

**Seminole Electric Cooperative, Inc.**  
**Written Comments Regarding Florida September 14 Strawman**  
**October 1, 2007 FERC Technical Conference**

- 1) Brief Description of Seminole by Trudy Novak (who is appearing with Ken Bachor)
- 2) I appeared at the June 5 FERC technical conference and made the point that the strawman Attachment K being sponsored by the Transmission Providers in Florida was patently inadequate because, among other things, it failed to provide for interested stakeholders like Seminole to participate as an integral part of a structured Transmission Provider planning process. That shortcoming has not been cured, despite Seminole's repeated efforts in the interim to convince the Transmission Providers to put meat on the Attachment K bones and to include Seminole in the process. It is now abundantly clear to Seminole that the Transmission Providers, despite their frequent assurances to the contrary, are determined not to provide for a meaningful local transmission planning process of which Seminole would be an integral part; rather, the Transmission Providers are clinging to the hope that, in spite of the clear mandate of Order 890 and the Staff's helpful White Paper, the Commission will be satisfied with platitudes and buzzwords and that in lieu of a detailed transmission planning process for each Florida Transmission Provider, they can use a highly generalized one-size-fits-all approach to avoid providing for a structured local transmission planning process in which stakeholders like Seminole can meaningfully participate. Nowhere is this clearer than on the flow chart shown on page 18 of the September strawman, which is completely lacking in detail regarding the interaction between the Transmission Providers and stakeholders during the annual planning cycle of each Transmission Provider. This transmission planning issue is very important to Seminole, as more than 90% of Seminole's Member load is embedded within the control areas of two Transmission Providers (Progress Energy and FPL). Seminole believes that coordinated joint transmission planning in Florida is imperative to provide reliable service to our Members.
- 3) Before I discuss some of the many shortcomings in the latest (September 14) strawman, I want to make clear to the Commission that Seminole is not a "Johnny come lately" to this process. I am attaching to my written comments (at Attachment 1) both our June 5 comments (regarding the original strawman) and our comments of August 6 (regarding the July 16 strawman) as well other email correspondence between Seminole and the sponsors reflecting Seminole's desire to improve the end product being prepared by the Transmission Providers. In those documents we provided substantive comments and noted what we considered to be the essential features of an Order 890 compliant transmission plan; we also implored the Transmission Providers to use the Staff White Paper as the basis for formulating their transmission planning proposals. These suggestions have been consistently ignored, despite their claims to the contrary. In addition, despite Seminole's offers to participate in the process, the Transmission Providers continue to treat this as a team sport, with only the Transmission Providers themselves allowed in the huddle, as we

stakeholders stand anxiously on the sidelines watching as the transmission planning ball fails to advance substantively one iota. Unfortunately, the results were predictable: a transmission planning process that is remarkable only for its generality and lack of specificity

- 4) Let me illustrate some of the points made above regarding lack of specificity by reference to the Transmission Providers' latest (September 14) strawman
  - a) First, to put this latest strawman in context, it is necessary to understand that the key to transmission planning in Florida is the *local* transmission plan that each Transmission Provider develops and submits annually (by April 1) to the Florida Public Service Commission. It is this plan that is used by the Florida Regional Coordinating Council (FRCC) to comply with Principle 9 of Order 890 regarding regional planning. Despite the clear and overriding importance of the *local* transmission planning process of each transmission provider, the bulk of the September 14 strawman (like its predecessors) is dedicated to describing the Florida regional planning process occurring at the FRCC, which Seminole supports. What continues to be missing from each version of the transmission providers' strawman is the specificity of the critical local transmission planning process so clearly called for by Order 890 and the Staff White Paper.
  - b) The entirety of the strawman's discussion of the key principle of "Coordination" as it relates to local planning is contained in a single paragraph – a single paragraph that begins as follows (p. 6): "Transmission Provider consults and interacts with its customers in providing *transmission service* and *generator interconnection service* as well as with its neighboring transmission providers, on a regular basis. A transmission customer may request and/or schedule a meeting with a Transmission Provider to discuss any issue related to the provision of *transmission service* at any time." (Emphasis added.) This is not a game plan for coordinated local transmission planning; it simply reflects what has always been true: transmission providers and transmission customers can talk to each other regarding transmission and interconnection service! If the reader compares this anemic section on "Coordination" in the strawman with the 2-plus pages of specific suggestions in the Staff White Paper for the necessary structure to ensure that coordinated transmission planning occurs at the local level, the conclusion is obvious: the Transmission Providers have not even given the Staff suggestions (much less Seminole's) the back of their hand – instead, they have ignored them completely.
  - c) The next section of the September 14 strawman, addressing "Openness" (again in a single paragraph), is equally telling (p. 11): "Transmission Provider provides notice and schedules meetings with its transmission customers *as deemed necessary* by the transmission customer and/or Transmission Provider. Transmission Provider schedules meetings with its customers to interact, exchange perspectives or share findings from studies. Transmission Provider communicates and interacts with its transmission service customers on a regular

basis to discuss loads, generation/network resource additions/deletions, new facility additions and upgrades, demand resource information, customer's projections of future needs, and related subjects that have an impact on the provision of transmission service to a customer." This is not a description of an ongoing coordinated and open transmission planning process; it is a description of business as usual by the Transmission Providers in Florida. Once again, one need only compare and contrast the generalities being offered by the Transmission Providers in the strawman with the concrete suggestions found in the Staff White Paper to understand how far short of the mark the Transmission Providers have landed in their latest effort.

- d) The section of the strawman addressing "Information Exchange" (in two paragraphs, beginning at page 20) is also informative. That section provides that transmission customers will provide the necessary input data by a date certain (about the only date to appear in the local planning process) and then the "Transmission Provider utilizes the information provided in modeling and assessing the performance of its system in order to develop a transmission plan that meets the needs of all customers of the transmission system " Again, this is not the basis for joint transmission planning; it is business as usual in Florida, whereby transmission plans are the sole province of the Transmission Providers. What is missing is a structure for information *exchange* and follow-up meetings to discuss the data and how best to model that data to produce a satisfactory transmission plan. Let me quote from the Staff White Paper (p 9): "The Commission emphasized that transmission planning is not intended to be limited to the mere exchange of information and after the fact review of transmission provider plans. The planning process is instead intended to provide a meaningful opportunity for customers and stakeholders to engage in planning along with their transmission providers " The transmission providers have ignored this clear signal from the Commission as to what is required in an Order 890-compliant transmission plan
- 5) This same analysis applies to each of the eight Order 890 transmission planning principles, all of which are missing in action from the Transmission Providers' September 14 strawman. That they are missing is not surprising when one reads the statement of "Purpose" in the latest strawman, which reads as follows (p. 4): "The Transmission Planning Process is intended to provide transmission customers *the opportunity to interact* with the transmission planning personnel of the Transmission Provider in order for transmission customers to provide timely and meaningful input into the development of the transmission plan " (Emphasis added ) Compare and contrast this very general and open-ended statement with what Seminole suggested at the first and only meeting held prior to the issuance of the original strawman:

The purpose of Attachment K is to provide a detailed description of the process that will be used in Florida by each Transmission Provider to provide coordinated, open, and transparent transmission on both a local and regional level. Each Transmission Provider will timely share with the interested stakeholders in its transmission area the

information called for in Order 890 regarding its annual transmission plan so that thereafter regularly scheduled and noticed open meetings may be held to develop the Transmission Provider's transmission plan, which will then be provided to the FRCC for review from the regional perspective. It is the intent of the Transmission Provider that the interested stakeholders play an integral role in the development of the annual transmission plan, though it is the Transmission Provider's ultimate responsibility to adopt and sponsor the plan that is provided to the FRCC

It is evident from their subsequent work product why the Transmission Providers chose to ignore Seminole's suggested statement of purpose, as it would have required the Transmission Providers to go beyond trite generalities and actually to formulate a local transmission planning process along the lines anticipated in Order 890

- 6) It is somewhat more than ironical that despite ignoring Seminole's suggestions regarding the statement of purpose and our concrete suggestions of August 6 (see attachment), not to mention the Staff White Paper, the Transmission Providers in their transmittal letter accompanying the September 14 strawman state that "the sponsors welcome specific proposed wording modifications to the draft Attachment K." The attempt to put the ball in the stakeholders' court conveniently ignores the fact that it is the sponsors' obligation to draft tariff language that reflects their *individual* transmission planning processes and incorporates the Order 890 principles into that process. Until they have taken that critical first step, which is based on knowledge unique to each system, entities like Seminole are helpless to contribute substantively more than they already have regarding the many glaring shortcomings of the strawman. We suggest that it is now time for the Transmission Providers to get serious about formulating a strawman Attachment K that makes a good faith effort to meet the planning principles articulated in Order 890. As the Transmission Providers are not reluctant to remind us in the strawman (p. 22), "the Transmission Provider is ultimately responsible for the transmission plan." It is now time that they take responsibility for actually drafting the process by which such a plan is formulated on a joint and coordinated basis each year with their customers.

