



Technical Conference on Environmental Regulations and Electric Reliability, Wholesale
Electricity Markets, and Energy Infrastructure
Docket No. AD15-4-000
Western Region¹ - February 25, 2015, Denver, CO

Agenda

- 8:45am – 9:00am** **Welcome and opening remarks**
- 9:00am – 9:30am** **Regional energy infrastructure presentation (FERC staff)**
- 9:30am – 10:00am** **Introduction to the Clean Power Plan**

Joseph Goffman, Associate Assistant Administrator & Senior Counsel, Environmental Protection Agency (EPA), will provide a brief overview of the proposed Clean Power Plan² and highlight specific issues relevant to the Western region.

10:00am – 12:00pm **Electric reliability considerations**

Panelists should be prepared to discuss the following topics and questions:

1. The Western Interconnection includes a broad range of electric industry entities that are subject to various governance structures, regulatory authorities, and

¹ For purposes of this conference, the Western Region includes all the areas in the Western Interconnection, including the California Independent System Operator (CAISO).

² Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, Federal Register, 79 Fed. Reg. 34,830 (2014) (Proposed Rule), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-06-18/pdf/2014-13725.pdf>

system planning organizations (e.g., reliability entities, regional planning organizations, state public utility commissions, grid operators).

- a. Considering the broad range of entities involved, what tools or processes are available to ensure electric system reliability as states and regions in the West develop plans to comply with the Proposed Rule? Are additional tools or processes needed to ensure coordination between these entities as compliance planning moves forward? What role can the Western Electricity Coordinating Council (WECC) play given that it is an interconnection-wide Regional Entity?
 - b. How will the broad range of electric industry entities in the Western Region (including investor-owned utilities, publically-owned utilities, rural electric cooperatives and independent power producers) engage with environmental regulators (including state environmental regulators, EPA regional offices, etc.) as compliance planning moves forward?
 - c. Does the wide variety of governance structures applied to electric industry entities in the West present challenges for regional coordination?
2. Each of the Western states faces a different set of circumstances, including the range of electric industry entities, resource mix, and state-specific carbon reduction goal. Considering this diversity, what would be the primary considerations in developing a regional compliance plan?
 3. Given that the Western region operates primarily under bilateral arrangements, what are some of the reliability considerations this may present for developing a regional compliance plan?
 4. What operational issues could arise in the Western region under different compliance approaches? Are there operational issues that could arise if neighboring states adopt different methods of compliance?
 5. What tools or processes are available to entities in the Western region to address these potential issues and ensure that electric reliability is maintained as compliance moves forward? Are additional tools or processes needed?
 6. What are the preliminary indications from the studies that have been conducted regarding the impacts of the Proposed Rule on reliability in the Western region (e.g., studies conducted by WECC,³ Southwest Area Transmission (SWAT),⁴ consultants, or others)? Are there limitations to the current studies; and, if so, how can future studies address those limitations?

³ WECC Staff, *EPA Clean Power Plan Phase I- Preliminary Technical Report* (Sept. 19, 2014), available at [https://www.wecc.biz/Reliability/140912_EPA-111\(d\)_PhaseI_Tech-Final.pdf](https://www.wecc.biz/Reliability/140912_EPA-111(d)_PhaseI_Tech-Final.pdf)

⁴ SWAT, *SWAT Coal Reduction Assessment Update* (Aug. 28, 2014), available at <http://www.azcc.gov/Divisions/Utilities/Electric/Biennial/2014%20BTA/Workshop%20Announcements%20&%20Agendas/Workshop%20II/SWAT%20Coal%20Reduction%20Assessment%20Update%20Presentation.pdf>

7. Are there lessons learned from the West's experience in reliably integrating increased penetration of variable energy resources that can be applied in meeting the requirements of the Proposed Rule?
8. Are adaptations to current Commission policies needed to ensure that reliability is maintained in the Western region?

