

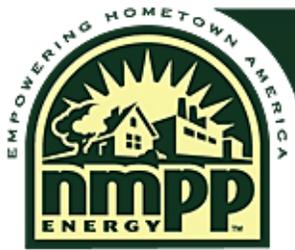


# **Preliminary Comments MAPP Regional Planning “Strawman Proposals”**

FERC Technical Conference

Pittsburgh, PA

June 29, 2007



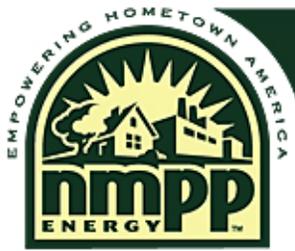
## Description of MEAN

- Municipal Energy Agency of Nebraska
  - ▶ Joint action agency serving more than 65 municipal utilities
    - MAPP and WECC regions
    - Eight different transmission systems
    - Two subregions in MAPP (Nebraska and Iowa)
  - ▶ ~ 500 MW peak demand
  - ▶ Transmission dependent utility
    - Limited transmission ownership associated with generation projects



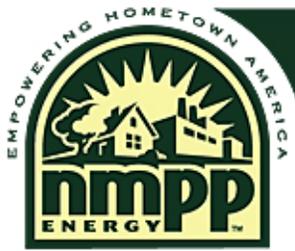
## Past Activities

- MEAN has been actively involved in MAPP activities since early 1990s
  - ▶ Staff membership on multiple committees
  - ▶ Actively participate in Nebraska Subregional Planning Group (SPG)
  - ▶ Will become more involved in Iowa SPG as we serve more load
  - ▶ MEAN is strong believer that transmission planning should involve owners, transmission customers and regulators (if applicable)



## Comments on MAPP Strawman

- Focus on MEC
  - ▶ Only FERC jurisdictional public utility in MAPP providing network transmission service to MEAN
  - ▶ Comments may applicable to other transmission providers in MAPP
  - ▶ Comments are intended to build on generally positive relationship with MEC transmission planning and TranServ International



# Comments on MAPP Strawman

- General comments
  - ▶ High reliance on MAPP Restated Agreement
  - ▶ If MAPP Restated Agreement goes away, what happens to the Strawman?
  - ▶ Strawman should have the appropriate provisions included so that they would “survive” a potential termination of the MAPP Restated Agreement
    - Definition of Subregional planning process and committees
    - Dispute resolution



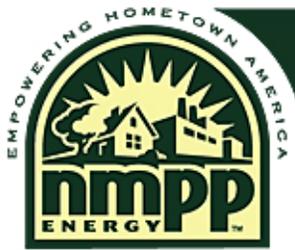
## Coordination

- Customer input
  - ▶ Critical that MEC plans to serve network customers on a comparable basis to its own native load
  - ▶ If process is to be successful, network customers must be planned for on long term basis
    - Network customer load growth
    - Resource retirement / additions
    - Regional load flow variations



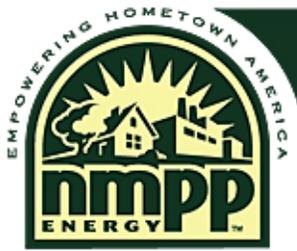
# Coordination

- Customer input
  - ▶ MEC needs to solicit input beyond data submitted through MAPP modeling process
    - Load and resource projections
    - Potential load growth requests
    - New resources
      - Existing generation centers
      - Neighboring utilities with surplus generation
    - Not asking for a gold-plated system – just one that gives transmission customers reasonable options



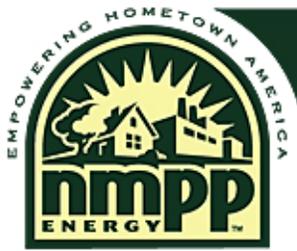
## Coordination

- Customer input
  - ▶ Ensuring adequate customer input will avoid situations we have encountered with particular network transmission requests
    - Operating guides for network customers whose load is growing – limits future service
    - Limiting future transmission service availability for delivery from different supplier, even though the designated resources have been previously approved to serve MEC native load
      - Same resource going to a discrete network customer is rejected, but was accepted going to MEC native load



## Coordination

- One meeting per year seems totally inconsistent with goals of Order 890
  - ▶ “...provide for the timely and meaningful input”
  - ▶ “...customers must be included at the early stages of the development of the transmission plans.”
    - *Order 890, Paragraph 454*
- The process described under the transparency section seems to dictate a more involved process with more “give and take”



# Transparency

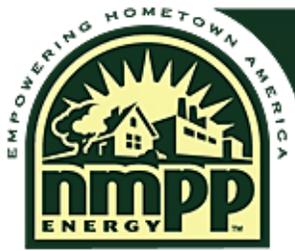
- Additional detail in future filings is necessary to appropriately comment on





## Information Exchange

- Openness with process is important
- Important that all parties keep customer data confidential
- Take steps to ensure that planning meetings do not get bogged down by discussions unrelated to transmission planning
  - ▶ Generation planning philosophy
  - ▶ Resource selection
  - ▶ Environmental or other political policy