*Attachment 1*: Seminole June 5, 2007 Comments on Original Strawman; I. Novak email of July 17, 2007; Seminole Comments of August 6, 2007 re July 16, 2007 Strawman; I. Novak email of July 20, 2007; K. Bachor email of August 16, 2007.

*Attachment 1*

**Correspondence from Seminole Electric Cooperative, Inc.  
Regarding the Various Strawmen Offered by the Transmission Providers**

**Seminole Electric Cooperative, Inc.**  
**Outline for Remarks Regarding Florida Strawman**  
**June 5, 2007 FERC Technical Conference**

- 1) Brief Description of Seminole
- 2) Seminole has been an active participant in the efforts of the Florida Regional Reliability Council (FRCC) to put together a regional transmission planning process, and while work remains to be done to accomplish the Commission's Order 890 planning principle on "regional participation," we believe much progress has been made.
- 3) Thus, Seminole's comments focus on the other seven planning principles in Order 890. First, it should be noted that the Strawman published by the Transmission Providers on May 29 was a substantial improvement over the one that was presented to us for the first time on May 11; however, the Strawman suffers from a major shortcoming that affects the description of each of the key planning principles. That shortcoming, as described in more detail below, is the failure of the Transmission Providers to include interested parties like Seminole as an integral part of the Transmission Provider planning process – the very essence of Order 890. Seminole would prefer to believe that this failure was inadvertent and will be corrected in the Attachment K negotiations. But whether inadvertent or not, it must be fixed.
- 4) To illustrate the point, pertinent sections of Order 890 as to several key planning principles has been quoted below along with quotes from the Strawman. The problem that infects the Strawman should become quickly evident with these examples
  - a) Coordination:
    - i) Order 890: "... we fully intend that the planning process adopted herein provide for the timely and meaningful input and participation of customers into *the development of transmission plans*. This means that customers must be included *at the early stages of the development of the transmission plan* and *not* merely given an opportunity to comment on transmission plans that were developed in the first instance without their input "(¶ 454)
    - ii) Strawman: "A transmission customer may request and/or schedule a meeting with a Transmission Provider to discuss any issue related to the provision of transmission service at any time. Transmission Provider consults and interacts with its customers at various stages of the planning process (e.g. Scoping Meeting, Feasibility, System impact and Facilities Studies). A dialogue between the transmission customer and the Transmission Provider will take place *regarding customer needs*. . . . Additionally, the transmission customer shall have an opportunity *to comment* each time study findings are

communicated by the Transmission Provider to the customer (Feasibility, System Impact, and Facilities Studies).”

- iii) Comment: The Strawman seems to view customers as having a limited role related to their own particular transmission needs as reflected in requests for service or load growth, and are not viewed as playing an integral and proactive role in the individual Transmission Provider’s annual planning process.

b) Openness:

- i) Order 890: “The Commission ... will require will require that *transmission planning meetings* be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders. (¶ 460)
- ii) Strawman: Transmission Provider communicates and interacts with its transmission service customers on a regular basis to discuss loads, network resource additions/deletions, demand resource information, customer’s projections of future needs, and related subjects *that have an impact on the provision of transmission service to a customer.*” Transmission Provider provides a *status update* to its customers on a regular basis or at any time, if requested by a customer.”
- iii) Comment: Once again, the Strawman’s emphasis and focus are on particular customer requirements (which is fine as far as it goes), but the Strawman fails to incorporate the customers as part of the overall planning process; we should not be reviewing “status updates” on a particular study – we should be participating in the process that produces the transmission plan itself.

c) Transparency:

- i) Order 890: The Commission ... will require transmission providers to disclose to all customers and other stakeholders the basic criteria, assumptions, and data *that underlie their transmission system plans.* [Footnote omitted.] In addition, transmission providers will be required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop *their transmission plans*, including how they treat retail native loads, in order to ensure that standards are consistently applied. This information should enable customers, other stakeholders, or an independent third party to replicate the results of planning studies and thereby reduce the incidence of after-the-fact disputes regarding whether planning has been conducted in an unduly discriminatory fashion. (¶ 471)
- ii) Strawman: Beyond general verbiage regarding its planning process, the Strawman says only that the Transmission Provider “makes available to a

transmission service customer the underlying data, assumptions, criteria and underlying transmission plans *utilized in the study process*. Transmission Provider provides written descriptions of the basic methodology, criteria and processes used to develop plans.”

- iii) Comment: As with the other planning principles, it is clear both from what is said and what is not said that customers are not viewed as an integral part of the planning process, but rather an adjunct that will be dealt with as necessary regarding our specific requests/needs. We do not believe that this is what the Commission envisioned in Order 890
- 5) After the first and only meeting held by the Transmission Providers regarding the Strawman, Seminole provided them with a Statement of Principle and some process points. The Transmission Providers weaved the process points into their revised Strawman, but they failed to incorporate the Statement of Principle, which reads as follows:

The purpose of Attachment K is to provide a detailed description of the process that will be used in Florida by each Transmission Provider to provide coordinated, open, and transparent transmission on both a local and regional level. Each Transmission Provider will timely share with the interested stakeholders in its transmission area the information called for in Order 890 regarding its annual transmission plan so that thereafter regularly scheduled and noticed open meetings may be held to develop the Transmission Provider’s transmission plan, which will then be provided to the FRCC for review from the regional perspective. It is the intent of the Transmission Provider that the interested stakeholders play an integral role in the development of the annual transmission plan, though it is the Transmission Provider’s ultimate responsibility to adopt and sponsor the plan that is provided to the FRCC

If the Transmission Providers would adopt this Statement of Principle and then use it as the basis for each planning principle, the Strawman would then provide a good road map for the crafting of an Order 890-compliant Attachment K. Hopefully this is precisely what the Transmission Providers intend.

**Trudy Novak - Re: "Strawman" time line for a work plan to complete Attachment K**


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**From:** Trudy Novak  
**To:** Anne Brown; Art Nordlinger; bcallery@calpine.com; Ben Crisp; Bob Williams; Byron Knibbs; cmgreene@southernco.com; Dale Oliver; eestes@LSPower.com; Gail McKaig; Garry Baker; Gary Brinkworth; gilbdc@jea.com; Glenn Spurlock; Hector\_Sanchez@fpl.com; jmcgrane@morganlewis.com; jnl@linxwiler.com; Keith Mutters; Kendal Bowman; Mace Hunter; Marty Mennes; Nina McLaurin; Paul Allen; planning@frcc.com; Renae Deaton; Ron Donahay; srogers@frcc.com; sspina@morganlewis.com; stephen\_huntoon@fpl.com; Ted Hobson; Thomas Szelistowski; Tim Woodbury  
**Date:** 7/17/2007 11:12 AM  
**Subject:** Re: "Strawman" time line for a work plan to complete Attachment K  
**CC:** Bud Miller; Ken Bachor; Mike Opalinski

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Hector - thank you very much for providing your strawman timeline for the stakeholders review. Seminole has a major concern that stands out in your proposed version. The proposed schedule provides that the stakeholders (other than sponsors) will for the first time see a redline version of Attachment K on August 14 and have only until August 17 to review and provide a redline response. Seminole suggests that the sponsors move up the date for distribution to at least August 7 so that we have 10 days to review/edit/draft a redline. Also, Seminole is interested in understanding why the stakeholders are not able to participate (at least as non-voting observers) along with the sponsors in the preparation of the Attachment K. Order 890 envisions that transmission providers "will work in consultation with their stakeholders during the development of their Attachment K compliance filings" which seems to suggest that the stakeholders and the sponsors work together in a collaborative process rather than simply be given one redline and one meeting to discuss. This is simply a repeat of what happened when the sponsors developed the strawman Attachment K document. We expressed our concern at that time that the stakeholders were given little time to provide comments. Based upon our comments at the one and only meeting at FRCC and after our discussions at the FERC technical conference we had envisioned that the sponsors would have worked with the stakeholders in more of a collaborative process to develop the final Attachment Ks.

best regards,  
Trudy

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>>> <Hector\_Sanchez@fpl.com> 7/16/2007 5:18 PM >>>

**From: Florida Power & Light Company, Jacksonville Electric Authority, Orlando Utilities Commission, Progress Energy Florida, Inc. and Tampa Electric Company, collectively the "Sponsors" of the strawman Attachment K - Transmission Planning Process.**

Attached for your review is a "strawman" time line for a work plan associated with the development of Attachment K. The attachment indicates the schedule to be ready to file with FERC on Oct 11.

