

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transmission Planning Processes
Under Order No. 890

Docket No. AD09-8-000

COMMENTS OF THE EASTERN INTERCONNECTION
PLANNING COLLABORATIVE ANALYSIS TEAM

November 23, 2009

INTRODUCTION

The Eastern Interconnection Planning Collaborative Analysis Team (“Analysis Team”) is a group of 24 Planning Authorities in the Eastern Interconnection that have executed a contractual agreement¹ for the purpose of setting forth how they will work together to develop and implement an open and transparent process called the Eastern Interconnection Planning Collaborative (“EIPC”). In addition to its primary function of developing interconnection-wide transmission system models and conducting the technical analyses consistent with regional plans, the Analysis Team is developing the EIPC study framework in conjunction with an interactive dialogue with industry stakeholders.

The Analysis Team is pleased to provide these comments in response to the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) October 8, 2009 Notice of Request for Comments in Docket No. AD09-8-000² (“Notice”), which follows the three regional technical conferences described in the Notice. Mr. David Whiteley participated as a consultant on behalf of the Analysis Team at the September 21, 2009 conference held in Philadelphia. Mr. Whiteley’s presentation provided an overview of the EIPC and described the progress made to date toward the development of the EIPC. Mr. Whiteley’s prepared remarks presented at the September 21 technical conference have been filed in this docket.³ These post-technical

¹ See list of Planning Authorities in Attachment 1. The EIPC Agreement is posted on the EIPC website at eipconline.com.

² See *Transmission Planning Processes Under Order No. 890*, Notice of Request For Comments, Docket No. AD09-8-000 (October 8, 2009).

³ See *Transmission Planning Processes Under Order No. 890*, Prepared Opening Remarks of David A. Whiteley, Principal Member, Whiteley BPS Planning Ventures LLC, Docket No. AD09-8-000, September 21, 2009.

conference comments supplement Mr. Whiteley's remarks and address the questions related to broad interregional planning raised by Commission staff in the Notice.

The formation of the Analysis Team and the EIPC is unique and unprecedented for the Eastern Interconnection. The formation of the Analysis Team has been a complex process, bringing together diverse views in regions with differing resource types and plans across more than 40 states and provinces, in an effort to seek a balance of interests and approaches through open dialogue and consensus building. Today, this effort is continuing to the next step of engaging a broad range of stakeholders to establish the open and collaborative process and to begin the EIPC's technical work of analyzing the Eastern Interconnection as a whole. These next steps will require additional time to complete. The Commission should support this development effort and allow this process to unfold. It is already well underway and will directly address the concerns voiced in the Notice regarding interregional planning in the Eastern Interconnection.

NOTICES AND COMMUNICATIONS

Notices and communication with respect to this filing may be addressed to:

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BACKGROUND

In its Notice, the Commission staff seeks post-technical conference comments on transmission planning concerns raised by industry and stakeholder representatives regarding the effectiveness of the current planning processes, treatment of resources in these planning process, development of regional and interregional transmission plans and allocating the cost of transmission facilities. Based on comments suggesting that expansion of the transmission grid could be enhanced by increasing the amount of coordination that occurs across neighboring transmission systems, the Commission staff expressed concern that there is no comprehensive structure in place to identify the optimal set of facilities that address needs that affect multiple systems.

With regard to coordination of interconnection-wide planning processes, the Commission staff acknowledged that proposals are being developed in response to the Department of Energy (“DOE”) funding opportunities under the American Recovery and Reinvestment Act of 2009 (“ARRA”) but queries whether these efforts will result in an “ongoing process.” The Commission staff seeks comment on the concern that there is a lack of coordinated planning over the seams of the current planning regions.

SPECIFIC QUESTIONS ADDRESSED BY THE EIPC

Many of the concerns voiced in the Notice are not specifically related to the EIPC and would be more appropriately addressed directly by those engaged with the extensive regional and interregional planning activities regularly conducted throughout the interconnection. In these comments, the EIPC Analysis Team will focus on concerns voiced specifically regarding interconnection-wide planning activities, the EIPC, and how the EIPC’s processes may further address such concerns.

