

1 Project Proposal – ATC Transparency

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 ultimately addressing transmission use transparency concerns; however, it also clearly defines the "Stage 1" deliverables due by June 2007.

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 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.

1.2 Business Goals

The NTTG Transmission Use Group seeks to develop products/processes that will allow its participants 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 by path 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 Usage and Transparency – Near Term Scope (Stage 1)

The Transmission Usage Group initially proposes to focus on the following Stage 1 deliverables targeted for delivery by June 2007:

NTTG will provide, in a common format via posting on a single public web site, long-term/yearly ATC information and its components for scheduled paths across the footprint of NTTG for all Transmission Providers. Common elements to be displayed will include a representation of how to get between various Points of Delivery/Receipt, who the transmission providers are, and TTC with decrements to ATC. This information is targeted to be completed and posted on the NTTG website by June 1, 2007. A public meeting will be conducted in May, prior to the summer operating season to present these results, along with other information agreed upon following the January meeting.

Included as part of this initial effort is a public meeting in January 2007 with providers, customers, and stakeholders. At this meeting a draft map will be presented along with details of how ATC is calculated on several paths. The objective is consensus on the requirements and next steps needed to ensure the information and

transparency provided as part of this initial effort will fulfill customers' and provider's business goals. The providers will then complete the information gathering process, finalize a display format, and ensure that the NTTG website will accommodate the expected usage.

In summary the deliverables due by June 2007 include:

- Conducting a public stakeholder input meeting in January 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 obtaining customer input for prioritizing a list of "next steps" for future consideration.
- Modifications (if necessary) to the project charter that result from input gathered at the January public stakeholder meeting,
- Development of a schedule and project plan for tracking and managing progress with regular updates to public stakeholders (a detailed task plan for Stage 1 and a high level description of next steps and milestones.)
- Posting a map on the NTTG website that identifies the transmission paths of NTTG participants, along with the following information:
 - Various Points of Delivery/Receipt, along with the OASIS schedule for designated paths,
 - Associated transmission provider, and
 - Long-term firm annual TTC and ATC
- An agreed to process and schedule for maintaining this data once it has been posted.
- Providing a map legend containing locational definition of Points of Delivery (PODs) and Points of Receipt (PORs) used to schedule paths on each OASeS
- Providing a definition of each building block of ATC provided in the ATC transparency initiative
- Adding disclaimer to the information provided to ensure that customers ultimately rely on the each OASeS for the latest ATC data
- Providing instructions on how to get to each provider's ATC data on their respective OASeS
- Establish a schedule for updating the ATC information provided. The first meeting will be conducted in May 2007.

1.3.2 Stage 1 Scope Does Not Include

Initially the ATC information posted will be static, with a realistic update interval established to meet customer needs and expectations. It is anticipated this could be expanded into posting seasonal/monthly information, or even real-time, but each enhancement would require significant expansion of technology and information beyond the current scope.

While some of these may be considered under long-term scope, out of scope elements for Stage 1 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 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
- Displaying reservation data split by customer type, including native load vs. network load

1.4 Approach

The transmission providers will combine system representations on a single map for the NTTG footprint. This map will identify significant POR/POD locations and schedule paths in a single location. This concept of a "route map" will create the basis of an easy to follow diagram covering *all* provider-scheduled paths. This information is

typically available on each OASIS site, but is inconsistent in format, typically password protected, and spread across multiple websites. Bringing it together in a common public location will enhance the access and usability of the information.

Development of ATC by each Provider, and the detailed information for each path begins with a determination of the Total Transmission Capacity (TTC), subsequently decremented by various uses and network requirements including subscribed obligations. Providing access to this information, or “lifting the hood” on the “black box” will provide additional information as to the make-up of the use for each path. Providing the detailed ATC calculations with commitments can be done in a table format showing what components decrement TTC for each path. In subsequent phases, this could include a link from the map that opens the spreadsheet for the given path when the user clicks on the path.

As ATC information is gathered in a common format for display, each company will make the best efforts in the time allowed to resolve discrepancies between the types of usage that each component of ATC is used for. If this standardization effort identifies ATC data on paths that will change as a result of near term standardization, the ATC data will be displayed as “Pending – check OASIS”.

A schedule and project plan will be developed after the initial public stakeholder meeting. 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 public stakeholder meeting and finalizing the scope for “Stage 1” 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 Stage 1 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 Stage 1 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

Maps of each system are available and can be combined into a common map for posting on a web site. ATC information and methodologies are currently available and can be clearly input into spreadsheets to demonstrate the ATC components and results.

A separate effort will establish a website that can be utilized by the Transmission Use Group for publishing and posting its transmission use data.

Drafting resources are available to compile path and ATC data in a map format.

NTTG proposal is consistent with FERC OATT NOPR

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.

Order 890 will not cause resource constraints precluding each participating company from completing their deliverable list.

2.2 Issues

All information and meetings shall be in conformance with Critical Energy 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 provider's 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 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. The current plan is to limit the information to static updates (interval to be determined by June 2007). 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.