Panelists:

- Chairman Joshua Epel, Colorado Public Utilities Commission
- Chairman Alan Minier, Wyoming Public Service Commission
- Melanie Frye, Vice President Reliability Planning and Performance Analysis, Western Electricity Coordinating Council
- Hardev Juj, Vice President, Transmission Planning and Asset Management, Bonneville Power Administration
- Mike Hummel, Associate General Manager & Chief Power System Executive, Salt River Project
- Wayne Morter, Director of Power Management, Seattle City Light
- Kara Clark, Principal Engineer, National Renewable Energy Laboratory
- Ben Fowke, Chief Executive Officer, Xcel Energy

12:00pm – 1:00pm Lunch

1:00pm – 2:45pm Identifying and addressing infrastructure needs

Panelists should be prepared to discuss the following topics and questions:

1. Given that the Western Interconnection includes a broad range of electric industry entities that are subject to various governance structures, regulatory authorities, and system planning organizations (e.g., reliability entities, regional planning organizations, state public utility commissions, grid operators), what mechanisms can be used in the Western region to identify potential infrastructure needs and ensure that adequate infrastructure will be built in sufficient time to comply with the Proposed Rule? Are additional mechanisms needed?
2. Considering the broad range of electric industry entities involved, and the variety of regulatory authorities and governance structures within which those entities operate, what are the primary challenges to coordinating planning processes to evaluate energy infrastructure needs in the Western region?
3. Given certain features of the Western region, such as the significant hydroelectric generation, the high penetration of renewables, the lack of natural gas storage in some areas, and the prevalence of federal lands, are there unique infrastructure needs in order to comply with the Proposed Rule? If so, what are those needs?

4. How will compliance with the rule affect existing trading patterns in the West, and will changes to those trading patterns cause the need for new infrastructure to be built (e.g., electric transmission, gas pipelines, gas storage facilities)? If so, how will construction of the needed infrastructure be synchronized with compliance to the rule?
5. How can entities involved in permitting identify the need for and expedite the development of infrastructure to meet the Proposed Rule's requirements?
6. In complying with the Proposed Rule, are there specific infrastructure needs that will be driven by the unique geography of the Western region? What tools and processes are available to address these unique infrastructure needs?
7. Are adaptations to current Commission policies needed to facilitate the development of necessary infrastructure for the Western region?
8. Please comment on any studies that have been performed with respect to infrastructure needs in the Western region.

Panelists:

- Chairman Alaina Burtenshaw, Nevada Public Utilities Commission
- Joel Bladow, Senior Vice President for Transmission, Tri-State Generation and Transmission Association Inc.
- Mark Gabriel, Administrator, Western Area Power Administration
- Sean Gallagher, Vice President of State Affairs, Solar Energy Industries Association (SEIA)
- Brian Parsons, Director, Western Grid Group
- Mark Westhoff, Vice President, Pipeline Management, Kinder Morgan
- Maury Galbraith, Executive Director, Western Interstate Energy Board

2:45pm – 3:00pm Break

3:00pm – 4:30pm Potential implications for wholesale markets and bilateral trading

Panelists should be prepared to discuss the following topics and questions:

1. What wholesale market design and bilateral trading issues, including revisions to the terms of standard contracting agreements (e.g., the Western Systems Power Pool Agreement), could arise in the Western region under various compliance approaches?
2. Is it likely that new seams issues will be created between the different wholesale markets in the Western region, including bilateral markets, as a result of compliance, and if so, how will those issues be addressed?

3. What are the implications, if any, of various compliance approaches on the emerging energy imbalance market in the West?
4. What tools are available to ensure that regional market practices and bilateral arrangements are coordinated across the Western region under various compliance approaches?
5. What are the lessons learned, if any, from implementing the requirements of California's cap and trade program for greenhouse gases?
6. In the past, various western entities have explored trading tools, transmission scheduling enhancements and reserve sharing arrangements to enhance the ability to integrate variable energy resources. What is the status of those efforts? Did the parties identify any barriers to implementation that may be relevant to development of similar market enhancements that may be needed in conjunction with compliance efforts?
7. Are there specific features of Commission-jurisdictional markets that can be utilized to facilitate the implementation of state or regional compliance plans or would adaptations to current Commission policies help facilitate state efforts?

Panelists:

- Mark Rothleder, Vice President, Market Quality and Renewable Integration, California Independent System Operator
- Commissioner Travis Kavulla, Montana Public Service Commission
- Edie Chang, Deputy Executive Officer, California Air Resources Board
- Steven Schleimer, Senior Vice President, Governmental and Regulatory Affairs, Calpine
- Stefan Bird, Senior Vice President, Commercial and Trading, PacifiCorp (on behalf of Berkshire Hathaway Energy)
- Clare Breidenich, Western Power Trading Forum
- John Jimison, Managing Director, Energy Future Coalition

4:30pm – 4:45pm**Wrap up and closing remarks**