

FERC ORDER 890

Reform on Transmission Planning Process

Sponsored by:

**Florida Power & Light Company
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Reform on Transmission Planning Process

- Transmission Providers participate in a coordinated open, comparable, non-discriminatory and transparent planning process as individual providers, as well as at the regional level.
- Transmission Providers' individual transmission planning processes in conjunction with the FRCC Regional Transmission Planning Process (FRTTP) satisfy the following nine (9) planning principles in Order 890.
 1. Coordination
 2. Openness
 3. Transparency
 4. Information Exchange
 5. Comparability
 6. Dispute Resolution
 7. Regional Participation
 8. Economic Planning Studies
 9. Cost Allocation for New Projects

1. COORDINATION

- Transmission Providers consult and interact with customers and neighboring systems on a comparable and non-discriminatory basis.
 - Dialogue between Transmission Provider and customer intended to meet customers needs.
- Coordination meetings are scheduled with customers at the beginning and during various stages of the transmission planning process.
 - Customer also can request coordination meetings at any time.

1. COORDINATION (Cont.)

- The FRTPP ensures coordination among the Transmission Providers.
 - The FRTPP provides for customer and neighboring systems full participation in the process.
 - A composite list of long term firm transmission requests and generation interconnection requests is developed in order to facilitate coordination.
- The FRCC consolidates and coordinates Transmission Providers/Owners Expansion Plans and posts them on the FRCC web site.

2. OPENNESS

- Transmission Providers provide notice and schedule meetings with their customers to share information and/or study findings.
 - Information such as loads, network resources, projection of future needs are shared and discussed.
 - Meetings are held for sharing of thoughts including potential transmission alternatives scoping of studies, discussing progress of studies, and communicating results from feasibility, system impact and facilities studies.

2. OPENNESS (Cont.)

- FRCC transmission planning meetings are scheduled monthly with two weeks notice.
 - The meetings are open to ensure fair treatment of all customers/users, owners and operators of the transmission system.
- Customer input is included in the early stages of development of plans as well as during and after the evaluation process.
- The Florida Public Service Commission (“FPSC”) is encouraged to and does, participate in the FRTTP.
- Processes are in place to protect confidential information.

3. TRANSPARENCY

- Transmission Providers plan their systems on a non-discriminatory basis for all customers in accordance with NERC and FRCC Planning Standards.
- Standards/Criteria are available (or may be posted) to all customers/stakeholders (e.g. Facility Connection Requirements, Bulk Electric System Facility Ratings Methodology, etc.)
- Transmission Provider provides written descriptions of methodology, of criteria and processes used to develop plans.

3. TRANSPARENCY (Cont.)

- FRCC compiles the Transmission Providers/Owners FERC 715's within the FRCC region.
- FRCC makes available planning assumptions and project descriptions for new transmission projects.
- FRCC publishes Transmission Providers' system impact study schedules so that other potentially impacted transmission owners can independently assess whether they are impacted and want to participate in the study analysis.
- FRCC posts planning studies on the FRCC web site.

4. INFORMATION EXCHANGE

- Transmission Providers participate in information exchange with customers, neighboring utilities, and the FRCC.
 - Opportunity for customer to evaluate initial study findings or propose potential alternative transmission solution for consideration.
- Extensive coordination and information exchange exists in the development of the regional electric power system databanks for the FRCC Region for the planning horizon.

4. INFORMATION EXCHANGE (Cont.)

- The FRCC Transmission Planning Working Group and Stability Working Group, under the direction of the FRCC Planning Committee, set the schedule and maintain database models (load flow, short-circuit, stability) and update them periodically.
 - These databanks contain projected loads, planned and committed transmission project upgrades, which are utilized by Transmission Providers as the base case for studies.
- Processes are in place to protect confidential information.

5. COMPARABILITY

- Transmission Providers include into their plans both retail and wholesale transmission service obligations, on a comparable basis.
 - These obligations generally consist of forecasted load growth, new generation/network resources, long term point to point, wholesale power purchases/sales and new distribution stations/delivery points, demand sources etc.
- This information is also provided to the FRCC for databank development.

5. COMPARABILITY (Cont.)

- Transmission Providers' provide the FRCC their latest transmission expansion plans which incorporate the transmission expansion needed to meet transmission customer requirements.
- The Transmission Providers planning processes, together with the FRTTP, provide customer/users an active role in the development of the transmission plans.
- The FRCC compiles and posts on the FRCC website a list of the transmission projects which is updated and kept current.