In seeking comment, the Commission staff raised the following questions specific to approaches such as those being taken by the Analysis Team and through the concept of the EIPC:

- Are existing transmission planning processes adequate to identify and evaluate potential solutions on needs affecting the systems of multiple transmission providers?

The EIPC approach seeks to advance and improve regional planning through the establishment of an interregional process. That process has as a fundamental principle the roll-up of existing regional plans with an interconnection-wide analysis to address seams issues and identify additional efficiencies.

- Are there adequate opportunities for stakeholders to participate in planning activities that span different regions, including for example those undertaken pursuant to bilateral agreements?

One of EIPC primary attributes is that it provides an open and transparent stakeholder process to gather input and comment on assumptions and data used in the analyses and in formulating the reporting of results from the technical studies.

- Is there adequate coordination among planning authorities to provide consistency in the data, assumptions and models being used in planning activities?

The EIPC Analysis Group is comprised of the Eastern Interconnection planning authorities which will enhance consistency in data, assumptions and models used in the planning process through its fundamental roll-up approach. That approach also has the benefit of supporting

projects currently in the regional plans so that they can continue toward siting, permitting and construction.

- Will the interconnection-wide processes adopted pursuant to the funding opportunities under the ARRA result in an ongoing process for jointly identifying and evaluating alternatives to solutions identified in transmission plans developed through existing sub-regional and regional planning processes?

The EIPC Analysis Team started development of the EIPC process in advance of any ARRA funding and is committed to continuing the EIPC process. Funding under the ARRA will provide an expanded opportunity to advance the EIPC concept but is not a prerequisite for initiating or continuing that work.

- Will the scope and functions of such interconnection-wide planning processes be sufficient to help address Commission staff concerns as identified above?

The EIPC Analysis Team believes the scope of the EIPC processes and the opportunity for broad involvement by stakeholders will address the Commission staff's concerns by utilizing a logical approach that builds on existing work. The interconnection-wide analyses envisioned by the EIPC will provide the forum for regional Planning Authorities to verify that future interregional transmission development proposals achieve their intended goals and are an efficient solution to identified needs.

- How will the planning activities conducted on an interconnection-wide basis be integrated into the development of sub-regional and regional transmission plans and vice versa?

The fundamental EIPC approach of using a roll-up of the regionally developed plans ensures that sub-regional and regional plans become the basis for the interconnection-wide analysis. Furthermore, the results from the EIPC analysis work will be immediately available to the regional Planning Authorities for use in their regional processes because the Analysis Team is made up of those same Planning Authorities.

- Whether additional reforms are necessary in these areas to ensure that the rates, terms and conditions of transmission service are just and reasonable or to eliminate remaining opportunities for undue discrimination in the provision of transmission service?

The Analysis Team notes that, as stated in the Notice, most public utility transmission providers submitted proposed regional transmission planning processes at the end 2007 pursuant to Order No. 890. Those filings were accepted by the Commission in a series of orders over the course of 2008, subject to further compliance filings to satisfy the Order No. 890 requirements for regional transmission planning. Consequently, there has been limited experience with those new Commission-accepted regional planning processes under Order No. 890 in the Eastern Interconnection. The EIPC initiative is intended to provide the expertise and resources to utilize ('roll-up') those Commission-accepted regional planning processes for the first ever, systematic effort to advance an Eastern Interconnection-wide transmission analysis and planning process.

The EIPC initiative is in the early stage of development, but it will progress rapidly over the next year. As a result, the Analysis Team believes that additional reforms beyond Order No. 890 are not needed in order to ensure that rates, terms and conditions of transmission service are just and reasonable or to otherwise eliminate remaining opportunities for undue discrimination in the provision of transmission service, and will not be beneficial for Eastern Interconnection-wide efforts. Furthermore, additional reforms actually could be counter-productive to the EIPC efforts in the Eastern Interconnection. The Analysis Team believes that the Commission staff should support the EIPC effort and allow it time to mature.

As a general matter, the EIPC has been structured to address the concerns Commission staff describes under the heading of interregional planning. The Analysis Team is already taking steps to implement planning processes and robust stakeholder interaction within the EIPC structure as further described below.

