

Operations Initiatives

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Agenda

- 2008 System Performance
- Major changes
- Wind
- UP operations initiatives

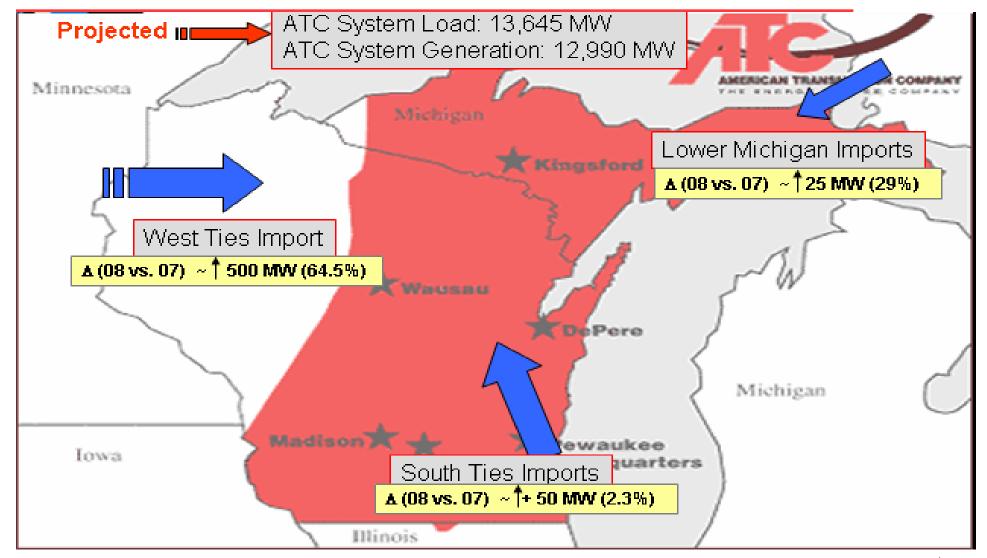


ATC 'Past' and 2008 System Load Peak

- With hot and humid weather, both ATC and MISO set new hourly system load peaks in their footprints on July 17th and July 31st in 2006.
 - First record system peak was set at hour ending 17:00 on July 17th, when usage on the system reached <u>13,055 MW</u>.
 - ATC's all time system peak as reported by LDC's load accounting, of <u>13,059 MW</u> at hour ending 15:00 occurred on July 31st.
- ATC Projected Summer 2008 System Peak is 13,645 MW
- Summer 2008 loading was below 12,000 MW



Demand, Generation, and Interface Limits



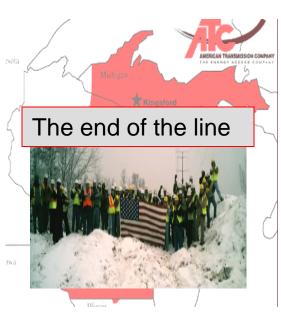


ATC Reliability Improvement

Arrowhead – Stone Lake – Gardner Park (Weston) 345 kV line energized January 23, 2008

Performance Benefits:

- Increased transfer capability between Minnesota Wisconsin for about 500 MW
- Allowed maintenance work that was deferred to occur in Spring of 2008
- Minimal impact for unplanned line outages
- Multiple N-2 voltage stability contingencies eliminated
- Supported commercial operation of Weston 4 unit
- Stone Lake supports non ATC NW Wisconsin Area
- Supported flow into MRO





Generation

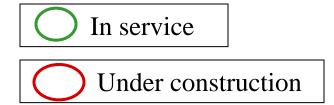
- Weston 4 Generation in Operation
 Benefits: Ensure adequate local generation
 supporting the Central Wisconsin area
 Benefits: Support near term ATC reliability
 project construction in Central Wisconsin
 - **Warden** Biomass Generation in Operation *Benefits:* Voltages in the area are improved for contingencies

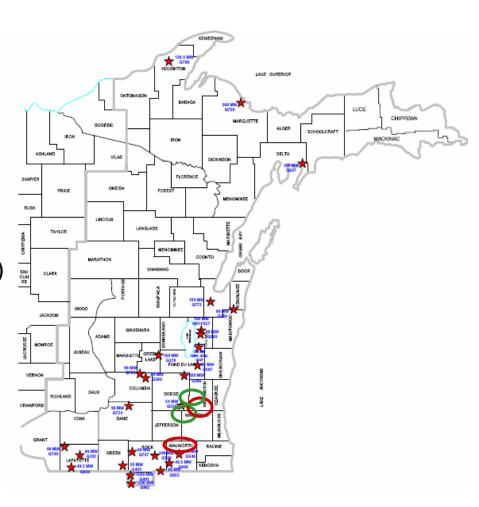




Wind in ATC Footprint

- 30MW prior to January 1
- To date in 2008: 274 MWs
- Under construction: 152 MWs
 - Robust part of system
 - Relatively small geographic area
 - MISO Queue (within ATC footprint)
 - Wind comprises 75% of proposed generation (6200 of the 8200MWs)
- MISO Footprint
 - 2700 by September, 4500 by EOY
- Iowa & Minnesota
 - 4097 MWs







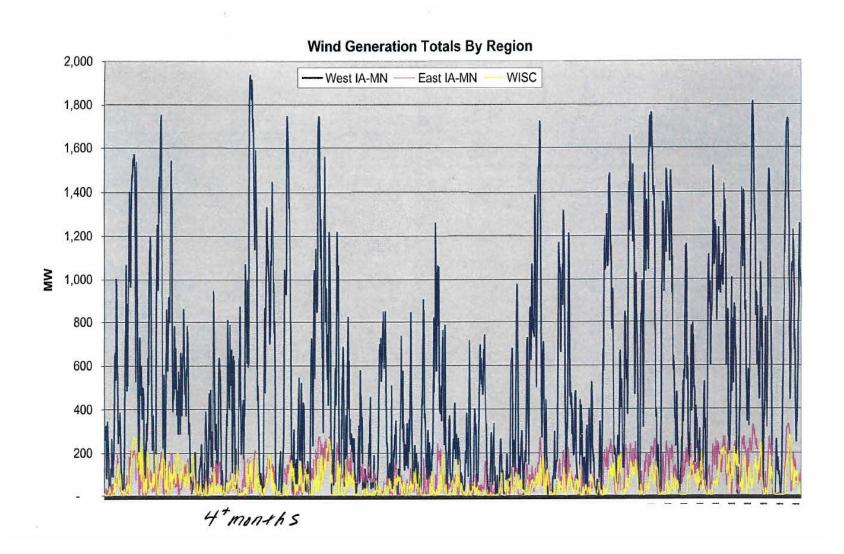
Emerging Operational Challenges

- Wind Generation Events in MISO & ERCOT
- Rapid loss or increase in wind
- Surface wind forecasting accuracy
- Outage Planning
- Operation Tools
- Actual overloads
- Location of connection is important





Emerging Operational Challenges





UP Operations Initiatives

- Building training simulator scenarios
- Reviewing existing operating guides
- Working with Planning on options to reduce system separations from lower Michigan
- Blackstart



Any Questions?

