

ATC Access Initiative – August 3, 2004 Customer/Stakeholder Meeting

Following introductory meetings in April, and the first two in a scheduled series of several monthly meetings on June 2 and July 7, on August 3 American Transmission Company held the third meeting in this series to discuss the topic of transmission access with ATC Customers and interested Stakeholders. The purpose of the summer meeting series is to present and discuss the status and results of Access Initiative study work done to date, to continue to collaboratively develop and evolve the “access value case”, and to solicit feedback, reaction, and ideas from meeting participants. All initiative materials, including meeting presentations and any follow up materials, are posted on the ATC OASIS page and can be found at http://atcllc.com/oasis/Customer_Notices/Access.html.

The following organizations were represented in person or via phone at the August 3 meeting:

- Alliant Energy
- Badger Power Marketing Authority
- Citizens Utility Board
- ComEd
- Dairyland Power Cooperative
- Iowa Utility Board
- Madison Gas & Electric
- Manitowoc Public Utilities
- MSB Energy Associates
- Public Service Commission of Wisconsin
- We Energies
- Wisconsin Paper Council
- Wisconsin Public Power Inc
- Wisconsin Public Service

Following is a summary of Customer/Stakeholder feedback received at this meeting, categorized beneath the relevant meeting agenda item. See meeting materials for full agenda and presentation content.

Chronic Limits

Participants discussed updated information presented by ATC, summarized from data associated with TLR events occurring between January 1st and June 30th of 2004. There was comment that the information in this presentation along with the information from denied service requests presents a fuller picture of chronic limiters for the ATC system.

Action items for ATC –

1. Provide an explanation of the reddish brown line on Slide #5 along with a sanity check as to whether or not the data is correct
(Follow-up: The values represent the average % of WUMS companies affected when TLR was "active". So, for example, if only UPPCo was affected during a TLR event and neither ALTE, MGE, WEC nor WPS were, then we would add a "20%" (1/5) to the bucket. This will be clarified in the updated and future versions of the presentation material.)

2. Correct all locations in slides where the less than symbol (<) is shown instead of the greater than symbol (>).
(Follow-up: This will be fixed in the updated and future versions of the presentation material.)
3. WE recalls non-firm curtailment on Lore-Turkey River 161 flo Wempletown-Paddock 345 flowgate in 2004 but the table on slide 14 doesn't reflect this. Response needed as to why the table doesn't include this.
(Follow-up: The data used for the presentation was obtained from NERC and the standard 5% threshold cutoff was applied to all flowgates. At some point this year, MISO implemented the action item from the Alliant West TLR Task Force (AWTTF) to use a 3% threshold at TLR level 3 (non-firm) for select flowgates in Iowa. We will investigate the Lore-Turkey River flowgate to verify the info. The process is only monitoring TDF from the following directions: TVA, AEP, CIN, MECS, AMRN, CE, NSP. If another direction had a high TDF that was not captured, it would not appear in the report. ALTW data will be added to the presentation.)
4. Provide an explanation of whether or not the TLR data includes transactions from more than one control area away. For example, does the data in slides #13 and #14 include transactions into ATC from Ameren?
(Follow-up: The process only captures WUMS internal transactions and WUMS import from the following directions: TVA, AEP, CIN, MECS, AMRN, CE, NSP. This will be clarified in the updated and future versions of the presentation material.)

Information based on TLR data will continue to be compiled and will be presented at a future meeting.

Outage Coordination

Brief discussion of the outage coordination process that ATC follows and how impacts on access are considered. ATC and MISO review the proposed outage reliability and AFC impacts. If necessary, temporary flowgates are created to protect the transmission system during the outage. Additionally, ATC seeks to minimize the use of generator redispatch during outages by studying reviewing whether or not proposed transmission outages can be rescheduled or whether or not transmission system reconfiguration is available.

