be planning with them to identify system enhancements that could relieve congestion or integrate new resources.

“The scope of a Region needs to be governed by the integrated nature of the regional power grid and the particular reliability and resource issues affecting individual regions and sub-regions.”



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

“The transmittal letter accompanying the transmission provider’s Attachment K should *describe how both the local and the regional planning process satisfy the other eight principles.* “

” inter-regional coordination should strive for consistency in planning data and assumptions and address system enhancements that could relieve transmission congestion across multiple regions”



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

as part of the transmittal letter to its compliance filing:

- The forms of sub-regional or regional planning that occur today in the transmission provider's region;
- The modifications or improvements to such processes that are being proposed as part of compliance with Order No. 890;
- The reasons why a particular sub-region or region was chosen to address compliance with Principle No. 7;

The process by which the proposed sub-regional or regional planning processes can evolve over time as stakeholders gain experience with them (e.g., in undertaking additional studies as experience is gained with the initial studies; in formalizing stakeholder and state agency participation; in exchanging data, etc.).



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Introduction section

Each transmission provider is required to coordinate with interconnected systems. The SERC companies are interconnected and need to plan as one region.

The geographic scope of a planning process should be governed by the integrated nature of the regional power grid and the particular reliability and resource issues affecting individual regions and sub-regions. As can be seen from the preliminary results of the RPSG requested economic planning studies, the stakeholder interest and issues in the southeast require a SERC wide region fall under the FERC Order No. 890 planning criteria.

That planning needs to identify system enhancements that could relieve congestion or integrate new resources before considering economic planning study requests from stakeholders.



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

To the extent a transmission provider relies on or coordinates with other entities to conduct planning activities, the roles and obligations of all participants should be clearly stated.

Transmission providers should explain whether the processes used in local planning are the same as those used for regional planning.

If separate processes are used for local planning and regional planning Attachment K should clearly identify those processes and the method the transmission provider will use to delineate the activities undertaken in each process.

The transmittal letter accompanying the transmission provider's Attachment K should "describe how both the local and the regional planning process satisfy the other eight principles".



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Transmission providers shall develop common data bases for local and regional planning activities so that data inputs are consistent. Similarly, regional entities engaged in planning activities should describe efforts to achieve consistency in the data assumptions used by neighboring regional entities.

“‘Inter-regional’ coordination should strive for consistency in planning data and assumptions and address system enhancements that could relieve transmission congestion across multiple regions.” This needs to be done before considering stakeholder requested economic studies.



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

“Each transmission provider shall describe, as part of the transmittal letter to its compliance filing:

- The forms of sub-regional or regional planning that occur today in the transmission provider's region;**
- The modifications or improvements to such processes that are being proposed as part of compliance with Order No. 890;**
- The reasons why a particular sub-region or region was chosen to address compliance with Regional Participation Principle;**
- The process by which the proposed sub-regional or regional planning processes can evolve over time as stakeholders gain experience with them.”**



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Purpose section; This “Inter-Regional Planning Process” doesn’t comply with the other 8 Principles.

Current Inter-Regional Planning Process section: SERC will have to coordinate and approve any ‘inter-regional’ plans that have been made to include economic based projects and expansions of reliability based projects for economic purposes.

Participating Transmission Providers section: **All SERC transmission providers need to participate.**

Proposed Inter-Regional Participation Process section: **Provide a specific description of how “ this process will build on the current inter-regional, reliability planning processes required by existing multi-party reliability agreements to allow for additional participation by stakeholders”.**



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Proposed Inter-Regional Participation Process section:

This is only a small part of the other 8 Principles.

See the White Paper on the data coordination required. What is proposed is only an exchange of data, not coordination.

Stakeholders will need to coordinate on which ‘inter-regional’ studies will be done.

Since SOCO can do 5 inter-regional studies in 5 months, can’t they do 24 interregional studies in 24 months!



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Proposed Inter-Regional Participation Process section:

Is this “external” planning / “seams” effort different than what is presently done? If so, then how is it better?

Details on how this ‘external’ planning will comply with the 8 Principles.

The activities of the study coordination team need to be spelled out as they are for the ‘regional’ planning Schedule Ks. This is especially important in so far as they coordinate and include stakeholders and don’t just present completed studies to stakeholders.



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Proposed Inter-Regional Participation Process section:

Four meetings over two years is not enough involvement with stakeholders. A committee structure that works with the “study coordination team” continuously would comply with Order No. 890 and the White Paper.

The meetings are necessary to keep ALL stakeholders informed, but the involvement of the stakeholders in the planning process requires a committee structure.

The Inter-Regional Planning Process is a series of meetings rather than a program of participation by stakeholders.



Southern Sub-region Schedule K

7. Regional Participation (P 523-528) (Sch K as 6)

Inter-Regional Participation Process Cycle section;

To be comparable, this 'inter-regional' process must be done on a one year cycle. This is the cycle on which all studies are done within the SERC region. It is understandable that the first cycle may take two years to complete, given the complexity involved, but subsequent cycles should be one year.

