



Eastern Interconnection Planning Collaborative

**SSC Meeting Summary
February 7-8, 2011
Arlington, VA**

This meeting summary highlights SSC decisions, key discussion items, and next steps from the meeting of the EIPC Stakeholder Steering Committee.

Meeting Objectives:

- Approve all Futures descriptions and Sensitivities to hand off to MWG
- Approve BAU Model Inputs to hand off to CRA
- Understand the Baseline Infrastructure transfer limits methodology

Action Items:

- Approve Transmission Approach in NEEM
- Finalize 7 revised Futures descriptions
- Finalize Futures Sensitivities
- Finalize BAU model inputs
- Update SSC on Revised Roll-up report

124 individuals were in attendance (94 in person, 30 via webinar); a full list of attendees is attached. The meeting agenda and presentations are available in their entirety at http://www.eipconline.com/SSC_Meetings.html.

Transmission Sensitivities Approach

Wil Burns of the Modeling Work Group (MWG) gave a presentation on the options that the MWG examined for how to construct the transmission-related Sensitivities 1 and 2 for the Business As Usual Future.

- The main purpose of these sensitivities would be to ascertain information about where energy would “want” to flow, if it made economic sense to do so.
- **Approach on Sensitivity #1:** The SSC adopted the EISPC-proposed “soft-constraints” approach for Sensitivity #1, however, rather than setting overload charges at one standard deviation below the mean shadow price (with a \$2/MWh floor), *the overload charges for each “pipe” would be set at 75% of the weighted average shadow prices.*
- **Approach on Sensitivity #2:** The SSC decided to use the “soft constraints” approach for sensitivity #2, and *reduce the overload charges for each “pipe” to 25% of the weighted average shadow prices.* The hurdle rates used (composed of wheeling charges and market friction costs) would not be adjusted for the BAU..
- **Transmission limits for remaining BAU sensitivities:** SSC members agreed that they would like to see the results of sensitivities #1 and #2 before deciding which set of transfer limits to use for the remaining sensitivities.

Sensitivities and Revisions to Futures Descriptions

Flora Flygt from the Scenario Planning Work Group (SPWG) presented the revisions to the high-level Futures descriptions resulting from decisions at the December 2010 SSC meeting, along with the recommended sensitivities for each of the eight Futures. Key discussion points and agreements included:

- **Future 1. BAU:**
 - There were no objections to the highlighted revisions to the description of this Future.
 - The SSC agreed upon the following sensitivities (greater detail and modeling notes included in Appendix A):
 1. Revised transfer capability
 2. Transmission sensitivity # 2
 3. High load growth
 4. Low load growth
 5. High gas prices
 6. Increase state EE/DR levels and RPS requirements
 7. Higher PHEV levels
 8. Increased generation costs (*See Feb. 11th Webinar Summary for disposition of Sensitivity #8*)
 9. Environmental Regulatory Curtailment (ERC) #1: Delay implementation of new non-carbon EPA regulations beyond period of study.
 10. ERC #2: Reduce existing state RPS by 5% in absolute terms within the timeframe specified by each state's RPS requirement. Reduce EE/DR requirements (in states that have them) by 5 percentage points each by end of study period. DR base case to be referenced to FERC's report *A National Assessment of Demand Response Potential, June 2009*.
 11. ERC #3: Less-aggressive implementation of upcoming EPA regulations (at ~50% of originally intended impact) by delaying implementation.
 12. ERC #4: Even less aggressive implementation of upcoming EPA regulations (at ~25% of originally intended impact) by further delaying implementation
 13. Free Market (FM) #1: No policies/regulations with expiration/sunset dates continued past current expiration (PTC/ITC) and RPS requirements removed.
 14. Free Market #2: FM #1 and all fuel subsidies removed. MWG will evaluate the feasibility of providing fuel subsidy data to CRA.
 15. Free Market #3: Free Market #1 and high load growth.
- **All other Futures:**
 - The highlighted changes to the Futures descriptions were accepted. Additional changes were agreed upon, as well. These can be viewed in Appendix A.
 - The SSC reached preliminary agreement on the rest of the 72 sensitivities, with some issues to be resolved (and sensitivities to be finalized) after initial results from the BAU are available. These can be viewed in Appendices A & B.
 - Several sectors expressed the desire to use additional Sensitivities to reflect the Administration's Clean Energy Standard. After reviewing the results of the BAU, the SSC will revisit this question.