*(See attached file: FRCC Transmission Planning Process-Work Plan Draft.doc)*

***Seminole Response re July 16, 2007  
Draft Attachment K  
(8/6/07)***

Seminole Electric Cooperative, Inc. (“Seminole”) is hereby providing its response regarding the July 16, 2007 draft Attachment K shared with Seminole by Florida Power & Light Company. This response is broken down into three sections: first, we will discuss some overriding concerns with the draft Attachment K; second we will present what we consider to be essential features of an Attachment K, which for the most part seem to be missing from the draft Attachment K; and, third, we will present some relevant excerpts from Order 890 that underscore the points made in the first two sections of this response.

*Overview Comments*

Rather than take the original Attachment K strawman and use that as the basis for drilling deeper, *i.e.*, providing the necessary structure and details for a meaningful collaborative and coordinated planning process, the sponsors have simply made a few minor enhancements. Seminole believes that the Commission in Order 890 is anticipating far more from the transmission providers in the way of structure and detail in order for a planning process to comply with Order 890.<sup>1</sup>

Second, the draft Attachment K (like the strawman) seems to combine two very different (albeit not unrelated) issues: one issue is the handling of transmission and generation interconnection requests; the other issue is transmission planning. Transmission providers (TPs) deal with transmission and generation interconnection requests on a sporadic basis as they arise; transmission planning is an ongoing process that is initiated and carried on each year by the TPs. Attachment K must distinguish between these processes (rather than conflating them) and deal in detail with the manner in which transmission planning will be handled each year. (E.g., Order 890, P 543)

Third, each TP presumably has its own approach to handling transmission planning within its own footprint. If in fact each TP plans their system by zones, there should be a TP zonal planning process, a TP system-wide planning process (which would include but not be limited to multiple dispatch scenarios analysis), and a Regional/multi-Regional planning process. Each TP must design its Attachment K so that there is a structure in place for accommodating and incorporating interested transmission customer input each year. The draft Attachment K does not begin to satisfy that need as it

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<sup>1</sup> In its Order Extending Compliance Action Date issued July 27 in Docket Nos. RM05-17 and RM05-25, the Commission observed as follows: “Many of the ‘strawman’ proposals addressed planning in generalities. In order to prepare their Attachment K compliance filings, transmission providers must translate those generalities into tariff language that specifically identifies the rights and obligations of the transmission providers and their customers in the planning process.” (P 4)

addresses transmission planning generally and generically at the 50,000 foot level. That simply is not sufficient.

Fourth, given that the FRCC uses the transmission plans of the individual TPs as the basis for constructing the regional transmission plan, the place where the rubber meets the road is at the footprint level where each TP puts together its transmission plan. Hence, the need to meet the Order 890 planning principles at the individual TP level is paramount. The Commission in Order 890 (P 440), speaking in the context of RTOs, made this very point: “The more regional RTO or ISO planning process will not comply with the requirements of the Final Rule to the extent they incorporate and rely on information prepared by underlying transmission owners that, in turn, have not complied with the Final Rule.”

Finally, this document was prepared prior to issuance of the August 2, 2007 Staff White Paper on planning in Docket No. RM05-25, which we have had the opportunity only for a quick review. However, it is clear from such review that the White Paper effectively underscores the points made above regarding the need to substitute detail for generalities and to abandon the one-size-fits-all approach taken by the Florida sponsors for individually tailored, transmission provider-specific planning processes. The Essential Features portion of this document (immediately below) will need to be amplified to reflect many of the very good points found in the Staff White Paper.

#### *Essential Features of an Order 890-Compliant Attachment K*

Seminole submits that in order to satisfy the requirements of Order 890, Attachment K must provide for, among other things, the following at a minimum:

- The transmission planning process must address both reliability and economics.
- TPs must engage in open and inclusive processes for both local and regional projects, with those processes suited to project scope:
  - Broader scope and larger family of stakeholders for regional projects;
  - Smaller scope and limited family of stakeholders for local projects.
- TP must perform long-run multiple generation dispatch scenarios for regional (beyond the borders of a single TP) projects to identify optimal regional transmission solution.
- Transmission planning process must be able to use a reasonable planning horizon (minimum of 10 years) on a collaborative basis to see the shared needs of contiguous entities in the planning area whether within the TP’s transmission system or within the region.
- The transmission planning process should work backwards from the end of the planning horizon rather than looking forward at incremental solutions to immediate needs.
- The transmission planning process must permit all LSE transmission customers to participate from the very beginning.

- The process should provide for planning staff from the TP and all LSE transmission customers to work collaboratively to develop consensus on:
  - The modeling assumptions, criteria, operating guides and their application, base set of load flow cases, interpretations of NERC criteria, alternative generation dispatch scenarios for regional planning, and other criteria (such as voltage criteria, thermal limits and what they're based on), etc. ["Study Inputs"] that underlie the system model used in studies (this may be difficult the first year, but should not be burdensome thereafter);
  - The potential transmission solutions and the series of steady-state load-flow scenarios (years, seasons, load levels, generation dispatch, etc) to be assessed, based on modeling assumptions and criteria;
  - The alternative scenarios to be studied as possible solutions to resolve reliability or economic problems;
  - The solutions selected to resolve reliability or economic problems identified by the studies.
- Data arising from the transmission planning process must be posted (published). In order to preserve the integrity of the data, the data could be posted in a password protected "e-room".
  - Level of detail posted must be sufficient so that an independent consultant or LSE transmission customer could reproduce the TP's modeling results
  - Data published should include:
    - Type of software/models;
    - Study Inputs;
    - Initial planning criteria violations with detailed discussion of any violations discovered, explanation of why it is a violation, discussion of whether those are really the only violations
      - If consensus cannot be reached, publish alternative scenarios as well so all stakeholders are aware of disagreement and the significance of the disagreement.
    - Potential solutions and the family of model runs to be assessed, agreed upon by TP and by LSE transmission customers.
      - If consensus cannot be reached, publish alternative scenarios as well so all interested stakeholders are aware of disagreement and the significance of the disagreement.
- There should be documentation of the level of consensus on Study Inputs, proposed solutions, etc., so it is clear whether a proposal is a product of the coordinated planning process or is unilaterally adopted by the TP over the objection of LSE transmission customers.
- Ideally, the collaborative process will prevent disputes.
  - If the majority of LSE participants fundamentally disagree regarding Study Inputs, planning criteria, or proposed solutions, the transmission process should require the TP to accept and model the alternatives offered by LSE transmission customers in addition to the TP's preferred approach. Such alternative runs will provide transparency to the process and permit all parties and the Commission to evaluate which alternative is correct.

- If a minority subset of the LSE's participants fundamentally disagree regarding Study Inputs, planning criteria, or proposed solutions, the TP must at the very least be *required* to provide LSE transmission customers with *all* of the data required to permit those LSE customers to reproduce the TP's system model and conduct their own alternative runs in a timely manner. The data must be provided in a useable format. The transmission planning process in this alternative must give the LSE transmission customers sufficient time to perform the alternative studies before moving to the next stage so that such studies can have a meaningful role in that next stage.
  - In the event the collaborative process fails to prevent disputes, the TP transmission planning process must include a mechanism to resolve any differences at all levels of the process. The transparency provided by the requirement to publish and study alternative approaches will enhance FERC's ability to understand and resolve disputes.
- Once the TP and the LSE transmission customers have reached consensus, the transmission plan should be presented to other stakeholders.
- Entire stakeholder community has already received modeling assumptions and violations.
  - Modeling results will be provided at least two weeks prior to a meeting
  - At meeting, TP and LSEs will present and discuss collaborative modeling results:
    - Alternatives considered;
    - Other factors;
    - Results of alternate generation dispatch and demand response assumptions;
  - If consensus was not reached, TP and LSEs will present their own conclusions
  - Within two weeks after the meeting, the remainder of the stakeholder community may submit up to four additional scenarios not previously modeled.
- The OATT must include metrics to assess transmission expansion progress and assure transmission facilities arising from the plan are built and built within the required schedule, as well as comparability of service between LSE & TP native load. These must provide enough detail to assess:
- Project status including milestones of work completed, such as right-of-way, permitting, application for state certificate of need, construction progress, etc. Comparison of milestone originally projected dates, changes to projected dates, and actual completion dates
  - Original project scope as compared to current scope
  - Original projected in-service date compared to changes in planned in-service date and actual in-service date
  - Project overruns
  - Reliability impacts of delay
  - Market impacts of delay
  - Changes in classification from transmission owner initiated project to regional transmission expansion project

- Originally projected violations in each planning year compared to changes in projected violations as the planning year approaches
- Operational and temporary fixes implemented to deal with delays in planned transmission

*Some Relevant Order 890 Statements re TP Planning Obligations*

The intent of Order 890 to require the essential features noted above is captured throughout the order, as exemplified in the quotes below from Order 890.