DISCUSSION

A. Genesis of EIPC Preceded the DOE Funding Announcement

Early in 2009, several Planning Authorities in the Eastern Interconnection initiated discussions on a potential collaborative effort to perform interregional and interconnection-wide analyses. Working with the backdrop of interregional coordination and joint studies, 17 Eastern Interconnection Planning Authorities met on April 8, 2009 to launch the concept of the EIPC. This was a pioneering step toward further facilitating interregional transmission planning in the Eastern Interconnection.

Additional meetings in May and June drew additional Planning Authorities into the discussion to further develop the concept and led to a commitment memorialized in the following press release issued after the May 21 meeting:

Meeting May 21 in Atlanta, representatives from 22 planning authorities in the Eastern Interconnection agreed to initiate the technical work to facilitate coordination of existing transmission plans, conduct reliability analyses of the combined interconnection system, and complete studies to support state, provincial, regional or federal public policy goals.⁴

The May 21 meeting and the decision to move ahead with the concept of a collaborative approach to the roll-up of regionally based plans to facilitate analyses with an interconnection-wide scope came before the DOE issued Funding Opportunity Announcement DE-FOA0000068 (“FOA”) on interconnection-wide studies. While the issuance of the FOA was anticipated well

⁴ EIPC press release, May 22, 2009 available at eipconline.com.

in advance of its June 15 publication date, the initiation of the Planning Authorities' discussion on the EIPC and the decision by 22 Planning Authorities to collaborate were made independently of the DOE effort. As further explained below, the Analysis Team has submitted a proposal for funding as a part of the FOA and is awaiting response from the DOE. If an award is granted, that funding will assist in establishing the processes and procedures necessary for these pioneering interconnection studies and to complete two study cycles. However, a DOE award was not a prerequisite for the Analysis Team to be formed and to advance the development of the EIPC. Further, the Planning Authorities are committed to proceed with interconnection transmission analyses whether or not they are selected for an award of ARRA funds from the DOE.

Those early discussions led to the concept of an open, transparent, and collaborative approach to interconnection-wide transmission analyses that would have two primary objectives. Both objectives address the Commission staff's concerns about on-going processes that will jointly identify and evaluate alternatives to solutions identified in transmission plans developed through existing sub-regional and regional planning processes. The first objective is the development of interconnection-wide transmission system models and analyses consistent with existing sub-regional and regional plans. This would ensure that existing projects, already included in the regional plans, could continue to completion while searching for enhancements to the existing regional planning processes to identify additional efficiencies. The second objective is the facilitation of transmission studies on an interconnection-wide basis to address long term planning and policy questions, such as those surrounding the integration of large amounts of renewable resources, in collaboration with industry stakeholders. The results of those analyses will provide policy makers and regulators with current and technically sound information relating to potential transmission impacts and improvements associated with state, provincial, regional, national and international energy, economic and environmental objectives. Furthermore, the results will provide an opportunity for policy makers and regulators to consider such technically sound information as they refine their policy objectives.

B. Fundamental Approach Leads to Improved Coordination at the Seams

A fundamental tenet of the EIPC is that fully coordinated interconnection transmission analyses can be done most effectively through an approach that builds and expands upon existing regional processes, leverages the existing planning expertise within those regional planning processes, and utilizes a coordinated roll-up of the existing regional plans as a starting point. The Notice raises a possible concern that a "lack of coordinated planning over the seams of current planning regions" might lead to inefficiencies and increased costs.⁵ The approach taken by the EIPC addresses this concern head-on by starting with a roll-up and analysis of regionally developed plans consistent with Order No. 890 principles. The EIPC will:

- Build upon existing sub-regional and regional models of the bulk power system and refine them as necessary to support interregional analysis of the combined regional plans for the entire Eastern Interconnection;

⁵ Notice at page 2.

- Incorporate the current local and regional plans for the entire Eastern Interconnection so that consistency is built-in from the beginning;
- Perform analysis of the regional plans on an Interconnection-wide basis to identify greater opportunities for efficiencies and improvements at the seams and within each region as necessary to fully recognize the plans in the other regions; and
- Provide a feedback mechanism where the results from analyses performed on an interconnection-wide basis can be used to inform the regional processes to ensure coordination with regional and local planning efforts.