PROMOD – Latest Results and Case Study

ATC presented the latest results from the PROMOD analysis and discussed the necessity of customer review of input data. The results to date show that the project to Canada and the project to Michigan result in a cost penalty to the ATC control areas as compared to the base case results. There was discussion of the PROMOD results potentially only reflecting the first year of operation and that future benefits, over time, might be realized by even the projects to Canada and Michigan. Although there was some disagreement over the expected impact of future analysis, there was a general desire among participants that ATC should run PROMOD simulations out further into the future. ATC noted the uncertainty surrounding modeling the year 2012 but stated that we will review what is needed to examine a longer view of these projects.

Several questions were raised regarding the inclusion of constraints in control areas outside of the ATC footprint. ATC clarified that the PROMOD analysis includes the flowgates monitored

by the MISO across the Midwest region in addition to “new” flowgates ATC has identified via the control area import studies performed earlier this summer. Based on the combination of these two flowgate lists, ATC believes relevant constraints have been identified.

ATC clarified that the “annual carrying costs” presented assume that ATC pays the entire bill for the projects considered. Stakeholders and customers outside of the ATC footprint noted that it is possible that ATC may not bear the entire cost if there is a benefit to others from these projects so that the “savings” produced by these projects may actually be greater to those within the ATC footprint.

Discussion of the PROMOD sensitivity analysis focused on understanding the relationship between the savings in the baseline runs and the savings in the sensitivity runs. ATC noted that the dollars between the “base case” of the baseline run and the “Very Low” generation sensitivity run is on the order of \$500 million, where the “Very Low” generation scenario is more expensive. Therefore, the results do not indicate that the “Very Low” generation scenario results in greater savings than the baseline runs.

After presenting these results, ATC discussed the number of PROMOD runs needed to perform all of the sensitivity analysis. ATC requested consensus from the group on whether or not ATC should continue performing analysis on the Northeast and East directions. The general consensus of those in attendance was that ATC can drop these two options from further analysis and that ATC can demonstrate that we have performed a prudent analysis of these alternatives and found that they do not meet one of the critical objectives of this study (increased access for ATC customers). ATC explained that the South and Southwest projects appear to be best but that ATC has not decided on a project to construct and more analysis is needed.

Action Items for ATC –

1. Review feasibility and data requirements for performing PROMOD analysis of years beyond 2012 to examine more than first year costs/benefits for the various alternatives.
2. Update map on slide #16 to show other Dane County projects such as the 138kV project between Kegonsa and Sycamore via Femrite and Sprecher.
3. Footnote slide #25 to indicate the cost difference between the “base case” of the base line results and the “base case” of the “Very Low” generator runs.

Action Items for Stakeholders and Customers –

1. Review the PROMOD data and assumptions as supplied by ATC to the relevant parties by August 10th.
(Follow-up: A reminder e-mail was sent on August 5, 2004 to all customers/stakeholders participating)

Transient Stability Impacts

No comments were given.

Expected Unserved Energy

ATC clarified that the N-1 results on slide #6 were for all valid N-1 contingencies and not just one specific N-1 contingency.

Strategic Issues

ATC noted that though the projects to Canada and Michigan result in a “penalty” to the ATC footprint, this does not mean that ATC would prohibit someone from building one of these projects if the benefit to others was significant and other entities were paying.

Action Items for ATC –

1. Consider benefits to entities outside of the ATC footprint.

Decision Matrix

Discussion focused on the categories, how they are weighted and how a ranking is determined.

Action Items for ATC –

1. Clarify where Market Energy Savings (“MES”) is captured in the summary table at the bottom of the decision matrix. Additionally, potentially weight MES higher.
2. Consider an equal weighting of Reliability/System Performance and Transfer Capability.
3. Provide an explanation of how MES and Transfer Capability different (i.e. are not redundant).
4. Provide an explanation of what a “special water area” is and how ATC treats these areas.
5. Include fatal flaw/constructability measure in either the rankings or the table.
6. Do not rank all items 1 through 6 if results do not warrant. For example, if all options have potentially serious environmental impacts, they should all be ranked the same.