**Coordination:** “We emphasize that the purpose of the coordination requirement is to eliminate the potential for undue discrimination in planning by opening appropriate lines of communication between transmission providers, their transmission-providing neighbors, affected state authorities, customers, and other stakeholders.” (P 452) “For example, a transmission provider could meet this requirement by facilitating the formation of a permanent planning committee made up of itself, its neighboring transmission providers, affected state authorities, customers, and other stakeholders. Such a planning committee could develop its own means of communication, which may or may not emphasize formal meeting procedures. We are more concerned with the substance of coordination than its form.” (P 452) “Transmission providers are, however, required to craft a process that allows for a reasonable and meaningful opportunity to meet or otherwise interact meaningfully.” (P 453)

**Openness:** “The Commission ... will require that transmission planning meetings be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders.” (P 460) “We emphasize ... that the overall development of the transmission plan and the planning process must remain open.” (P 460)

**Transparency:** “The Commission ... will require transmission providers to disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans [Footnote omitted.] In addition, transmission providers will be required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop their transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied” (P 471) “The Commission also requires that transmission providers make available information regarding the status of upgrades identified in their transmission plans in addition to the underlying plans and related studies. It is important that the Commission, stakeholders, neighboring transmission providers, and affected state authorities have ready access to this information in order to facilitate coordination and oversight” (P 472)

**Information Exchange:** “[W]e will require transmission providers, in consultation with their customers and other stakeholders, to develop guidelines and a schedule for the submittal of information. In order for the Final Rule’s planning process to be as open and transparent as possible, the information collected by transmission

providers to provide transmission service to their native load customers must be transparent and, to that end, equivalent information must be provided by transmission customers to ensure effective planning and comparability. We clarify that the information must be made available at regular intervals to be identified in advance. Information exchanged should be a continual process, the frequency of which should be addressed in the transmission provider's compliance filing required by the Final Rule." (P 486) "Lastly, in response to the concerns of some commenters, we emphasize that the transmission planning required by this Final Rule is not intended, as discussed earlier, to be limited to the mere exchange of information and then review of transmission provider plans after the fact. The transmission planning required by this Final Rule is intended to provide transmission customers and other stakeholders a meaningful opportunity to engage in planning along with their transmission providers." (P 488)

**Comparability:** "The Commission ... will require the transmission provider, after considering the data and comments supplied by customers and other stakeholders, to develop a transmission system plan that (1) meets the specific service requests of its transmission customers and (2) otherwise treats similarly-situated customers (e.g., network and retail native load) comparably in transmission system planning" (P 494)

**Dispute Resolution:** "[W]e do intend that the planning process required by this Final Rule ensure comparability in planning between that conducted for a transmission provider's retail native load and its similarly-situated transmission customers and, therefore, issues relating to such comparability may be appropriate for the dispute resolution process." (P 502)

**Regional Participation:** "[I]n addition to preparing a system plan for its own control area on an open and nondiscriminatory basis, each transmission provider will be required to coordinate with interconnected systems to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data and (2) identify system enhancements that could relieve congestion or integrate new resources (discussed further below)" (P 523)

**Economic Planning Studies:** "At the outset, we wish to clarify that our primary objective in adopting this principle is to ensure that the transmission planning process encompasses more than reliability considerations. Although planning to maintain reliability is a critical priority, it is not the only one. Planning involves both reliability and economic considerations." (P 542) "The process for addressing individual requests for service under the pro forma OATT is adequate for customers who request specific transmission rights to purchase power from a particular resource in a particular location during a defined time period. However, it does not provide an opportunity for customers to consider whether potential upgrades or other investments could reduce congestion costs or otherwise integrate new resources on an aggregated or regional basis outside of a specific request for interconnection or transmission service. It thus limits, for example, groups of customers from considering more comprehensive solutions to transmission congestion, including investment in demand response. It also limits multiple LSEs from considering, on a more aggregated basis, whether particular upgrades may represent the

most economic means of integrating new generation resources (e.g., wind resources) located in a common area that could be accessed by many customers. The Commission believes such coordinated studies can, for system planning purposes, be more beneficial than studies performed on a request-by-request basis. We also find that they are consistent with the requirement to provide comparable service. Transmission providers are not limited, in serving native load customers, to studying potential transmission upgrades only in the context of specific requests for service under the pro forma OATT” (P 543) “We therefore require each transmission provider to comply with the revised economic planning studies principle in this Final Rule both as to its own transmission system and as to the regional planning process described above.” (P 551)

**Cost Allocation for New Projects:** “We therefore find that, for a planning process to comply with the Final Rule, it must address the allocation of costs of new facilities.” (P 557)

**From:** Trudy Novak  
**To:** Bob Schoneck; Hector Sanchez  
**CC:** Bud Miller; Glenn Spurlock; Ken Bachor; Tim Woodbury  
**Date:** 7/20/2007 11:03 AM  
**Subject:** Fwd: FPL Redlines of the FERC Order 890 Attachment K --- Request for Seminole Comments  
**Attachments:** Strawman Att K SEC Redlined 7-16-07.doc

Hector/Bob: I understand that I have been the source of some confusion/consternation due to the email response that I sent to Hector regarding the proposed Work Plan for Attachment K. Please be advised that my email response went out before I became aware that FPL was intending to share a draft of Attachment K with Seminole for its input (see email below from Glenn Spurlock). Regarding the offer to review Attachment K, our quick review indicates that it is little more than a refined strawman, i.e., it lacks the detail regarding the transmission planning process that we believe is envisioned in Order 890. As I indicated in my email to Hector regarding the Work Plan, Seminole would like to work with FPL and the other sponsors (and any other interested stakeholders) to convert the strawman to an Attachment K that satisfies the Order 890 criteria. Kindly indicate whether this is an approach that would work for you (and the other sponsors). Thanks – Trudy (ps: for planning purposes, I am out of the office next week on vacation, but please feel free to include Glenn and Ken Bachor in the discussions to develop the Attachment K)

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>>> Glenn Spurlock 7/18/2007 5:30 PM >>>  
SECI Attachment K Team,

Prior to yesterday's FRCC TWG meeting, Bob Schoneck of FPL and I spoke by telephone regarding the meeting agenda items and the Attachment K (briefly). He let me know that FPL would be sending a document to Seminole, hoping to work with us prior to sending it out to the entire group. He stated that he had limited time due to being out of the office starting Monday - he hoped that Seminole could work with him in the available time.

I spoke with Trudy this afternoon and we realized that I was the only one to receive the e-mail. I apologize for not getting it out to the rest of the group.

Bob's e-mail is below and the FPL red-line file is attached.

Trudy - please advise on the game plan

Glenn

>>> <[Bob\\_Schoneck@fpl.com](mailto:Bob_Schoneck@fpl.com)> 7/17/2007 11:00 AM >>>

Glen:

As we discussed I have tried to incorporate SEC comments as well as other enhancements resulting from the SEARUC conference within the appropriate Principle ( eg. Coordination, Data Exchange ,etc. ). I would like to work with Seminole prior to sending this to others. Also, remember this document is for all types of Transmission Customers ( point to point , GIS , network ). Please review and let me know your thoughts. I understand that Ken is out until Monday and I will be out starting Monday. I have tried to redline the changes from the 5/11/07 draft to show where in the document I have incorporated comments suggested by Seminole and others. Look forward to working with you on this effort.  
Thanks, Bob

(See attached file: Strawman Att K SEC Redlined 7-16-07.doc)

**From:** Ken Bachor  
**To:** Baker, Gary; bcallery@calpine.com; Brinkworth, Gary; Brown, Anne; cm...  
**Date:** 8/16/2007 4:33 PM  
**Subject:** Seminole Response to the August 14 Attachment K Strawman  
**Attachments:** Seminole Response re Attachment K 8-6-07.doc

For your information in regard to the scheduled August 21 conference call to discuss the Attachment K "strawman," I am attaching the Seminole comments previously forwarded to FPL on August 6 and to PEF on August 8 so that all parties on the conference call understand Seminole's view of this process. Seminole would like to emphasize that the burden is now on each sponsor to draft individualized tariff language that accommodates its particular planning process and makes it a coordinated process containing the essential features noted in the Seminole comments and provided for in the FERC White Paper. Seminole believes that it is appropriate for each sponsor to consult with interested stakeholders like itself in developing the essential features that would become part of each sponsor's Attachment K, and Seminole suggests that a small committee of knowledgeable transmission planning staff (from the sponsors and interested stakeholders) convene immediately to work on the essential features that need to be included in each of the sponsor's transmission plans in order for such plans to be accepted by the FERC. We view this as a cooperative and constructive process with the sponsors having ultimate responsibility for drafting tariff language that meshes the essential features (discussed above) with the real world planning process used by each sponsor annually to develop its transmission plan. If the sponsors are amenable to this approach, Seminole will volunteer to participate on the transmission planning committee and would be pleased to review the draft tariff language that is produced by each sponsor to reflect its individualized plan. We would be happy to answer any questions regarding the above either before or during the August 21 conference call.