Stakeholder Input in the Development of Inter-Regional Participation Process section:

Sponsors of the inter-regional planning process need to facilitate a coordination of stakeholders.



Southern Sub-region Schedule K

8. Economic Planning Studies (P 542-551)(Sch K as 7)

7.1 There needs to be coordination between the economic planning study requests made by stakeholders in the participating 'regions' and those made for the 'inter-regional' area.

In addition to stakeholder requested economic planning studies transmission providers must plan not only to maintain reliability, but also to “*consider whether transmission upgrades can reduce the overall cost of serving native load.*”

Describe the scope of economic planning undertaken by the transmission provider on behalf of its native load and OATT customers.



Southern Sub-region Schedule K

8. Economic Planning Studies (P 542-551)(Sch K as 7)

7.1

“Transmission providers should state the type of economic planning studies that are performed and the classes of transmission users on whose behalf they are performed. If the same economic planning studies are performed on behalf of some users (e.g., native load) but not others users of the grid, the transmission provider should explain how the requirements of comparability are satisfied.”

“The transmission provider should explain whether reliability and economic projects are considered separately and, if so, how the economic benefits of reliability projects are considered and vice versa. Transmission providers should consider whether reliability projects could be modified or changed to increase economic benefits and/or resolve economic constraints.”

The RPSG should consider adopting procedures to govern the clustering or batching of similar requests.



Southern Sub-region Schedule K

8. Economic Planning Studies (P 542-551)(Sch K as 7)

7.2 Economic planning study requests should not be limited in scope. The ‘regional’ and ‘inter-regional’ stakeholders should determine which studies and types of studies are of relevance to them.

The 5 year time frame should be changeable by agreement between the stakeholders and transmission providers.

7.4 The Transmission Provider may, following communications with [and agreement by] the RPSG, cluster those studies for purposes of the transmission evaluation.



Southern Sub-region Schedule K

8. Economic Planning Studies (P 542-551)(Sch K as 7)

7.5 All involved transmission providers will give the requesting stakeholder a good faith estimate of the cost to perform such study before the stakeholder is required to commit to it.

7.6 Postings for meetings need to take place 30 days (not one week) before meetings to consider them to allow sufficient time to consider the information.



Southern Sub-region Schedule K 9. Cost Allocation (P 557-561) (Sch K as 8)

8.1 The cost responsibility is clearly assigned but the transmission rights associated with that expenditure need to also be specified. The contributing stakeholder will receive firm point-to-point or network service credits for the MW of service paid for in the cost allocation for a period of 40 years.

The cost allocation proposal “should fairly assign costs among participants, including those who cause them to be incurred and those who otherwise benefit from them.” This will require evaluations of benefits to everyone and an allocation of cost to those who benefit. For example, a particular project may allow a party to more efficiently dispatch its generation, resulting in a savings to them. A portion of this savings needs to be allocated to paying for the project.

There must be “ex ante certainty through definite cost allocation rules and clear rules for identifying who benefits from specific projects.”



Southern Sub-region Schedule K

9. Cost Allocation (P 557-561) (Sch K as 8)

8.1 The cost allocation proposal should provide adequate incentives to construct new transmission. Those paying for new transmission need to receive transmission rights equal to those payments.

“The transmission provider needs to specifically identify;

- 1. how beneficiaries will be identified and whether classes of customers will be identified for purposes of allocating project costs; and**
- 2. how project costs will be allocated to an entity whose needs my not have given rise to the upgrade, but that nevertheless has a need during the planning horizon that is met in whole or in part by that upgrade; and,**
- 3. how identified beneficiaries may address alternatives or deferrals of transmission line costs, such as through the installation of distributed resources.”**



Southern Sub-region Schedule K

9. Cost Allocation (P 557-561) (Sch K as 8)

8.1 Transmission providers should also explain how the particular methodology is comparable to how they would allocate costs to themselves, and their native load customers, for similar types of upgrades.

8.2.2 Specify the process that requests for ‘inter-regional’ economic upgrades need to go through.



Southern Sub-region Schedule K

10. Recovery of Planning Costs (P 586)(Sch K as 9)

“Transmission providers need to work with stakeholders and state agencies to determine if any other entities are in need of cost recovery for planning related activities and, if so, how those costs will be recovered.”



Southern Sub-region Schedule K Closing Comments

THE BIG ISSUES REMAINING;

- **SERC-wide, and ‘inter-regional’ transmission planning needs to comply with the 9 Principles.**
- **A committee structure is needed that involves stakeholders in the underlying development of the transmission plan.**
- **Dispute Resolution needs two mandatory (not just one) steps before expensive long term resolution methods are necessary.**
- **Stakeholders should not pay twice for economic projects.**
- **The cost allocation proposal should fairly assign costs among participants, including those who cause them to be incurred and those who otherwise benefit from them.**



Southern Sub-region Schedule K Last Slide

Questions?