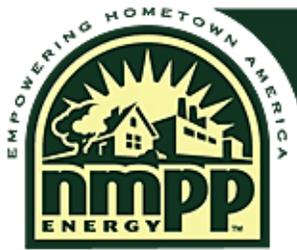
## Comparability

- Energy Policy Act of 2005 and Order 890 are the authority on comparability, not the MAPP Restated Agreement
  - ▶ Native load priority that includes network customers
- The current planning process for native retail load should be described, so customers can ensure they are being planned for in a comparable manner
  - ▶ It seems in many areas that MEC retail load is served with greater reliability than network customers
    - Dual 161 kV feed to large MEC retail customer
    - 345 kV ring bus around major cities served by MEC



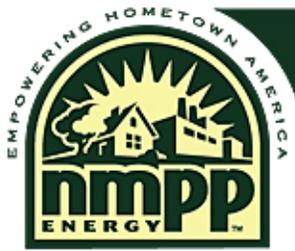
## Regional Participation

- MEC should be commended for past coordination on regional basis
  - ▶ CBEC-4 transmission planning process
  - ▶ Missouri River corridor studies
  - ▶ Participation in studies involving Nebraska utilities, like Nebraska City Unit 2
- MEC plan to continue to participate in regional groups and processes is appropriate
- Coordination with MISO and Seams Operating Agreement will be critical
  - ▶ MISO should be required to cooperate and participate in MEC/MAPP open planning process



## Economic Planning Studies

- Appears to be avoiding some of Order 890 requirements
  - ▶ “The transmission planning process under the pro forma OATT must consider both reliability and economic considerations.” *Order 890, Paragraph 542.*
- Economic studies need to be a core part of the planning process, not just based on customer requests



# Economic Planning Studies

- Customers need to have appropriate and complete information prior to making requests for economic planning studies
  - ▶ Draft study work
  - ▶ OASIS metric summaries
    - Refused requests
    - ATC information





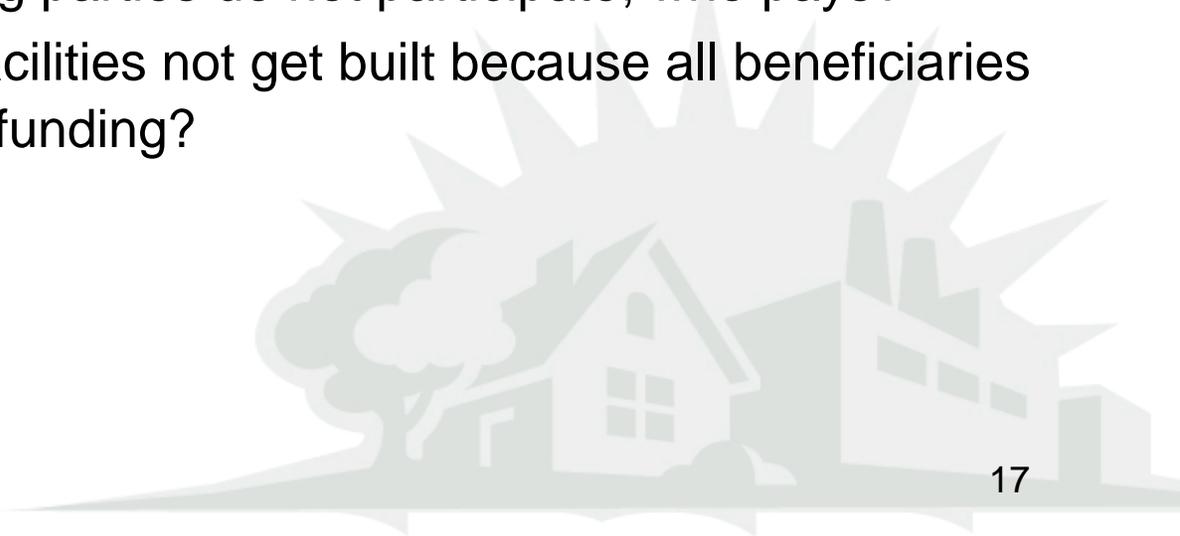
## Economic Planning Studies

- Objective criteria are needed to determine which economic studies are completed
  - ▶ If MEC transmission determines which studies are performed, it is likely they will want to select studies that benefit MEC as a whole
    - Example: If MEC has a renewable portfolio standard to comply with, they would want to study transmission paths from areas of potential wind development, even though the study would have limited benefit to customers that do not have similar mandates



## Cost Allocation

- Cost allocation for new facilities needed to serve general load growth (MEC or customers) is unclear
  - ▶ Under comparability standard, should be treated the same
- No binding cost sharing principles for new transmission facilities in the MAPP region
  - ▶ If other benefiting parties do not participate, who pays?
  - ▶ Worse yet, do facilities not get built because all beneficiaries don't contribute funding?





## Conclusion

- MAPP has been a model for joint planning
  - ▶ Transmission owners and users have equal vote
  - ▶ Open, well-documented processes for model development, load and resources submittals and subregional plan development
  - ▶ Joint ownership of new transmission facilities, including MMTG and CBEC-4 transmission
- MEC and other MAPP utilities should view Order 890 as an opportunity to expand on past practices and continue open transmission planning process