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**Seminole Electric Cooperative, Inc.**  
**Written Comments Regarding Florida September 14 Strawman**  
**October 1, 2007 FERC Technical Conference**

- 1) Brief Description of Seminole by Trudy Novak (who is appearing with Ken Bachor)
- 2) I appeared at the June 5 FERC technical conference and made the point that the strawman Attachment K being sponsored by the Transmission Providers in Florida was patently inadequate because, among other things, it failed to provide for interested stakeholders like Seminole to participate as an integral part of a structured Transmission Provider planning process. That shortcoming has not been cured, despite Seminole's repeated efforts in the interim to convince the Transmission Providers to put meat on the Attachment K bones and to include Seminole in the process. It is now abundantly clear to Seminole that the Transmission Providers, despite their frequent assurances to the contrary, are determined not to provide for a meaningful local transmission planning process of which Seminole would be an integral part; rather, the Transmission Providers are clinging to the hope that, in spite of the clear mandate of Order 890 and the Staff's helpful White Paper, the Commission will be satisfied with platitudes and buzzwords and that in lieu of a detailed transmission planning process for each Florida Transmission Provider, they can use a highly generalized one-size-fits-all approach to avoid providing for a structured local transmission planning process in which stakeholders like Seminole can meaningfully participate. Nowhere is this clearer than on the flow chart shown on page 18 of the September strawman, which is completely lacking in detail regarding the interaction between the Transmission Providers and stakeholders during the annual planning cycle of each Transmission Provider. This transmission planning issue is very important to Seminole, as more than 90% of Seminole's Member load is embedded within the control areas of two Transmission Providers (Progress Energy and FPL). Seminole believes that coordinated joint transmission planning in Florida is imperative to provide reliable service to our Members.
- 3) Before I discuss some of the many shortcomings in the latest (September 14) strawman, I want to make clear to the Commission that Seminole is not a "Johnny come lately" to this process. I am attaching to my written comments (at Attachment 1) both our June 5 comments (regarding the original strawman) and our comments of August 6 (regarding the July 16 strawman) as well other email correspondence between Seminole and the sponsors reflecting Seminole's desire to improve the end product being prepared by the Transmission Providers. In those documents we provided substantive comments and noted what we considered to be the essential features of an Order 890 compliant transmission plan; we also implored the Transmission Providers to use the Staff White Paper as the basis for formulating their transmission planning proposals. These suggestions have been consistently ignored, despite their claims to the contrary. In addition, despite Seminole's offers to participate in the process, the Transmission Providers continue to treat this as a team sport, with only the Transmission Providers themselves allowed in the huddle, as we

stakeholders stand anxiously on the sidelines watching as the transmission planning ball fails to advance substantively one iota. Unfortunately, the results were predictable: a transmission planning process that is remarkable only for its generality and lack of specificity

- 4) Let me illustrate some of the points made above regarding lack of specificity by reference to the Transmission Providers' latest (September 14) strawman
  - a) First, to put this latest strawman in context, it is necessary to understand that the key to transmission planning in Florida is the *local* transmission plan that each Transmission Provider develops and submits annually (by April 1) to the Florida Public Service Commission. It is this plan that is used by the Florida Regional Coordinating Council (FRCC) to comply with Principle 9 of Order 890 regarding regional planning. Despite the clear and overriding importance of the *local* transmission planning process of each transmission provider, the bulk of the September 14 strawman (like its predecessors) is dedicated to describing the Florida regional planning process occurring at the FRCC, which Seminole supports. What continues to be missing from each version of the transmission providers' strawman is the specificity of the critical local transmission planning process so clearly called for by Order 890 and the Staff White Paper.
  - b) The entirety of the strawman's discussion of the key principle of "Coordination" as it relates to local planning is contained in a single paragraph – a single paragraph that begins as follows (p. 6): "Transmission Provider consults and interacts with its customers in providing *transmission service* and *generator interconnection service* as well as with its neighboring transmission providers, on a regular basis. A transmission customer may request and/or schedule a meeting with a Transmission Provider to discuss any issue related to the provision of *transmission service* at any time." (Emphasis added.) This is not a game plan for coordinated local transmission planning; it simply reflects what has always been true: transmission providers and transmission customers can talk to each other regarding transmission and interconnection service! If the reader compares this anemic section on "Coordination" in the strawman with the 2-plus pages of specific suggestions in the Staff White Paper for the necessary structure to ensure that coordinated transmission planning occurs at the local level, the conclusion is obvious: the Transmission Providers have not even given the Staff suggestions (much less Seminole's) the back of their hand – instead, they have ignored them completely.
  - c) The next section of the September 14 strawman, addressing "Openness" (again in a single paragraph), is equally telling (p. 11): "Transmission Provider provides notice and schedules meetings with its transmission customers *as deemed necessary* by the transmission customer and/or Transmission Provider. Transmission Provider schedules meetings with its customers to interact, exchange perspectives or share findings from studies. Transmission Provider communicates and interacts with its transmission service customers on a regular

basis to discuss loads, generation/network resource additions/deletions, new facility additions and upgrades, demand resource information, customer's projections of future needs, and related subjects that have an impact on the provision of transmission service to a customer." This is not a description of an ongoing coordinated and open transmission planning process; it is a description of business as usual by the Transmission Providers in Florida. Once again, one need only compare and contrast the generalities being offered by the Transmission Providers in the strawman with the concrete suggestions found in the Staff White Paper to understand how far short of the mark the Transmission Providers have landed in their latest effort.

- d) The section of the strawman addressing "Information Exchange" (in two paragraphs, beginning at page 20) is also informative. That section provides that transmission customers will provide the necessary input data by a date certain (about the only date to appear in the local planning process) and then the "Transmission Provider utilizes the information provided in modeling and assessing the performance of its system in order to develop a transmission plan that meets the needs of all customers of the transmission system " Again, this is not the basis for joint transmission planning; it is business as usual in Florida, whereby transmission plans are the sole province of the Transmission Providers. What is missing is a structure for information *exchange* and follow-up meetings to discuss the data and how best to model that data to produce a satisfactory transmission plan. Let me quote from the Staff White Paper (p 9): "The Commission emphasized that transmission planning is not intended to be limited to the mere exchange of information and after the fact review of transmission provider plans. The planning process is instead intended to provide a meaningful opportunity for customers and stakeholders to engage in planning along with their transmission providers " The transmission providers have ignored this clear signal from the Commission as to what is required in an Order 890-compliant transmission plan
- 5) This same analysis applies to each of the eight Order 890 transmission planning principles, all of which are missing in action from the Transmission Providers' September 14 strawman. That they are missing is not surprising when one reads the statement of "Purpose" in the latest strawman, which reads as follows (p. 4): "The Transmission Planning Process is intended to provide transmission customers *the opportunity to interact* with the transmission planning personnel of the Transmission Provider in order for transmission customers to provide timely and meaningful input into the development of the transmission plan " (Emphasis added ) Compare and contrast this very general and open-ended statement with what Seminole suggested at the first and only meeting held prior to the issuance of the original strawman:

The purpose of Attachment K is to provide a detailed description of the process that will be used in Florida by each Transmission Provider to provide coordinated, open, and transparent transmission on both a local and regional level. Each Transmission Provider will timely share with the interested stakeholders in its transmission area the

information called for in Order 890 regarding its annual transmission plan so that thereafter regularly scheduled and noticed open meetings may be held to develop the Transmission Provider's transmission plan, which will then be provided to the FRCC for review from the regional perspective. It is the intent of the Transmission Provider that the interested stakeholders play an integral role in the development of the annual transmission plan, though it is the Transmission Provider's ultimate responsibility to adopt and sponsor the plan that is provided to the FRCC

It is evident from their subsequent work product why the Transmission Providers chose to ignore Seminole's suggested statement of purpose, as it would have required the Transmission Providers to go beyond trite generalities and actually to formulate a local transmission planning process along the lines anticipated in Order 890

- 6) It is somewhat more than ironical that despite ignoring Seminole's suggestions regarding the statement of purpose and our concrete suggestions of August 6 (see attachment), not to mention the Staff White Paper, the Transmission Providers in their transmittal letter accompanying the September 14 strawman state that "the sponsors welcome specific proposed wording modifications to the draft Attachment K." The attempt to put the ball in the stakeholders' court conveniently ignores the fact that it is the sponsors' obligation to draft tariff language that reflects their *individual* transmission planning processes and incorporates the Order 890 principles into that process. Until they have taken that critical first step, which is based on knowledge unique to each system, entities like Seminole are helpless to contribute substantively more than they already have regarding the many glaring shortcomings of the strawman. We suggest that it is now time for the Transmission Providers to get serious about formulating a strawman Attachment K that makes a good faith effort to meet the planning principles articulated in Order 890. As the Transmission Providers are not reluctant to remind us in the strawman (p. 22), "the Transmission Provider is ultimately responsible for the transmission plan." It is now time that they take responsibility for actually drafting the process by which such a plan is formulated on a joint and coordinated basis each year with their customers.