BAU Modeling Inputs

For the Modeling Work Group (MWG), Mary Ellen Paravalos presented the work and approach of the MWG done to date. Tyler Ruthven presented the options for review on the PTC/ITC and Voluntary RPS BAU inputs. King Look presented the options for review on the following BAU inputs: natural gas forecast for the BAU, high gas price data source, and energy and peak demand description. Samir Succar presented the options on wind capital costs and limits to penetration of new wind and solar resources. Key discussion and decision points included:

- **The SSC accepted the MWG's consensus recommendations** on the following:
 - NEEM Regions
 - MRN Economic Assumptions
 - RGGI and EPA non-carbon regulations modeling
 - Oil prices & SO₂/NO_x Prices
 - Demand Response, EERS
 - Load Forecasts(base, high & low) net of DR & EERS
 - PHEV & BEV levels
 - Existing Generation data
 - Class 4 Wind Shapes (Exhibit 4)
 - Increased Generation Costs
- **Additionally, the SSC agreed upon the following:**
 - PTC and ITC sunsets – extended through model period
 - State RPS targets – voluntary, modeling determined by states
 - Wind penetration rates – 25% on regional basis
- **Two areas where agreement was not reached included the gas price forecast and wind capital costs (including learning assumptions).**
 - MWG members agreed to try to find alternative sources for generation cost data.
- The SSC decided to hold a follow-up call/webinar Friday, February 11th in order to finalize the outstanding BAU inputs. Consult summary for SSC decisions.

Other items

- The Governance Task Force report-out, not being time-sensitive, was postponed.
- David Whiteley presented his project management update, and announced the new May SSC in-person meeting date: May 18-19, 2011 (Wed-Thu).

Next Steps

- Keystone will poll for times for the Friday call and dates for another call/webinar before the March SSC meeting.
- Keystone will soon announce the location of the March meeting.

Attendance Report, SSC Meeting, Feb. 7-8, 2011

Name	Organization/Company	Sector	Role
Roy Thilly	WPPI Energy	---	Chair
Alice Jackson	Occidental	End Users	SSC Member
Ryan Kind	Missouri Public Counsel	End Users	SSC Member
Sonny Popowsky	PA Office of Consumer Advocate	End Users	SSC Member
Mark Volpe	Dynegy	Generation Owners and Developers	SSC Member
Michael Goggin	AWEA	Generation Owners and Developers	SSC Member
Steve Gaw	Wind Coalition	Generation Owners and Developers	SSC Member
Andy Oliver	Land Trust Alliance	NGOs	SSC Member
Beth Soholt	Wind on the Wires	NGOs	SSC Member
Mark Brownstein	Environmental Defense Fund	NGOs	SSC Member
Herb Healy	EnerNOC, Inc	Other Suppliers	SSC Member
Doug Nazarian	Maryland PSC	States	SSC Member
Edward Finley	North Carolina Utilities Commission	States	SSC Member
Garry Brown	NYS Public Service Commission	States	SSC Member
Jon McKinney	PSC WV	States	SSC Member
Lauren Azar	PSCW	States	SSC Member
Lib Fleming	Public Service Commission of South Carolina	States	SSC Member
Denis Bergeron	Maine Public Utilities Commission	States	SSC Member (Alternate)
Bob Pauley	EISPC	States	SSC Member (Alternate)
Marya White	EISPC	States	SSC Member (Alternate)
Maryam Sharif	New York Power Authority	TDU/Public Power	SSC Member
Paul Malone	NPPD	TDU/Public Power	SSC Member
Tim Noeldner	WPPI Energy	TDU/Public Power	SSC Member
Stuart Nachmias	Con Edison	Transmission Owners and Developers	SSC Member
Tamara Linde	PSEG	Transmission Owners and Developers	SSC Member
Will Kaul	Great River Energy	Transmission Owners and Developers	SSC Member
Ceirán Bishop	Canada Ministry of Energy and Infrastructure	Canadian Provincial Representatives	SSC Member (Alternate)
David Meyer	US Dept of Energy	Other	SSC Member
Erin Hogan	NYSERDA	End Users	Table Representative
Garrett Bissell	Couch White, LLP	End Users	Table Representative
Robert Weishaar	McNees Wallace & Nurick LLC	End Users	Table Representative