6. DISPUTE RESOLUTION

- Transmission Providers utilize the provisions of Article 12 of the Open Access Transmission Tariff (OATT), if a dispute arises with a customer involving Transmission Service under the OATT.
- Disputes between or among the Transmission Providers regarding the FRTTP may utilize two alternative non-binding dispute resolution processes.
 1. Mediation dispute resolution process.
 - A mediator is selected jointly by the parties.
 2. Independent evaluation dispute resolution
 - Selected by the FRCC Board of Directors.
- If the dispute resolution process described above is not successful, then the parties may take the dispute to the Florida Public Service Commission or any other regulatory body having jurisdiction.

7. REGIONAL PARTICIPATION

- The FRTTP begins with the consolidation of all the transmission plans of the Transmission Providers/Owners
- The FRTTP must address any issue that has not been adequately addressed, with emphasis on constructing a robust regional transmission system.
- The FRCC also coordinates with the Southeastern Sub-region of SERC with which the FRCC is connected for the purpose of ensuring or augmenting the reliability of the bulk electric system. Activities include:
 - Exchange of information (e.g. Forecasted load, generation additions, capability of bulk power interchange facilities, study data/models, etc.)
 - Coordination of transmission planning/operations and maintenance to ensure reliability.

7. REGIONAL PARTICIPATION (Cont.)

- Coordination of interconnection lines and facilities including construction of facilities.
- Participation and coordination in joint planning and operation studies.
- The FRCC is a member of the Eastern Interconnection Reliability Assessment Group (ERAG) which includes the Midwest Reliability Organization, the Northeast Power Coordination council, Inc., Reliability first Corporation, SERC Reliability Corporation, and Southwest Power Pool.
 - Ensure reliability of the interconnected system and the adequacy of infrastructure for the benefit of all end-users of electricity and all entities engaged in providing electric services in the region.

8. ECONOMIC PLANNING STUDIES

- Transmission Providers perform economic studies for a transmission customer and utilize OASIS for such requests
 - Coordinate with other transmission owners as necessary.

FRTTP addresses both economic and congestion sensitivity studies

- Economic dispatch from all generation (firm and non-firm) resources.
- Evaluation of potential generating resource options.
- Evaluation of areas that may experience significant and reoccurring transmission congestion.
- Consideration of clustering of studies as appropriate.

9. COST ALLOCATION

- Transmission Providers plan to utilize the Florida Regional Transmission Expansion and Cost Responsibility and Resolution Process if the transmission expansion results in a material adverse impact on a third party transmission owner.
- The FPSC is involved in the process by providing oversight, guidance, and may exercise its statutory authority.

9. COST ALLOCATION (Cont.)

Cost Allocation Principles

- Transmission owner is responsible for upgrades in its system.
 - If transmission expansion has an impact on a third party transmission owners system (Affected TO) the Affected TO shall have an incentive to construct by having the right to recover the costs of transmission expansion. Thresholds for cost recovery of transmission expansion:
 - o A pre-specified change in flow on the Affected TO's facilities which result in a reliability standards violation.
 - o Transmission expansion must be 230kV or higher voltage.
 - o Costs associated with the transmission expansion must exceed a pre-specified amount.
 - o The TO must identify itself as a potential Affected TO in a timely manner.

9. COST ALLOCATION (continued)

Cost Allocation Principles (continued)

- Cost allocation methodology for the transmission expansion shall reflect the following:
 - A recognition of planned transmission facility benefits that are identifiable, quantifiable and needed (e.g. deferral of other transmission projects).
 - Costs, net of recognized benefits, shall be allocated based on:
 - o A portion to the load in the area or zone associated with the transmission expansion.
 - o A portion to sources or cluster of sources which is causing the need for transmission expansion.

9. COST ALLOCATION (continued)

Cost Allocation Principles (continued)

- Good faith negotiation among parties (senior representation) not to exceed 90 days.
- Dispute not resolved, FRCC Board attempts to resolve issue. If still not resolved may seek resolution from the FPSC.
- If transmission expansion impacts wholesale transmission rates a party may file with FERC.
- Parties maintain all rights to pursue issues before any regulatory body having jurisdiction.