*Attachment 1*: Seminole June 5, 2007 Comments on Original Strawman; I. Novak email of July 17, 2007; Seminole Comments of August 6, 2007 re July 16, 2007 Strawman; I. Novak email of July 20, 2007; K. Bachor email of August 16, 2007.

*Attachment 1*

**Correspondence from Seminole Electric Cooperative, Inc.  
Regarding the Various Strawmen Offered by the Transmission Providers**

**Seminole Electric Cooperative, Inc.**  
**Outline for Remarks Regarding Florida Strawman**  
**June 5, 2007 FERC Technical Conference**

- 1) Brief Description of Seminole
- 2) Seminole has been an active participant in the efforts of the Florida Regional Reliability Council (FRCC) to put together a regional transmission planning process, and while work remains to be done to accomplish the Commission's Order 890 planning principle on "regional participation," we believe much progress has been made.
- 3) Thus, Seminole's comments focus on the other seven planning principles in Order 890. First, it should be noted that the Strawman published by the Transmission Providers on May 29 was a substantial improvement over the one that was presented to us for the first time on May 11; however, the Strawman suffers from a major shortcoming that affects the description of each of the key planning principles. That shortcoming, as described in more detail below, is the failure of the Transmission Providers to include interested parties like Seminole as an integral part of the Transmission Provider planning process – the very essence of Order 890. Seminole would prefer to believe that this failure was inadvertent and will be corrected in the Attachment K negotiations. But whether inadvertent or not, it must be fixed.
- 4) To illustrate the point, pertinent sections of Order 890 as to several key planning principles has been quoted below along with quotes from the Strawman. The problem that infects the Strawman should become quickly evident with these examples
  - a) Coordination:
    - i) Order 890: "... we fully intend that the planning process adopted herein provide for the timely and meaningful input and participation of customers into *the development of transmission plans*. This means that customers must be included *at the early stages of the development of the transmission plan* and *not* merely given an opportunity to comment on transmission plans that were developed in the first instance without their input "(¶ 454)
    - ii) Strawman: "A transmission customer may request and/or schedule a meeting with a Transmission Provider to discuss any issue related to the provision of transmission service at any time. Transmission Provider consults and interacts with its customers at various stages of the planning process (e.g. Scoping Meeting, Feasibility, System impact and Facilities Studies). A dialogue between the transmission customer and the Transmission Provider will take place *regarding customer needs*. . . . Additionally, the transmission customer shall have an opportunity *to comment* each time study findings are

communicated by the Transmission Provider to the customer (Feasibility, System Impact, and Facilities Studies).”

- iii) Comment: The Strawman seems to view customers as having a limited role related to their own particular transmission needs as reflected in requests for service or load growth, and are not viewed as playing an integral and proactive role in the individual Transmission Provider’s annual planning process.

b) Openness:

- i) Order 890: “The Commission ... will require will require that *transmission planning meetings* be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders. (¶ 460)
- ii) Strawman: Transmission Provider communicates and interacts with its transmission service customers on a regular basis to discuss loads, network resource additions/deletions, demand resource information, customer’s projections of future needs, and related subjects *that have an impact on the provision of transmission service to a customer.*” Transmission Provider provides a *status update* to its customers on a regular basis or at any time, if requested by a customer.”
- iii) Comment: Once again, the Strawman’s emphasis and focus are on particular customer requirements (which is fine as far as it goes), but the Strawman fails to incorporate the customers as part of the overall planning process; we should not be reviewing “status updates” on a particular study – we should be participating in the process that produces the transmission plan itself.

c) Transparency:

- i) Order 890: The Commission ... will require transmission providers to disclose to all customers and other stakeholders the basic criteria, assumptions, and data *that underlie their transmission system plans.* [Footnote omitted.] In addition, transmission providers will be required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop *their transmission plans*, including how they treat retail native loads, in order to ensure that standards are consistently applied. This information should enable customers, other stakeholders, or an independent third party to replicate the results of planning studies and thereby reduce the incidence of after-the-fact disputes regarding whether planning has been conducted in an unduly discriminatory fashion. (¶ 471)
- ii) Strawman: Beyond general verbiage regarding its planning process, the Strawman says only that the Transmission Provider “makes available to a

transmission service customer the underlying data, assumptions, criteria and underlying transmission plans *utilized in the study process*. Transmission Provider provides written descriptions of the basic methodology, criteria and processes used to develop plans.”

- iii) Comment: As with the other planning principles, it is clear both from what is said and what is not said that customers are not viewed as an integral part of the planning process, but rather an adjunct that will be dealt with as necessary regarding our specific requests/needs. We do not believe that this is what the Commission envisioned in Order 890
- 5) After the first and only meeting held by the Transmission Providers regarding the Strawman, Seminole provided them with a Statement of Principle and some process points. The Transmission Providers weaved the process points into their revised Strawman, but they failed to incorporate the Statement of Principle, which reads as follows:

The purpose of Attachment K is to provide a detailed description of the process that will be used in Florida by each Transmission Provider to provide coordinated, open, and transparent transmission on both a local and regional level. Each Transmission Provider will timely share with the interested stakeholders in its transmission area the information called for in Order 890 regarding its annual transmission plan so that thereafter regularly scheduled and noticed open meetings may be held to develop the Transmission Provider’s transmission plan, which will then be provided to the FRCC for review from the regional perspective. It is the intent of the Transmission Provider that the interested stakeholders play an integral role in the development of the annual transmission plan, though it is the Transmission Provider’s ultimate responsibility to adopt and sponsor the plan that is provided to the FRCC

If the Transmission Providers would adopt this Statement of Principle and then use it as the basis for each planning principle, the Strawman would then provide a good road map for the crafting of an Order 890-compliant Attachment K. Hopefully this is precisely what the Transmission Providers intend.

**Trudy Novak - Re: "Strawman" time line for a work plan to complete Attachment K**


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**From:** Trudy Novak  
**To:** Anne Brown; Art Nordlinger; bcallery@calpine.com; Ben Crisp; Bob Williams; Byron Knibbs; cmgreene@southernco.com; Dale Oliver; eestes@LSPower.com; Gail McKaig; Garry Baker; Gary Brinkworth; gilbdc@jea.com; Glenn Spurlock; Hector\_Sanchez@fpl.com; jmcgrane@morganlewis.com; jnl@linxwiler.com; Keith Mutters; Kendal Bowman; Mace Hunter; Marty Mennes; Nina McLaurin; Paul Allen; planning@frcc.com; Renae Deaton; Ron Donahey; srogers@frcc.com; sspina@morganlewis.com; stephen\_huntoon@fpl.com; Ted Hobson; Thomas Szelistowski; Tim Woodbury  
**Date:** 7/17/2007 11:12 AM  
**Subject:** Re: "Strawman" time line for a work plan to complete Attachment K  
**CC:** Bud Miller; Ken Bachor; Mike Opalinski

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Hector - thank you very much for providing your strawman timeline for the stakeholders review. Seminole has a major concern that stands out in your proposed version. The proposed schedule provides that the stakeholders (other than sponsors) will for the first time see a redline version of Attachment K on August 14 and have only until August 17 to review and provide a redline response. Seminole suggests that the sponsors move up the date for distribution to at least August 7 so that we have 10 days to review/edit/draft a redline. Also, Seminole is interested in understanding why the stakeholders are not able to participate (at least as non-voting observers) along with the sponsors in the preparation of the Attachment K. Order 890 envisions that transmission providers "will work in consultation with their stakeholders during the development of their Attachment K compliance filings" which seems to suggest that the stakeholders and the sponsors work together in a collaborative process rather than simply be given one redline and one meeting to discuss. This is simply a repeat of what happened when the sponsors developed the strawman Attachment K document. We expressed our concern at that time that the stakeholders were given little time to provide comments. Based upon our comments at the one and only meeting at FRCC and after our discussions at the FERC technical conference we had envisioned that the sponsors would have worked with the stakeholders in more of a collaborative process to develop the final Attachment Ks.

best regards,  
Trudy

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>>> <Hector\_Sanchez@fpl.com> 7/16/2007 5:18 PM >>>

**From: Florida Power & Light Company, Jacksonville Electric Authority, Orlando Utilities Commission, Progress Energy Florida, Inc. and Tampa Electric Company, collectively the "Sponsors" of the strawman Attachment K - Transmission Planning Process.**

Attached for your review is a "strawman" time line for a work plan associated with the development of Attachment K. The attachment indicates the schedule to be ready to file with FERC on Oct 11.

