

# **1 Project Proposal – Available Transfer Capability Transparency Initiative (Phase 2)**

Efforts of the Northern Tier Transmission Group (NTTG) will be directed towards providing transparent, regional transmission planning consistent with the principles and requirements expected to be included in the upcoming reforms of the Federal Energy Regulatory Commission’s pro forma transmission tariff. Further, the group is expected to provide a means for the region to explore creative transmission use issues and alternatives. NTTG will be member driven and include participation from states, transmission owners, customers and stakeholders. The overriding consideration for shaping the organizational structure is the desire to build a partnership with the states to obtain their guidance in the development of the grid. In keeping with the philosophy of focusing on product delivery, this document describes high-level objectives and processes directed at Phase 2 of the transparency initiative as it relates to Available Transfer Capability (ATC).

## **1.1 Background**

Transmission customers and resource developers are often stymied in their efforts to understand constraints and reasons for the inability to move energy from one area of the region to another. The planning complexities of crossing multiple transmission systems and scheduling paths are further compounded by differences in the format and depth of information posted on OASIS web sites, scheduling path naming conventions, and transaction tagging requirements. Further, the different time frames of transmission products, ranging from long-term firm reservations to real-time balancing operations create different product offerings and transaction requirements. The need for increased transparency and consistency of information aligns directly with the need for regional planning in the NTTG footprint to identify constrained paths and allow for optimum expansion of the transmission system aligned with reliability and the addition of resources. The recent FERC Order 890 has many requirements targeted at increasing both the consistency and transparency of ATC, and Phase 2 will be targeted at fulfilling some of these requirements.

## **1.2 Business Goals**

The NTTG Transmission Use Group seeks to develop products/processes that will allow its stakeholders to provide input and realize benefits from increased understanding and transparency of transmission capacity and usage information. These benefits include better informed customer decision processes, more efficient and economic utilization of transmission assets, identification of areas where additional transfer capacity is desired, and ultimately increased transmission expansion opportunities.

## **1.3 Transmission Usage and Transparency - Long Term Scope**

Existing transmission use information and understanding future load and resource development are fundamental to effective grid expansion. The Transmission Use Group will provide an open and public process to collect, organize, and provide this information as part of ATC evaluations. This information will be publicly available, and shall be one of the primary inputs to the NTTG Planning efforts. Transmission expansion plans developed by the Planning Group will be used to assess future ATC. The cooperation between the Transmission Use Group and the Planning Group will ensure coordinated and meaningful transmission plans within the footprint of NTTG. Interconnection-wide coordination within the Western Electricity Coordinating Council (WECC) will effectively respond to seams issues through the Transmission Expansion Planning Policy Committee and other WECC committees.

Over time, the Transmission Use Group will seek to address a broad scope of transparency and coordination issues. NTTG's approach to project development is to identify long term objectives and goals and, utilizing a public stakeholder process, identify and prioritize specific incremental deliverables with defined dates that lead towards accomplishing these objectives. Listed below are potential products for consideration and prioritization by stakeholders for next steps, including input received at the January 2007 meeting:

- Public access to long term ATC, and its components
- Standardization of ATC display format, including component data
- Alignment of ATC data with a visual aid (map), showing scheduled paths and OASIS naming conventions
- Transparency into the derivations of ATC building blocks, including assumptions for load, transfers, and generation utilization
- Standardization of the calculation method for ATC building blocks, including TTC, TRM, and CBM
- Standardization of the assumptions used in the derivation of ATC, including load, transfers and generation utilization
- Regular forum for updates on the projected current year/season short term availability and impacts of scheduled outages or other irregularities
- Public forum for customer input into the ATC study schedule
- Public schedule based on customer input for ATC re-evaluation
- Tracking transmission queue request quantities to identify interest in congestion relief
- Establish a public forum to review transmission usage and path utilization factor compared to ATC
- Development of a linked spreadsheet to the map that identifies Total Transmission Capacity (TTC) being decremented by various uses and network requirements including subscribed obligations
- Establish a regular schedule and process for explanation of the determination and assumptions behind TTC on specific paths
- Dynamic linked alignment with specific providers OASIS data and the NTTG website data
- ATC for integration of non traditional OATT "firm like" products, such as a possible conditional firm product
- Addition of discussions and posting for ATC on outbound or inbound paths to adjacent footprints
- Combination of individual ATCs into "multiple path" ATCs across multiple control areas
- Providing historical non-firm ATC derived from actual schedule data, by hourly increments, for a certain amount of paths
- Incorporating the requirements of Order 890
- Historical summary of the amount of time TRM reserves are called upon
- Establishing new scheduled internal paths based on stakeholder input

### **1.3.1 Transmission Use – Available Transfer Capability Transparency – Phase 2 Scope**

Subject to stakeholder review and approval at the May 2007 meeting, the Transmission Use Group initially proposes to focus on the following Stage 1 deliverables targeted for delivery by November, 2007:

NTTG will provide, in accordance with Order 890, a mechanism to provide an overview of changes over 10% in monthly and yearly ATC values on constrained paths<sup>1</sup>, a mechanism to provide an overview of reasons behind

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<sup>1</sup> FERC Order 890, Paragraph 369

unchanging ATC values that are set at zero<sup>2</sup>, and provide customers a forum to suggest and prioritize where economic and congestion planning studies should occur within the NTTG region<sup>3</sup>.

