

MWG Call 02-2-11 Summary

WG members attending: Mary Ellen P., King L., Tyler R., Maryam S., Doug K., Tim N., Matt S., Will B., Erin H., Fred P., Ryan K., Mike G., Stan H.(ORNL), John B (EIPC MWG Liaison), Flora F. (EIPC SPWG Liaison), Dave W. (EIPC), Ralph L. (CRA)

Reviewed BAU Slides for February SSC Meeting

- Tyler clarified that the slides regarding voluntary RPS differs from the MWG memo to the SSC because the Environmental Sub-team received additional information since the issuance of the MWG Memo. He explained that the slides contain an additional option where states with voluntary RPS may opt to have it modeled as a mandatory RPS.
- Tyler also explained that the slides for the Investment Tax Credit (ITC) in the memo differs from the slides in that the memo indicates that the 30% ITC for solar expires in 2017. The Environmental Sub-team learned that the 30% ITC expires at the end of 2016 and is 10% from 2017 on.

Reviewed Transmission Slides for February SSC Meeting

- Mary Ellen mentioned that both Catherine and Roy were concerned with the length and complexity of the Transmission Expansion slides. Wil explained that he feels confident that the first several slides can be presented very quickly and can serve as a reference in anticipation of possible questions.
- The MWG decided that the SSC only has to decide on Sensitivity 1 and Sensitivity 2 will be presented as information only. This approach will give the MWG a chance to review Sensitivity 1 results for anomalies prior to deciding the methodology and proceeding with Sensitivity 2. Dave Whitely clarified this review and decision would be required within one week. Additionally, John Buechler recommends that the group focus on the options currently under consideration and not attempt to develop another option. It was agreed that the MWG would consider this a tentative menu for the SSC to select from. Flora pointed out there are actually two decisions required; methodology for Sensitivity 2 and which transfer limits should be applied to the remaining sensitivities.
- Hisham explained that the States have not finalized their position on transmission and that it will be discussed further at their Friday February 4th meeting. Specifically, the states are not sure if one sigma is appropriate and why not the average.
- Wil agreed to strike average from slide 27 and to move slides 21-22 to an appendix at the end.

Review of CRA Punch List

The following punch list provided to John B. by CRA was reviewed and assigned to respective subteams.

PAs - NO ACTION NEEDED FOR MWG

1. Transfer limits
2. TVA fence transfer limits
3. Dummy bubbles needed, if any, to accommodate transfer limits
4. Unit retirements included in the Baseline Infrastructure (only have PJM so far), by Balancing Authority
5. Is Wayne, ISO NE, OK with regional gas prices

Stakeholders:

1. HQ/Maritimes fixed interchange with ISO NE and NYISO - **NEEM Subteam**
2. HQ/Maritimes pseudo unit characteristics to include in Ontario, NE ISO and NYISO - **NEEM Subteam**
3. Changes, if any, to regional multipliers (e.g., Boston for ISO NE) - **New Generation-Randell**
4. New hydro characteristics, if any, in MAPP_CA, Ontario and U.S - **New Generation**
5. New wind potential, generation profile and costs (e.g., Class 3 and 4) by NEEM region if CRA assumptions not used - **New Generation-Stan**
6. Intermittent resource reserve value (Table 5) final - **New Generation Done?**
7. Finalize peak demand and load growth after 2020 - **Demand - CRA working with Stan and King**
8. Finalize RPS modeling - requirements, which units qualify (technologies/geographically), ACPs - **Environmental**
9. List of coal units greater than 200 MW and nuclear units with once-through cooling - **Environmental with Existing**
10. Type of scrubber constituting MACT, and whether it differs for small units - **CRA will review with a call to the Environmental subteam**
11. Confirm coal ash adder applies to all coal units beginning 2018 units - **CRA will review with a call to the Environmental subteam**
12. Confirm all fossil (coal, gas, oil) less than 200 MW beginning 2020 get Cooling Water cost adder units - **CRA will review with a call to the Environmental subteam**
13. Cost of Cooling Water compliance for coal greater than 200 MW and nuclear units units - **CRA will review with a call to the Environmental subteam**
14. Identification of any forced coal to gas repowerings - **Existing Gen with EISPC Hisham**
15. Agreement on costs for existing unit retrofit costs for coal - **Existing Gen asked Joe Bryson for info, if they can't get it, they will use CRA data**
16. Inclusion of light trucks in PHEVs - **Demand CRA agreed they will clarify that like trucks in the data**
17. Definition of SNCR for forced SCR retrofit on non-SNCR coal units greater than 200 MW - **Environmental CRA will clarify and make list and work with team.**

Teed up for SSC by Stakeholders: No MWG Action Needed

1. Intermittent resource limits
2. New wind capital costs
3. Gas prices
4. Voluntary RPS
5. PTC for renewables
6. Sensitivity 1/2 modeling

BAU sensitivities (#3-#9):

- 3/4: Confirm load +/- 1% per year through 2030, same growth thereafter. - **Demand team agreed no action needed.**

- 5: Confirm ratio of AEO 2010 High to AEO 2010 Base applied to BAU base forecast - **Decision point for the SSC**
- 6: How specifically to increase EE/RPS requirements by 5% - ???
7. What higher PHEV levels to use - **Demand**
8. Confirm 25% increase in overnight capital costs for all new capacity types (including HQ/Maritime pseudo units) - **NEEM/New Generation**
9. Whether SCRs for coal units greater than 200 MW should be included as an "existing" regulation - **Environmental**
10. Pseudo generation costs higher so that DR costs can be assigned to peak - **Demand and Stan??**

Review of February 8/9 Agenda

The agenda was reviewed. There was a suggestion that there be a breakout session for the transmission sensitivities, but it was decided that this would defeat the holistic purpose of the meeting.