*(See attached file: FRCC Transmission Planning Process-Work Plan Draft.doc)*

***Seminole Response re July 16, 2007  
Draft Attachment K  
(8/6/07)***

Seminole Electric Cooperative, Inc. ("Seminole") is hereby providing its response regarding the July 16, 2007 draft Attachment K shared with Seminole by Florida Power & Light Company. This response is broken down into three sections: first, we will discuss some overriding concerns with the draft Attachment K; second we will present what we consider to be essential features of an Attachment K, which for the most part seem to be missing from the draft Attachment K; and, third, we will present some relevant excerpts from Order 890 that underscore the points made in the first two sections of this response.

*Overview Comments*

Rather than take the original Attachment K strawman and use that as the basis for drilling deeper, *i.e.*, providing the necessary structure and details for a meaningful collaborative and coordinated planning process, the sponsors have simply made a few minor enhancements. Seminole believes that the Commission in Order 890 is anticipating far more from the transmission providers in the way of structure and detail in order for a planning process to comply with Order 890.<sup>1</sup>

Second, the draft Attachment K (like the strawman) seems to combine two very different (albeit not unrelated) issues: one issue is the handling of transmission and generation interconnection requests; the other issue is transmission planning. Transmission providers (TPs) deal with transmission and generation interconnection requests on a sporadic basis as they arise; transmission planning is an ongoing process that is initiated and carried on each year by the TPs. Attachment K must distinguish between these processes (rather than conflating them) and deal in detail with the manner in which transmission planning will be handled each year. (E.g., Order 890, P 543)

Third, each TP presumably has its own approach to handling transmission planning within its own footprint. If in fact each TP plans their system by zones, there should be a TP zonal planning process, a TP system-wide planning process (which would include but not be limited to multiple dispatch scenarios analysis), and a Regional/multi-Regional planning process. Each TP must design its Attachment K so that there is a structure in place for accommodating and incorporating interested transmission customer input each year. The draft Attachment K does not begin to satisfy that need as it

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<sup>1</sup> In its Order Extending Compliance Action Date issued July 27 in Docket Nos. RM05-17 and RM05-25, the Commission observed as follows: "Many of the 'strawman' proposals addressed planning in generalities. In order to prepare their Attachment K compliance filings, transmission providers must translate those generalities into tariff language that specifically identifies the rights and obligations of the transmission providers and their customers in the planning process" (P 4)

addresses transmission planning generally and generically at the 50,000 foot level. That simply is not sufficient.

Fourth, given that the FRCC uses the transmission plans of the individual TPs as the basis for constructing the regional transmission plan, the place where the rubber meets the road is at the footprint level where each TP puts together its transmission plan. Hence, the need to meet the Order 890 planning principles at the individual TP level is paramount. The Commission in Order 890 (P 440), speaking in the context of RTOs, made this very point: “The more regional RTO or ISO planning process will not comply with the requirements of the Final Rule to the extent they incorporate and rely on information prepared by underlying transmission owners that, in turn, have not complied with the Final Rule.”

Finally, this document was prepared prior to issuance of the August 2, 2007 Staff White Paper on planning in Docket No. RM05-25, which we have had the opportunity only for a quick review. However, it is clear from such review that the White Paper effectively underscores the points made above regarding the need to substitute detail for generalities and to abandon the one-size-fits-all approach taken by the Florida sponsors for individually tailored, transmission provider-specific planning processes. The Essential Features portion of this document (immediately below) will need to be amplified to reflect many of the very good points found in the Staff White Paper.

#### *Essential Features of an Order 890-Compliant Attachment K*

Seminole submits that in order to satisfy the requirements of Order 890, Attachment K must provide for, among other things, the following at a minimum:

- The transmission planning process must address both reliability and economics.
- TPs must engage in open and inclusive processes for both local and regional projects, with those processes suited to project scope:
  - Broader scope and larger family of stakeholders for regional projects;
  - Smaller scope and limited family of stakeholders for local projects.
- TP must perform long-run multiple generation dispatch scenarios for regional (beyond the borders of a single TP) projects to identify optimal regional transmission solution.
- Transmission planning process must be able to use a reasonable planning horizon (minimum of 10 years) on a collaborative basis to see the shared needs of contiguous entities in the planning area whether within the TP’s transmission system or within the region.
- The transmission planning process should work backwards from the end of the planning horizon rather than looking forward at incremental solutions to immediate needs.
- The transmission planning process must permit all LSE transmission customers to participate from the very beginning.

- The process should provide for planning staff from the TP and all LSE transmission customers to work collaboratively to develop consensus on:
  - The modeling assumptions, criteria, operating guides and their application, base set of load flow cases, interpretations of NERC criteria, alternative generation dispatch scenarios for regional planning, and other criteria (such as voltage criteria, thermal limits and what they're based on), etc. ["Study Inputs"] that underlie the system model used in studies (this may be difficult the first year, but should not be burdensome thereafter);
  - The potential transmission solutions and the series of steady-state load-flow scenarios (years, seasons, load levels, generation dispatch, etc) to be assessed, based on modeling assumptions and criteria;
  - The alternative scenarios to be studied as possible solutions to resolve reliability or economic problems;
  - The solutions selected to resolve reliability or economic problems identified by the studies.
- Data arising from the transmission planning process must be posted (published). In order to preserve the integrity of the data, the data could be posted in a password protected "e-room".
  - Level of detail posted must be sufficient so that an independent consultant or LSE transmission customer could reproduce the TP's modeling results
  - Data published should include:
    - Type of software/models;
    - Study Inputs;
    - Initial planning criteria violations with detailed discussion of any violations discovered, explanation of why it is a violation, discussion of whether those are really the only violations
      - If consensus cannot be reached, publish alternative scenarios as well so all stakeholders are aware of disagreement and the significance of the disagreement.
    - Potential solutions and the family of model runs to be assessed, agreed upon by TP and by LSE transmission customers.
      - If consensus cannot be reached, publish alternative scenarios as well so all interested stakeholders are aware of disagreement and the significance of the disagreement.
- There should be documentation of the level of consensus on Study Inputs, proposed solutions, etc., so it is clear whether a proposal is a product of the coordinated planning process or is unilaterally adopted by the TP over the objection of LSE transmission customers.
- Ideally, the collaborative process will prevent disputes.
  - If the majority of LSE participants fundamentally disagree regarding Study Inputs, planning criteria, or proposed solutions, the transmission process should require the TP to accept and model the alternatives offered by LSE transmission customers in addition to the TP's preferred approach. Such alternative runs will provide transparency to the process and permit all parties and the Commission to evaluate which alternative is correct.

- If a minority subset of the LSE's participants fundamentally disagree regarding Study Inputs, planning criteria, or proposed solutions, the TP must at the very least be *required* to provide LSE transmission customers with *all* of the data required to permit those LSE customers to reproduce the TP's system model and conduct their own alternative runs in a timely manner. The data must be provided in a useable format. The transmission planning process in this alternative must give the LSE transmission customers sufficient time to perform the alternative studies before moving to the next stage so that such studies can have a meaningful role in that next stage.
  - In the event the collaborative process fails to prevent disputes, the TP transmission planning process must include a mechanism to resolve any differences at all levels of the process. The transparency provided by the requirement to publish and study alternative approaches will enhance FERC's ability to understand and resolve disputes.
- Once the TP and the LSE transmission customers have reached consensus, the transmission plan should be presented to other stakeholders.
- Entire stakeholder community has already received modeling assumptions and violations.
  - Modeling results will be provided at least two weeks prior to a meeting
  - At meeting, TP and LSEs will present and discuss collaborative modeling results:
    - Alternatives considered;
    - Other factors;
    - Results of alternate generation dispatch and demand response assumptions;
  - If consensus was not reached, TP and LSEs will present their own conclusions
  - Within two weeks after the meeting, the remainder of the stakeholder community may submit up to four additional scenarios not previously modeled.
- The OATT must include metrics to assess transmission expansion progress and assure transmission facilities arising from the plan are built and built within the required schedule, as well as comparability of service between LSE & TP native load. These must provide enough detail to assess:
- Project status including milestones of work completed, such as right-of-way, permitting, application for state certificate of need, construction progress, etc. Comparison of milestone originally projected dates, changes to projected dates, and actual completion dates
  - Original project scope as compared to current scope
  - Original projected in-service date compared to changes in planned in-service date and actual in-service date
  - Project overruns
  - Reliability impacts of delay
  - Market impacts of delay
  - Changes in classification from transmission owner initiated project to regional transmission expansion project

- Originally projected violations in each planning year compared to changes in projected violations as the planning year approaches
- Operational and temporary fixes implemented to deal with delays in planned transmission

*Some Relevant Order 890 Statements re TP Planning Obligations*

The intent of Order 890 to require the essential features noted above is captured throughout the order, as exemplified in the quotes below from Order 890.