In summary the deliverables due by November 2007 include:

- Conducting a public stakeholder input meeting in May 2007 to ensure that the initial scope outlined in this charter will attain expected benefits that are valued by customers and other stakeholders. This will also include prioritizing a list of “next steps” for future consideration.
- Modifications (if necessary) to the project charter that result from input gathered at the May public stakeholder meeting,
- Development of a schedule and project plan for tracking and managing progress (a detailed task plan for Phase 2 and a high level description of next steps and milestones.)
- Posting narratives for all scheduled paths meeting the requirements of Order 890 as outlined below on the NTTG website:
  - Reasons for unchanging monthly and yearly ATC values on paths currently having a value of zero ATC, and
  - Reasons for monthly and yearly ATC values changing more than 10%.
- Providing a forum for public selection and prioritization of economic congestion study areas based on ATC values presented.
- Establishing a 6 month recurring schedule for ATC review and customer input through NTTG.
- Providing a link from the NTTG website to each participating transmission providers’ website to their respective OASIS areas pertinent to ATC.

### 1.3.2 Phase 2 Scope Does Not Include

The ATC information posted will be static, with an update interval established to meet Order 890 requirements and align with “before season” peak time periods.

While some of the following may be considered under the scope of future initiatives, the “out of scope” elements for Phase 2 include:

- Conversion of all providers to a common OASIS or platform (OATI)
- Selling transmission capacity via NTTG
- System impact studies for transmission service requests by NTTG
- ATC posting or discussion of ATC of non NTTG members
- Standardization of scheduling methodologies (flow based vs. schedule or contract based)
- Replacement of existing generation interconnection or transmission service request processes
- Re-evaluation of specific path ATC data
- Evaluation of re-dispatch impacts on ATC
- Narratives about hourly or daily ATC values
- Forecasts or predictions of upcoming ATC changes
- Discussion of changing monthly and yearly ATC values associated with short term service of a duration less than one year
- Completion of economic congestion studies (to be done by others)

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<sup>2</sup> FERC Order 890, Paragraph 371

<sup>3</sup> FERC Order 890, Paragraph 547

## 1.4 Approach

At the next public stakeholder meeting (the first of which is anticipated to be approximately 6 months after the May, 2007 stakeholder meeting to align with Order 890 requirements) a presentation will be done on the newly updated ATC values that will concurrently be posted on the NTTG website. ATC data presented at the May, 2007 stakeholder meeting (Phase 1 of the ATC transparency initiative) will form the benchmark for the next stakeholder meeting later in 2007, as the May stakeholder meeting aligns with the implementation of Order 890, and the associated ATC transparency requirements.

Concurrently with presenting the updated ATC values at the next stakeholder meeting, the change in ATC values from the last update will be presented. A narrative will be provided on (1) the unchanging ATC values that were set to zero at the previous stakeholder meeting and (2) ATC values that have changed more than 10% since the last update.

After this review of ATC values, and associated narratives, input from customers and stakeholders will be requested. This input will be used to prioritize congestion studies that will be completed within the next year, either within NTTG or WECC as required by the scope of the study.

A schedule and project plan will be developed after the initial public stakeholder meeting for this phase in May, 2007. This plan will further identify the tasks and resources required to meet this commitment and provide a tool for managing this effort going forward.

## 1.5 Resource Requirements

Within two weeks of conducting the May, 2007 public stakeholder meeting and finalizing the scope for Phase 2, a project plan will be developed identifying milestones, dates, skill sets and resource requirements. With the exception of travel costs associated with work meetings, it is anticipated that Phase 2 can be accomplished by utilizing existing staff that are already in rate base and external support from state staff and stakeholders will be minimal. A preliminary high-level estimate is that the deliverables identified in Phase 2 can be completed with less than a total of one thousand hours of effort spread across the participating investor owned utilities. It is presumed that costs for travel and expenses will be reasonable and borne by each utility.

# 2 Assumptions, Issues and Risks

## 2.1 Assumptions

Stage 1 deliverables will be able to be presented and benchmarked at the May public meeting for all currently scheduled paths within NTTG.

Order 890 will not go through a rehearing process resulting in new language changing ATC transparency requirements.

Once a project scope has been reviewed and approved through a public stakeholder process and the NTTG Steering Committee, a formal change request procedure, including review by the Steering Committee will be required. Changes to the scope may impact the ability to deliver Stage 1 deliverables in the committed timeframe.

## 2.2 Issues

All information and meetings shall be in conformance with Critical Infrastructure Information and Standards of Conduct requirements. Specific customer information for committed uses should not be revealed through this process. Data must be transparent but retain confidentiality.

Mismatches between each providers' OASIS web site and the NTTG website, caused by update time delays or data entry errors, may cause confusion and possible detrimental outcomes. A proper disclaimer should be used on all public NTTG ATC postings to make it clear that the "freshness" of data is dynamic, and customers should always contact the associated provider or OASIS to obtain the latest information before making decisions based on ATC data. This update process and other requirements will be agreed upon through the stakeholder meetings and approved by the Steering Committee, and communicated during each of the regular public meetings.

## 2.3 Risks

The volume and dynamic nature of some information may create technology, cost, and schedule barriers. Coordination across all providers with different priorities and personnel requirements may impact schedules and product consistency. Mitigation is accomplished through strong organization within the NTTG subcommittee, a well scoped process, and resource commitment through direct involvement of utility executives on the Steering Committee.

The FERC is currently considering multiple requests for rehearing and clarification on Order 890 requirements. If additional requirements are mandated as a result of rehearing, or if timeframes change substantially, this scope may need to be redrafted to align with the final Order 890 language.