



## **Los Angeles Department of Water and Power**

**FERC Order 890 Strawman Proposal  
for Coordinated, Open, and Transparent Planning**

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***FERC Technical Conference  
Phoenix, Arizona***

***June 26, 2007***

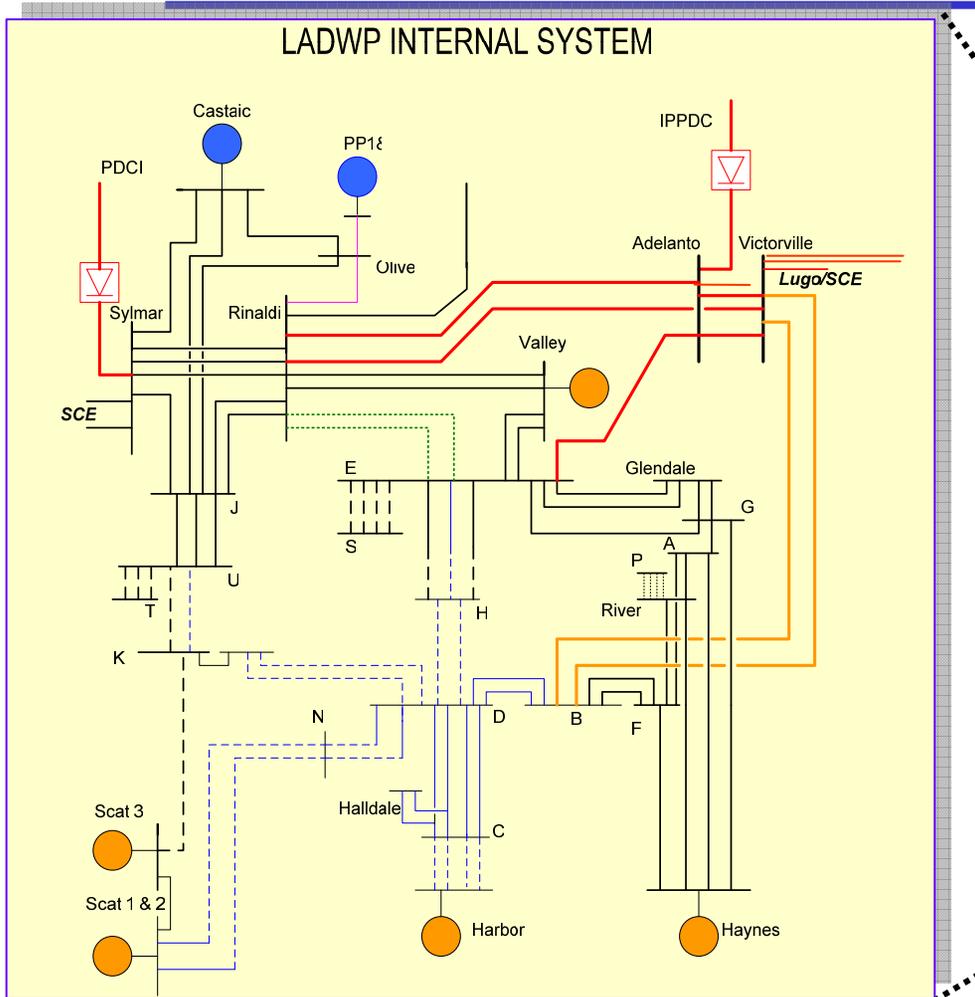
## LADWP System Background

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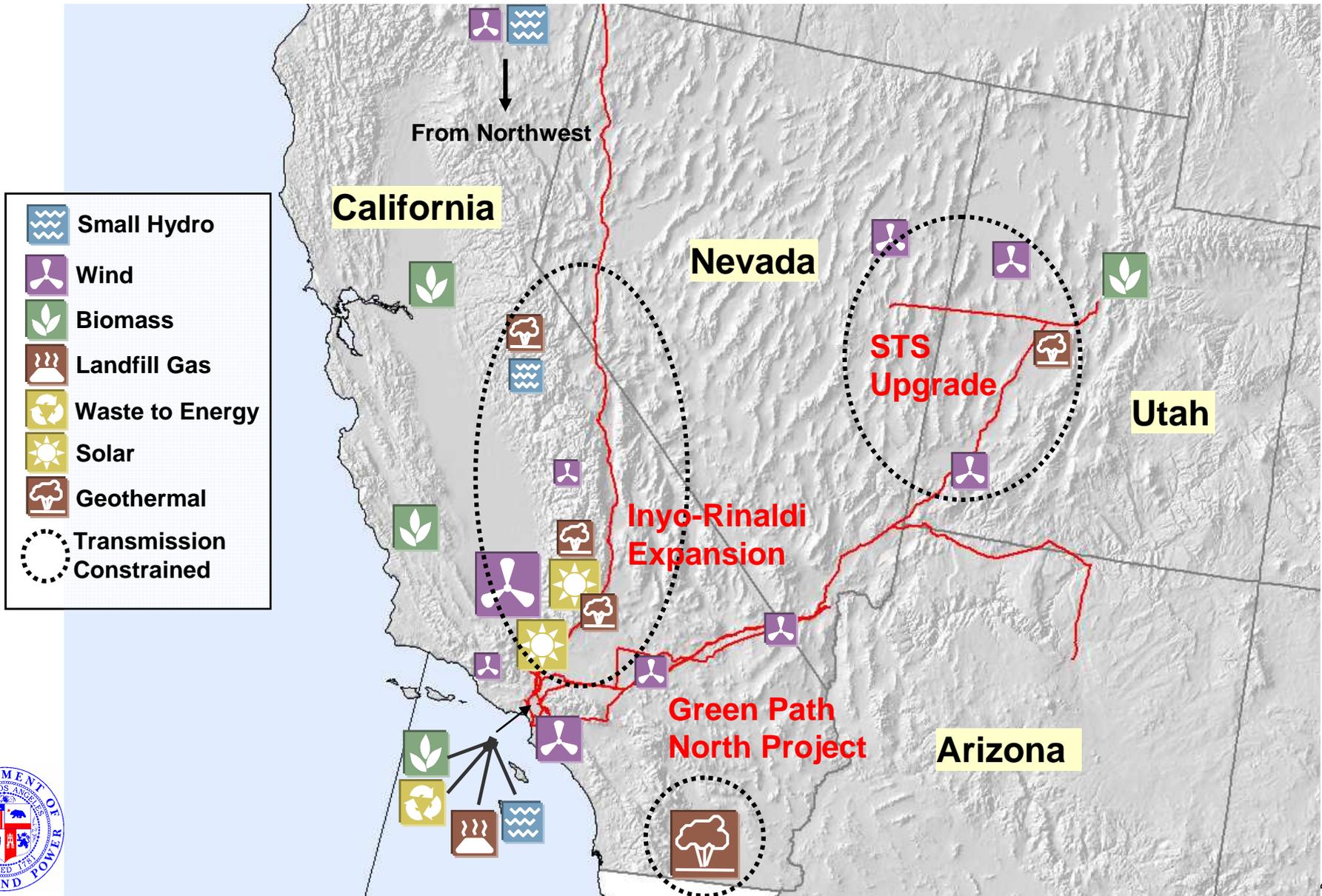
- Largest municipal utility in U.S.
- 465 sq. mile service territory: Los Angeles City & Owens Valley
- Serve 4 million residents of Los Angeles, 1.4 million customer meters
- 7200 MW generation capacity
- System Peak of 6,165 MW (July 24, 2006)
- 25,000 GWH annual production (2006)
- Over 4,600 miles of high-voltage AC and DC transmission lines.
- Presently working on several large transmission expansion plans including: expansion of the +/-500 kV Intermountain Power Project DC, a new 500 kV Green Path North Project, expansion of a 230 kV Inyo-Rinaldi system, and several internal system upgrades.