Thus, the issues raised in the Notice with respect to interregional coordination will be addressed by the Analysis Team through the EIPC. However, the EIPC process is not “up and running” today. The development of the EIPC process needs time to evolve in a thoughtful manner and with robust input from the states, provinces, and all stakeholders segments because the Eastern Interconnection is a complex system with substantial differences in resources, infrastructure and regional needs. Rushing to perform study work without considering how the regionally based plans fit together could easily result in conclusions that could increase costs without commensurate benefits to customers and the potential users of the grid. The Planning Authorities leading the development of the EIPC believe that interconnection-wide study results could be useful today and in the near future as new interregional transmission projects and energy policy choices are being considered. They are committed to completing the initial EIPC process development and beginning the roll-up of regionally developed plans in an expeditious manner.

Ultimately, the EIPC work will allow for greater coordination among the Eastern and Western Interconnections, ERCOT, and our Canadian provincial neighbors as well as consider and analyze cross-interconnection projects. That step will require strong interconnection-based processes and will logically follow as the neighboring interconnection approaches mature in the coming months.

C. Intended Scope, Function, and Current Progress of EIPC

The Notice seeks comments on whether the “scope and functions of such interconnection-wide planning processes will be sufficient to address the concerns identified above?” As outlined in the previous section, the fundamental approach of EIPC is to aggregate and assess interregional plans to identify greater opportunities for efficiencies and improvements at the seams. In this way, the planning activities of EIPC will be effectively integrated into the development of sub-regional and regional transmission plans. To this end, work is progressing quickly to allow the EIPC effort to begin performing analysis on an interconnection-wide basis, which reinforces the existing Order 890 planning processes, utilizes broad based stakeholder input and directly addresses the questions posed by the Commission Staff in its Notice.

Significant work has already been completed to put in place an EIPC structure for conducting the roll-up and analysis of the regionally based plans and to perform additional interconnection studies. That work has the backing and support of the 24 Planning Authorities listed in Attachment 1. These 24 Planning Authorities are responsible for the regional planning

associated with approximately 95% of the customer demand in the Eastern Interconnection. The EIPC structure includes the 24 Planning Authorities working together as the Analysis Team with the guidance and under the direction of an Executive Committee and with the support of a Technical Committee comprised of regional planning experts. The Analysis Team brings a wealth of technical expertise and computational resources to the EIPC effort. The EIPC structure also includes a multi-constituency stakeholder committee. This committee is an integral part of an open and transparent stakeholder process to solicit input on concerns to be addressed and options to be considered, to synthesize broad stakeholder input through a consensus process, and to provide comments on results from the modeling and analysis efforts.

Efforts are underway to create the EIPC stakeholder process and design the multi-constituency stakeholder committee. On October 13, 2009 and again on October 16, 2009 the Analysis Team held initial stakeholder webinars that were open to the public. These webinars were well attended with 177 participants on October 13th and 249 participants on October 16th with a broad range of organizations represented, including FERC staff. The purpose of these webinars was to introduce the EIPC concept and explain its origin to those less familiar with the development that has already taken place, to describe the proposal submitted to DOE for funding as part of the FOA, and to start to collect information and feedback on various aspects on the next steps in development of the stakeholder process. This approach to development of the stakeholder process underscores the open and transparent nature of the EIPC concept by allowing stakeholders to take the primary role in developing a consensus-based process that works for them. The Analysis Team envisions that these webinars are but the first step in continuing discussions that will result in a long-term, robust stakeholder process.

The timing of the development of the stakeholder process and creation of a stakeholder committee is being coordinated with the possible award of DOE funding under the FOA. The DOE studies described in the FOA call for initial study work to begin in the spring of 2010. The Analysis Team's near term goal is to have the stakeholder process be ready to engage in the start of study activities associated with DOE funding. Furthermore, recently announced regional initiatives, such as the Midwestern Governors study, can be evaluated within the EIPC process through the creation of scenarios to be analyzed on an interconnection basis. Ultimately, the regional initiatives must coordinate with an interconnection level analysis, and the results from the interconnection analysis must coordinate with the regional plans. The EIPC offers the best opportunity for that coordination and the elimination of possible duplicative efforts because of the strong regional planning presence on the Analysis Team through the participation of the regional Planning Authorities.