Erin Stojan Ruccolo	Fresh Energy	NGOs	Table Representative
Katherine Kennedy	NRDC	NGOs	Table Representative
Matt Schuerger	Energy Systems Consulting Services	NGOs	Table Representative
Rob Marmet	Piedmont Environmental Council	NGOs	Table Representative
John Moore	Environmental Law & Policy Center	NGOs	Table Representative
Samir Succar	NRDC	NGOs	Table Representative
Terry Black	NRDC FERC Project	NGOs	Table Representative
Wil Burns	NGOs	NGOs	Table Representative
Clay Young	SCE&G	TDU/Public Power	Table Representative
Don Gilbert	JEA	TDU/Public Power	Table Representative
Doug Kallesen	Nebraska PPD	TDU/Public Power	Table Representative
Keith Daniel	Georgia Transmission Corp.	TDU/Public Power	Table Representative
Paul McCurley	NRECA	TDU/Public Power	Table Representative
Lloyd Linke	Western Area Power Administration	Transmission Owners and Developers	Table Representative
Nina McLaurin	Progress Energy	Transmission Owners and Developers	Table Representative
Marty Mennes	FPL	Transmission Owners and Developers	Table Representative
Mark Wehlage	Xcel Energy	Transmission Owners and Developers	Table Representative
Mary Ellen Paravalos	National Grid	Transmission Owners and Developers	Table Representative
Raja Sundararajan	AEP	Transmission Owners and Developers	Table Representative
Steven Naumann	Exelon	Transmission Owners and Developers	Table Representative
Chris Hagman	American Transmission Company	EIPC	Observer
Craig Glazer	PJM Interconnection, L.L.C.	EIPC	Observer
Dan Fredrickson	MAPP COR	EIPC	Observer
David Whiteley	EIPC	EIPC	Observer
Don Gates	ISO New England	EIPC	Observer
Flora Flygt	American Transmission Company	EIPC	Observer
Jeremy Bennett	Southern Company	EIPC	Observer
Jim Busbin	Southern Company	EIPC	Observer
John Buechler	NYISO	EIPC	Observer
John Lucas	Southern Company	EIPC	Observer

Joseph Payne	Entergy Services	EIPC	Observer
Samrat Datta	Entergy Services	EIPC	Observer
Amy Hansen	New Jersey Conservation Foundation	NGOs	Observer
Jeff Stein	Energy Future Coalition	NGOs	Observer
Liese Dart	The Wilderness Society	NGOs	Observer
Michael Gregerson	Great Plains Institute	NGOs	Observer
William White	Energy Future Coalition	NGOs	Observer
Alicia Dalton-Tingler	DOE/NETL	Other	Observer
Charles Trabant	Charles River Associates	Other	Observer
David Scarp	Direct Energy	Other	Observer
Eric Runge	Day Pitney LLP for NEPOOL	Other	Observer
Glen Parker	Forest Service	Other	Observer
Guenter Cozelmann	Argonne National Laboratory	Other	Observer
Jesus (Nano) Sierra	FERC	Other	Observer
Joseph Eto	U.S. DOE	Other	Observer
Lot Cooke	U.S. DOE	Other	Observer
Mark Hershfield	Federal Energy Regulatory Commission	Other	Observer
Ralph Luciani	Charles River Associates	Other	Observer
Robert Cunningham	Forest Service	Other	Observer
Stanton Hadley	Oak Ridge National Lab	Other	Observer
Thomas Schneider	NREL - National Renewable Energy Laboratory	Other	Observer
Vladimir Koritarov	Argonne National Laboratory	Other	Observer
Doug Gotham	EISPC	States	Observer
Gregory Carmean	MD PSC	States	Observer
Heather Hunt	nescoe	States	Observer
David Boguslawski	Northeast Utilities	Transmission Owners and Developers	Observer
Gloria Godson	Pepco Holdings, Inc.	Transmission Owners and Developers	Observer
Jeffrey McKinney	NYSEG & RG&E	Transmission Owners and Developers	Observer
Jim Calore	PSE&G	Transmission Owners and Developers	Observer
King Look	Con Edison	Transmission Owners and Developers	Observer
Randell Johnson	Northeast Utilities	Transmission Owners and Developers	Observer
Susan	Xcel Energy	Transmission Owners and	Observer

Henderson		Developers	
Tyler Ruthven	National Grid	Transmission Owners and Developers	Observer

Webinar Participants

Deidre	Altobell	ConEdison
Tami	Anderson	MAPPCOR
Dorothy	Barnett	Climate and Energy Project
Diane	Barney	New York State Dept of Public Svc
Caitlin	Callaghan	
Wayne	Coste	ISO New England
George	Dawe	
David	Duebner	Midwest ISO
Ed	Ernst	Duke Energy Carolinas
Bob	Fagan	Synapse Energy Economics
Emily	Fisher	
Jimmy	Glotfelty	Clean Line Energy
Jeff	Hart	
Mark	Hershfield	
John	Higgins	Navigant Consulting, Inc.
Barry	Huddleston	
Randell	Johnson	Northeast Utilities
Bill	Killeen	Ministry of Energy
Adriana	Kocornik-Mina	U.S. DOE
Matt	Lacey	Great River Energy
William	Lamanna	NYISO
Alan	Myers	ITC Great Plains
Chris	Plante	
Frederick	Plett	Massachusetts Attorney General
George	Smith	G Smith Consulting
John	Smith	
Leonard	Tillman	
Paul	Vaitkus	NSTAR
Jeff	Webb	Midwest ISO
Jeffrey	Yuknis	Exelon