# LADWP System



# LADWP's Current Transmission Expansion Plan



# LADWP's Long History in Regional Transmission Planning and Development

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- LADWP has been promoting and participating in the planning and development of jointly-owned regional transmission and generation projects. Examples: Hoover Dam, Pacific DC Intertie, Navajo, Mojave, Palo Verde, Intermountain, Mead-Adelanto/Mead-Phoenix projects, and Green Path North Project.
- LADWP jointly-owned projects have laid the foundation and form the backbone of the interconnected power system in the West.
- LADWP jointly-owned projects continue to enhance the reliability of the interconnected transmission systems in the West.
- LADWP jointly-owned projects continue to enable efficient and economic transportation of huge amount of electric energy over long distance and cross regions to fuel the economic development in the Western United States.



## LADWP's Long History of Participation in Regional Planning Groups

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- Member of Southern California Public Power Authority (SCPPA) (joint powers authority - is a collaborative forum to promote generation and transmission projects to meet the regional needs in Southern California)
- Founding member of the Western Arizona Transmission System (WATS), a regional group with the expressed mission to ensure the reliability and expansion of the 500-kV transmission system between Arizona, Nevada, and California.
- Active participant in Western Electricity Coordinating Council (WECC), Southwest Transmission Expansion Planning (being disbanded), California Operating Studies Subcommittee, California Coordinating Committee on Power Operations (disbanded), etc.



## LADWP's Three Planning Levels

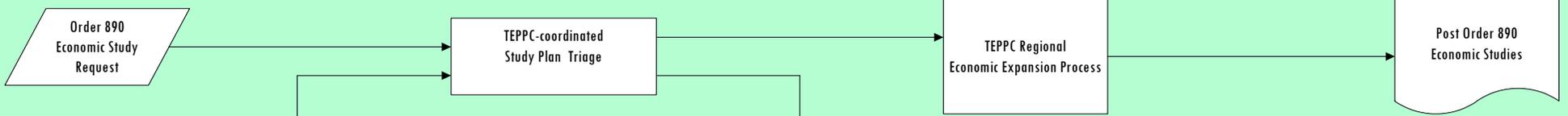
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- Local planning – This includes transmission planning for the transmission providers system in a local area, or between the transmission provider and neighboring system(s) that are embedded within the transmission providers system that have negligible electrical impacts outside the local area. Examples of local planning areas within LADWP's system include the Los Angeles Basin transmission network encompassed within the LADWP balancing authority, etc.
- Sub-regional planning – This includes transmission planning within a larger geographical area that spans several local areas that have electrical impacts on neighboring system(s). For LADWP, this consists of the interconnected electrical network spanning several states in the Southwestern U.S., including California, Nevada, Arizona, and Utah.
- Regional planning – This includes transmission planning that has electrical impacts across multiple sub-regions within the Western Interconnection.