D. Initial EIPC Funding Under DOE FOA

While the Planning Authorities were forming the Analysis Team and advancing the concept of the EIPC, they also worked together to prepare a proposal to DOE for funding of the initial study work. While the EIPC was originally intended to commence with a focus on a roll-up and review of existing approved regional transmission plans, the availability of funding under the ARRA would allow the EIPC to "jump-start" its process and expand it to include more detailed transmission analyses of possible resource expansion scenarios. The application for

DOE funding was submitted by PJM Interconnection, LLC on behalf of a multi-party consortium formed by the Analysis Team. The proposal incorporates the use of resources from eight Planning Authorities acting as principal investigators on the project supported by all of the Planning Authorities on the Analysis Team. Additional subcontractor resources to perform economic analysis, to supplement the technical work of the Planning Authorities, to facilitate the stakeholder process, and to provide dedicated full-time project leadership are included in the proposal. Details of the proposal submitted to DOE on behalf of the EIPC have been made publically available and can be found on the EIPC website.⁶

One concern raised in the Notice is whether the interconnection-wide planning activities funded through the FOA would continue as a “regular process”.⁷ The project narrative from the proposal to DOE clearly expresses the intention that the Analysis Team would continue an interactive Eastern Interconnection transmission analysis process beyond the period set forth in the Funding Announcement.⁸ As noted above, the Planning Authorities leading the development of the EIPC are committed to continue the development of an interconnection transmission analysis process regardless of whether they are successful in obtaining an award from the DOE. This commitment has already taken form and is being implemented through the continuing stakeholder process development work described above that is being performed in advance of the DOE’s announcement of awards under the FOA.

CONCLUSION

In summary, the EIPC is grounded with the foundation that will enable it to develop into a long-term interconnection-wide analyses effort; however, the EIPC needs time to evolve and for the initial roll-up and analysis of the existing regional plans to take place. In addition, it will take time for the initial roll-up work to be expanded to include interconnection-wide transmission analyses to assess possible resource expansion scenarios, whether through the DOE study effort or through the EIPC process apart from the DOE FOA. Given time to evolve, the Planning Authorities participating on the Analysis Team are confident these processes will result in a “regular” ongoing process for coordination of interconnection and regional analyses and planning.

The Analysis Team does not believe that additional reforms are needed beyond Order No. 890 in order to ensure that rates, terms and conditions of transmission service are just and reasonable or to otherwise eliminate remaining opportunities for undue discrimination in the provision of transmission service. The Analysis Team believes that the Commission staff should support the EIPC effort and allow it time to mature based on the details provided in the above answers to Commission staff questions and supporting discussion.

⁶ See *EIPC DOE Proposal Project A Eastern (Sep-09-2009)* available on the EIPC website at eipconline.com.

⁷ Notice at page 3.

⁸ Project Narrative at page 2.

The Analysis team respectfully requests that the Commission accept these comments and include them in any subsequent rule or Order in this docket.

Respectfully submitted,

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ATTACHMENT 1

Eastern Interconnection Planning Authorities⁹ Signatories to the EIPC Agreement

Alcoa Power Generating
American Transmission Company
Duke Energy Carolinas
Entergy Services
E.ON U.S.
Florida Power & Light Company
Georgia Transmission Corporation
Independent Electricity System Operator (“IESO”)
ISO New England
International Transmission Company
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MAPPCOR
Midwest Independent Transmission System Operator
Municipal Electric Authority of Georgia
New York Independent System Operator
PJM Interconnection
PowerSouth Energy Cooperative
Progress Energy Carolinas
Progress Energy Florida
South Carolina Electric & Gas Company
South Carolina Public Service Authority
Southern Company Services
Southwest Power Pool
Tennessee Valley Authority

⁹ Entities registered as Planning Authorities by the North American Electric Reliability Corporation and included on the compliance registry as Planning Authorities.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2009).

Dated at Rensselaer, NY this 23rd day of November, 2009

By: /s/ Joy A. Zimmerlin

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