**Coordination:** “We emphasize that the purpose of the coordination requirement is to eliminate the potential for undue discrimination in planning by opening appropriate lines of communication between transmission providers, their transmission-providing neighbors, affected state authorities, customers, and other stakeholders.” (P 452) “For example, a transmission provider could meet this requirement by facilitating the formation of a permanent planning committee made up of itself, its neighboring transmission providers, affected state authorities, customers, and other stakeholders. Such a planning committee could develop its own means of communication, which may or may not emphasize formal meeting procedures. We are more concerned with the substance of coordination than its form.” (P 452) “Transmission providers are, however, required to craft a process that allows for a reasonable and meaningful opportunity to meet or otherwise interact meaningfully.” (P 453)

**Openness:** “The Commission ... will require that transmission planning meetings be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions and other stakeholders.” (P 460) “We emphasize ... that the overall development of the transmission plan and the planning process must remain open.” (P 460)

**Transparency:** “The Commission ... will require transmission providers to disclose to all customers and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans [Footnote omitted.] In addition, transmission providers will be required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop their transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied” (P 471) “The Commission also requires that transmission providers make available information regarding the status of upgrades identified in their transmission plans in addition to the underlying plans and related studies. It is important that the Commission, stakeholders, neighboring transmission providers, and affected state authorities have ready access to this information in order to facilitate coordination and oversight” (P 472)

**Information Exchange:** “[W]e will require transmission providers, in consultation with their customers and other stakeholders, to develop guidelines and a schedule for the submittal of information. In order for the Final Rule’s planning process to be as open and transparent as possible, the information collected by transmission

providers to provide transmission service to their native load customers must be transparent and, to that end, equivalent information must be provided by transmission customers to ensure effective planning and comparability. We clarify that the information must be made available at regular intervals to be identified in advance. Information exchanged should be a continual process, the frequency of which should be addressed in the transmission provider's compliance filing required by the Final Rule." (P 486) "Lastly, in response to the concerns of some commenters, we emphasize that the transmission planning required by this Final Rule is not intended, as discussed earlier, to be limited to the mere exchange of information and then review of transmission provider plans after the fact. The transmission planning required by this Final Rule is intended to provide transmission customers and other stakeholders a meaningful opportunity to engage in planning along with their transmission providers." (P 488)

**Comparability:** "The Commission ... will require the transmission provider, after considering the data and comments supplied by customers and other stakeholders, to develop a transmission system plan that (1) meets the specific service requests of its transmission customers and (2) otherwise treats similarly-situated customers (e.g., network and retail native load) comparably in transmission system planning" (P 494)

**Dispute Resolution:** "[W]e do intend that the planning process required by this Final Rule ensure comparability in planning between that conducted for a transmission provider's retail native load and its similarly-situated transmission customers and, therefore, issues relating to such comparability may be appropriate for the dispute resolution process." (P 502)

**Regional Participation:** "[I]n addition to preparing a system plan for its own control area on an open and nondiscriminatory basis, each transmission provider will be required to coordinate with interconnected systems to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data and (2) identify system enhancements that could relieve congestion or integrate new resources (discussed further below)" (P 523)

**Economic Planning Studies:** "At the outset, we wish to clarify that our primary objective in adopting this principle is to ensure that the transmission planning process encompasses more than reliability considerations. Although planning to maintain reliability is a critical priority, it is not the only one. Planning involves both reliability and economic considerations." (P 542) "The process for addressing individual requests for service under the pro forma OATT is adequate for customers who request specific transmission rights to purchase power from a particular resource in a particular location during a defined time period. However, it does not provide an opportunity for customers to consider whether potential upgrades or other investments could reduce congestion costs or otherwise integrate new resources on an aggregated or regional basis outside of a specific request for interconnection or transmission service. It thus limits, for example, groups of customers from considering more comprehensive solutions to transmission congestion, including investment in demand response. It also limits multiple LSEs from considering, on a more aggregated basis, whether particular upgrades may represent the

most economic means of integrating new generation resources (e.g., wind resources) located in a common area that could be accessed by many customers. The Commission believes such coordinated studies can, for system planning purposes, be more beneficial than studies performed on a request-by-request basis. We also find that they are consistent with the requirement to provide comparable service. Transmission providers are not limited, in serving native load customers, to studying potential transmission upgrades only in the context of specific requests for service under the pro forma OATT” (P 543) “We therefore require each transmission provider to comply with the revised economic planning studies principle in this Final Rule both as to its own transmission system and as to the regional planning process described above.” (P 551)

**Cost Allocation for New Projects:** “We therefore find that, for a planning process to comply with the Final Rule, it must address the allocation of costs of new facilities.” (P 557)

**From:** Trudy Novak  
**To:** Bob Schoneck; Hector Sanchez  
**CC:** Bud Miller; Glenn Spurlock; Ken Bachor; Tim Woodbury  
**Date:** 7/20/2007 11:03 AM  
**Subject:** Fwd: FPL Redlines of the FERC Order 890 Attachment K --- Request for Seminole Comments  
**Attachments:** Strawman Att K SEC Redlined 7-16-07.doc

Hector/Bob: I understand that I have been the source of some confusion/consternation due to the email response that I sent to Hector regarding the proposed Work Plan for Attachment K. Please be advised that my email response went out before I became aware that FPL was intending to share a draft of Attachment K with Seminole for its input (see email below from Glenn Spurlock). Regarding the offer to review Attachment K, our quick review indicates that it is little more than a refined strawman, i.e., it lacks the detail regarding the transmission planning process that we believe is envisioned in Order 890. As I indicated in my email to Hector regarding the Work Plan, Seminole would like to work with FPL and the other sponsors (and any other interested stakeholders) to convert the strawman to an Attachment K that satisfies the Order 890 criteria. Kindly indicate whether this is an approach that would work for you (and the other sponsors). Thanks – Trudy (ps: for planning purposes, I am out of the office next week on vacation, but please feel free to include Glenn and Ken Bachor in the discussions to develop the Attachment K)

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>>> Glenn Spurlock 7/18/2007 5:30 PM >>>  
SECI Attachment K Team,

Prior to yesterday's FRCC TWG meeting, Bob Schoneck of FPL and I spoke by telephone regarding the meeting agenda items and the Attachment K (briefly). He let me know that FPL would be sending a document to Seminole, hoping to work with us prior to sending it out to the entire group. He stated that he had limited time due to being out of the office starting Monday - he hoped that Seminole could work with him in the available time.

I spoke with Trudy this afternoon and we realized that I was the only one to receive the e-mail. I apologize for not getting it out to the rest of the group.

Bob's e-mail is below and the FPL red-line file is attached.

Trudy - please advise on the game plan

Glenn

>>> <[Bob\\_Schoneck@fpl.com](mailto:Bob_Schoneck@fpl.com)> 7/17/2007 11:00 AM >>>

Glen:

As we discussed I have tried to incorporate SEC comments as well as other enhancements resulting from the SEARUC conference within the appropriate Principle ( eg. Coordination, Data Exchange ,etc. ). I would like to work with Seminole prior to sending this to others. Also, remember this document is for all types of Transmission Customers ( point to point , GIS , network ). Please review and let me know your thoughts. I understand that Ken is out until Monday and I will be out starting Monday. I have tried to redline the changes from the 5/11/07 draft to show where in the document I have incorporated comments suggested by Seminole and others. Look forward to working with you on this effort.  
Thanks, Bob

(See attached file: Strawman Att K SEC Redlined 7-16-07.doc)

**From:** Ken Bachor  
**To:** Baker, Gary; bcallery@calpine.com; Brinkworth, Gary; Brown, Anne; cm...  
**Date:** 8/16/2007 4:33 PM  
**Subject:** Seminole Response to the August 14 Attachment K Strawman  
**Attachments:** Seminole Response re Attachment K 8-6-07.doc

For your information in regard to the scheduled August 21 conference call to discuss the Attachment K "strawman," I am attaching the Seminole comments previously forwarded to FPL on August 6 and to PEF on August 8 so that all parties on the conference call understand Seminole's view of this process. Seminole would like to emphasize that the burden is now on each sponsor to draft individualized tariff language that accommodates its particular planning process and makes it a coordinated process containing the essential features noted in the Seminole comments and provided for in the FERC White Paper. Seminole believes that it is appropriate for each sponsor to consult with interested stakeholders like itself in developing the essential features that would become part of each sponsor's Attachment K, and Seminole suggests that a small committee of knowledgeable transmission planning staff (from the sponsors and interested stakeholders) convene immediately to work on the essential features that need to be included in each of the sponsor's transmission plans in order for such plans to be accepted by the FERC. We view this as a cooperative and constructive process with the sponsors having ultimate responsibility for drafting tariff language that meshes the essential features (discussed above) with the real world planning process used by each sponsor annually to develop its transmission plan. If the sponsors are amenable to this approach, Seminole will volunteer to participate on the transmission planning committee and would be pleased to review the draft tariff language that is produced by each sponsor to reflect its individualized plan. We would be happy to answer any questions regarding the above either before or during the August 21 conference call.

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Submission Contents

10012007SECIComments.pdf..... 1-18

10012007SECIComments.pdf..... 19-36