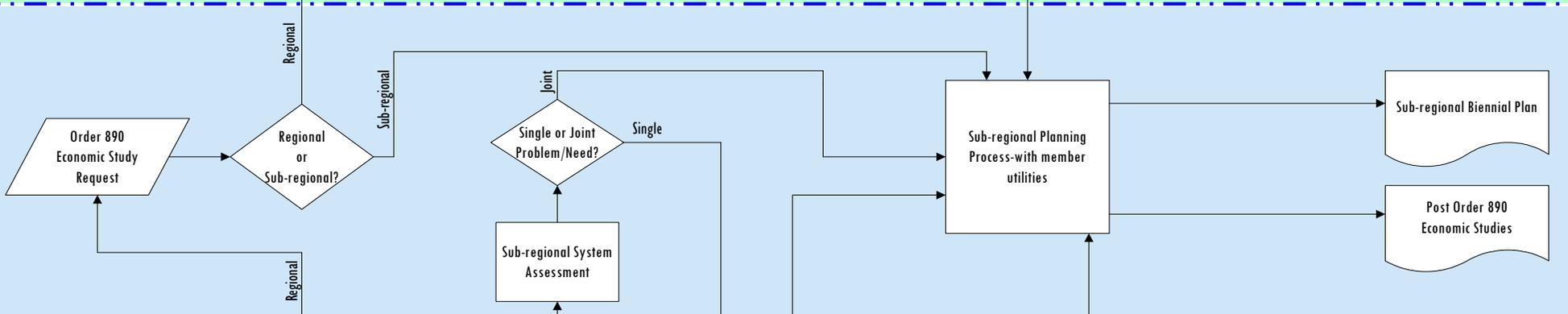


# LADWP STRAWMAN

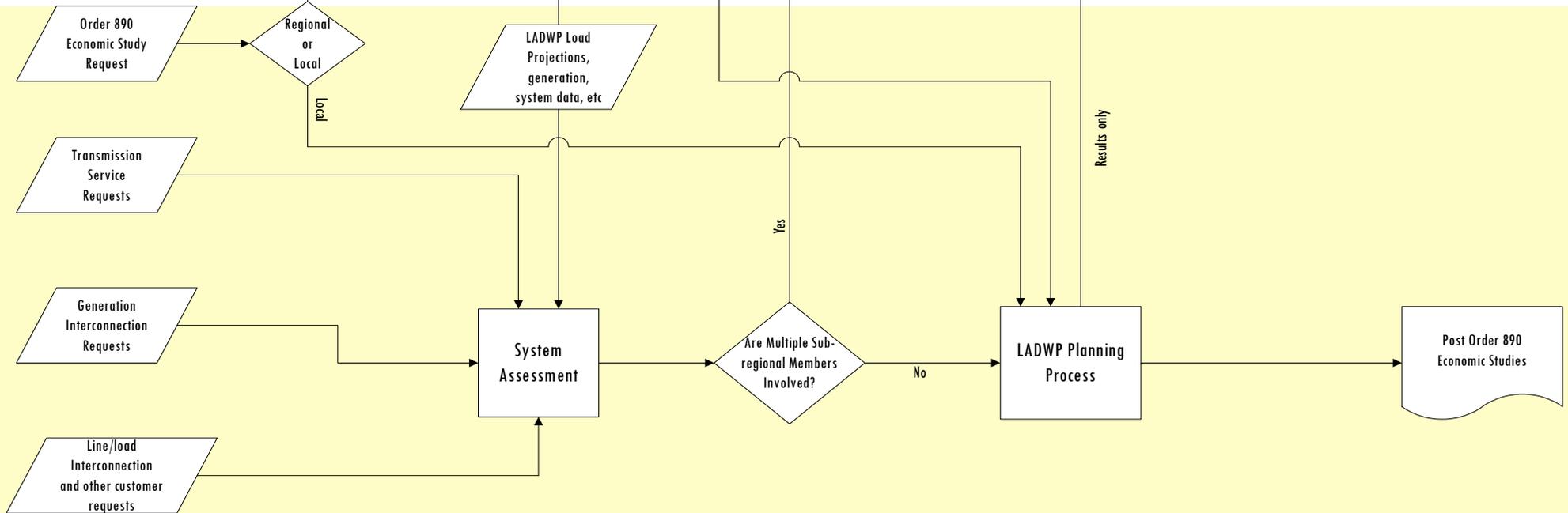
WECC/TEPPC



Sub-regional



LADWP



## LADWP's Regional and Sub-regional Participation

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- LADWP will continue its tradition and be an active member of emerging sub-regional and WECC-wide forums for the expressed purpose of meeting all the requirements of FERC 890.
- LADWP either owns or jointly own very extensive transmission ties in the WestConnect sub-region of Arizona, Nevada, and Utah. Over 70% of LADWP's high-voltage transmission system is inside the footprint of the WestConnect. With this synergy, LADWP, is in the process of obtaining the approval of its governing bodies to join the WestConnect (limited only to the Planning Initiative).
- LADWP is also in discussions with other California parties to form a California Sub-regional Planning (CSP) group to assess stakeholders and market needs of the State of California. If and when the CSP group is formed, it is LADWP's intent to also participate in the CSP after obtaining the approval of its governing bodies.
- As a member of the WECC, LADWP will continue to participate in WECC regional planning through Transmission Expansion Planning Policy Committee (TEPPC).



# LADWP's Coordinated, Open and Transparent Planning Process

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1. If a planned project only impacts LADWP and LADWP's customers, LADWP will conduct its own internal planning process.
2. If a planned project impacts neighboring system(s) that include member(s) of WestConnect, LADWP intends to act through WestConnect for coordination and participation in the planning process.
3. [If a planned project impacts neighboring system(s) that include member(s) of California, LADWP intends to act through California Sub-regional Planning Group (CSP) for coordination and participation in the planning process.]
4. If a planned project impacts neighboring system(s) that are not WestConnect [or CSP] members, LADWP will either act through WestConnect, [CSP] or continue to coordinate directly with the interconnected utilities through its own planning process.
5. If a planned project impacts a wide area encompassing several sub-regions within the WECC, LADWP will act through WECC Transmission Expansion Planning Policy Committee (TEPPC).



## LADWP's Coordinated, Open and Transparent Planning Process – Regional Level

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1. Submission of the latest computer simulation modeling data to WECC for inclusion in WECC powerflow base cases.
2. Annual submission of Annual Progress Report to WECC.
3. Annual submission of Significant Additions Report to WECC.
4. Submission of Form 715 Filings to FERC.
5. Active participation in WECC planning committees and technical subcommittees as appropriate.
6. Active participation in project review committees for projects going through the WECC three phase rating process that impact the LADWP system. LADWP intends to also provide support through WestConnect when WestConnect is a participant in a project review.
7. Active participation in WECC TEPPC expansion planning activities.



## LADWP's Coordinated, Open and Transparent Planning Process – Sub-regional Level

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1. LADWP intends to submit its portion of computer simulation modeling data used in the WestConnect system screening studies as required by WestConnect.
2. LADWP's plans for system expansion will be shared with WestConnect for inclusion in their biennial transmission plans. These include single system projects or projects that may include only non-WestConnect members, that are either reliability/load service projects or that originate from transmission service or interconnection requests.
3. LADWP plans for system expansion on a sub-regional basis that impact other utilities that are members of WestConnect will be planned using WestConnect study teams.
4. LADWP intends to follow similar coordination activities as above with California Sub-regional Planning (CSP) Group, when and if it is formed.



## LADWP's Coordinated, Open and Transparent Planning Process – Local Level

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1. LADWP's planning studies are performed in accordance with published reliability criteria/standards of WECC, NERC, and LADWP. LADWP's planning studies will also be performed in accordance with applicable regional and sub-regional guidelines as they are developed.
2. Technical data used in LADWP's planning studies and process are available, subject to appropriate non-disclosure, including LADWP's planning basecases.
3. LADWP, a municipal utility of the City of Los Angeles, as mandated by its laws, regularly brings its transmission plans and budget to an open public process through its neighborhood councils, board of commissioners meetings, and city council meetings to ensure openness and transparency with customers, constituents, and stakeholders.
4. Customers may submit OASIS requests for interconnection service, transmission service, or economic studies as specified in the LADWP OATT, and Interconnection Procedure.



## LADWP Meeting Information Exchange Principle

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- Information exchange is subject to appropriate non-disclosure and membership approvals of the LADWP governing bodies
- LADWP intends to utilize the WestConnect [and CSP] sub-regional forum for exchange of information.
- LADWP will collect and share customer load forecasts, system topology, and generation dispatch used in its planning studies.
- LADWP does an annual FERC 715 filings of technical data to FERC.
- Technical data used in LADWP's planning studies and process are available, including LADWP's planning basecases.
- Technical data is required and collected from developers, customers, and other utilities for inclusion in planning studies.
- LADWP posts its OATT and Interconnection Procedure which give details of the LADWP processes.
- In the future, LADWP intends to posts the availability of studies associated with the large generator interconnection process and requests for transmission service on the LADWP OASIS website. Applicable criteria and standards associated with the planning process will also be posted.



# LADWP's Current Regional and Sub-regional Information Exchange

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- TEPPC- Transmission Expansion Planning Policy Committee and its subgroups
- PCC- Planning Coordination Committee
- TSS- Technical Studies Subcommittee
- RS- Reliability Subcommittee
- SRWG- System Review Work Group
- MVWG- Modeling and Validation Work Group
- TOS-Technical Operations Subcommittee
- WECC Regional Planning Review groups
- WECC Loads and Resources Subcommittee
- WATS: Western Arizona Transmission Studies Task Force
- STEP: Southwest Transmission Expansion Planning
- California Operating Studies Subcommittee



## LADWP Meeting Comparability Principle

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- LADWP's planning studies, in addition to LADWP's native loads, consider loads submitted by customers and interconnected utilities. Future loads used in the studies are based upon an appropriate load forecast methodologies. LADWP does not make any distinction in studies between load types or generation based on ownership.
- Comparability is demonstrated by the opportunity for affected parties to review planning activities, either through the WestConnect process, [CSP,] or by direct review, of LADWP technical information including LADWP's internal planning basecases.
- LADWP acts as an independent reviewer of new facility additions and interconnections within its Control Area and its interconnections with its neighboring systems.
- LADWP evaluates each proposed facility independently based on its own merits without regard to the geographical location, potential ownership, facility type or the complexity of the required studies.
- LADWP intends to practice the same approval process for facilitating access and new transmission investments to serve its own native load and third party service requests.



## LADWP Meeting Dispute Resolution Principle

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- LADWP intends to follow the WestConnect dispute resolution process for resolution of disputes between WestConnect members.
- [LADWP intends to follow the CSP dispute resolution process for resolution of disputes between California Sub-regional Planning members.]
- For disputes between LADWP and non-WestConnect member(s), LADWP will use LADWP's existing tariff provisions.



## LADWP Meeting Regional Participation Principle

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- LADWP will continue to meet reporting requirements and participation in planning and review committees in WECC such as Regional Planning and Project Rating committees as well as the WECC TEPPC.
- LADWP intends to act through WestConnect [or CSP] for coordination and participation in the planning process for projects with neighboring systems that are members of WestConnect [or CSP].
- LADWP will continue to seek regional consensus on its bulk transmission system expansion plans through a public process including transmission rating and project review groups. In the future, LADWP intends to utilize WestConnect [and/or CSP] for such transmission planning processes.
- For joint studies with interconnected systems that are non-WestConnect [or non-CSP] members, LADWP will either continue to coordinate directly with the interconnected utilities through its own planning process, or LADWP will act through WestConnect [or CSP] depending on what is agreed to among the affected parties.
- If a planned project only impacts LADWP and LADWP's customers, LADWP will conduct its own internal planning process.



## LADWP Meeting Economic Studies Principle

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- LADWP transmission planning processes consist of both reliability and economic analyses considerations.
- LADWP studies utilize transmission data and models from WECC and other credible organizations.
- LADWP will participate in Economic Planning studies to reduce congestion or integrate new generation or load. LADWP will develop a process to accept these study requests. To properly coordinate these requests with other transmission providers, sub-regional and regional planning groups, LADWP suggests that these types of requests be submitted during an annual request window.
- LADWP will participate in regional study plan development to process requests for Economic Studies as defined in Order 890. These include studies for significant and recurring congestion or proactive studies to determine congestion impacts of future integration of new resources.
- LADWP will conduct and participate in economic studies through WestConnect. In general, economic studies requested that would only impact the Southwestern U.S. sub-region may be conducted by WestConnect with participation by LADWP. For economic studies that would impact more than one sub-region within the WECC, LADWP would participate in those studies through WestConnect. Economic studies that require production cost simulation will all be conducted by the WECC through the TEPPC.



## LADWP Meeting Cost Allocation Principle

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- LADWP intends to use WestConnect's [and/or CSP] cost allocation principles for cost allocation of projects with WestConnect [and/or CSP] members.
- LADWP will endeavor to directly negotiate capacity and cost allocations on systems affecting non-WestConnect [and non-CSP] members.
- For third-party interconnection to LADWP's internal system, LADWP intends to rely on the FERC LGIP principles for determination of cost assessment for integration of new resources.



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**END**

