



NTTG Order 1000 Stakeholder Comment and Input Form

Your input on Northern Tier's processes are important to us. Please submit comments to
info @ nttg.biz

NTTG Response

All responses are dynamic and based upon assumptions that may be adjusted as options
are fleshed out and alternatives considered; Unless otherwise indicated, responses
are subject to change.

[Received via info @ nttg on February 17, 2012](#)

[4/18/125: Jointly assigned to the NTTG O1K Planning and Cost Allocation Compliance Workgroups](#)

Commenter Contact Information

Date: February 17, 2012

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NTTG Tracking Info

Date Received: February 17, 2012 @ 10:39 AM (PST)

Committee Assignment: Jointly NTTG O1K Planning and Cost Allocation Compliance Workgroups

Date Assigned: April 18, 2012

Comments

DRAFT RESPONSE

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RNP General Comments & Position Statement		The Renewable Northwest Project (RNP) appreciates the opportunity to participate in and comment on NTTG's Order 1000 stakeholder meeting (2/2/12). In general, RNP believes that an acceptable Order 1000 compliance filing must include steps toward a planning process that provides a comprehensive view of the transmission needs of the region and provides an optimized transmission plan for meeting those collective needs. The process should include consideration of important public policies and it should involve a broad set of stakeholders and interests. A successful compliance filing must demonstrate progress and a commitment to accurately measuring and accounting for all transmission benefits; specific beneficiaries should be identified; costs should follow benefits.	14	RNP #1	04.26.12	NTTG is committed to developing processes that fully comply with Order 1000 requirements. NTTG members appreciate RNP's comments and efforts to participate in the NTTG stakeholder processes.
RNP General Comments & Position Statement		Although much progress has been made in transmission planning at the utility/transmission provider level since 2007 (FERC Order 890), transmission planning in the Northwest and neighboring regions remains project---focused and bottom---up. An optimized, comprehensive approach to transmission planning will provide important guidance to transmission project developers, generators, regulators, and policy makers.	15	RNP #2	04.26.12	The objective of NTTG's transmission study effort is to develop an optimized Regional Transmission Plan that more efficiently and/or cost effectively meets the regional transmission needs than the alternatives.

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RNP General Comments & Position Statement		Improved transmission planning will help resolve questions about the total amount and general location for new transmission lines and other investments in the regional grid. An improved understanding of the various and long---term benefits of transmission will increase collaborative approaches to cost allocation issues and will move the right projects forward faster. This “smart from the start” approach will help increase support for future infrastructure from regulators and the public and provide more policy certainty to project developers, accelerating the region’s clean energy transition.	16	RNP #3	04.26.12	NTTG processes will be designed to promote efficient and cost-effective transmission planning and the fair allocation of costs for new transmission facilities so that consumers can have greater access to efficient, low cost electricity.
Procedural Comments:		NTTG is doing a good job keeping minute notes, putting out position papers, asking stakeholders questions, and giving presentations about the current approach to Order 1000 compliance. At times, it is difficult to discern which documents represent NTTG’s latest thinking. Some of the statements in different documents seem to conflict with each other. It will be helpful to have these issues clarified and to be careful to clearly label document drafts and controlling documents.	17	RNP #4	04.26.12	All information posted on the NTTG website and shared with stakeholders is draft. Meeting summaries and position papers reflect discussions as of the meeting date and may be iterative as stakeholder input is considered and options vetted. Every effort is made to ensure that all materials are dated and clearly marked as 'draft' . NTTG does not anticipate finalizing positions until just prior to finalizing the filing, after legal review and additional stakeholder meetings are conducted.
Procedural Comments:		The sooner we can begin writing and commenting on the actual language of the compliance filing the better. Finishing the draft layman filing language, or something similar, before August would be helpful.	18	RNP #5	04.26.12	NTTG shared initial draft layman language with stakeholders at its March 28th stakeholder meeting and will continue to share revisions and additions as efforts progress. NTTG's current timeline targets completing draft laymen filing language by the end of June, 2012 and initiating legal review at that time.
Procedural Comments:		RNP believes that NTTG’s stakeholder process will benefit from more of a “working group” type of dynamic, such that stakeholders have the opportunity to get a detailed walk through of the planning process (currently and as conceived for Order 1000) and have the opportunity to ask foundational and detailed questions before commenting.	19	RNP #6	04.25.12	NTTG's schedule includes regular stakeholder meetings where detailed walk throughs of positions, draft tariff language, charter revisions, planning practices and other contemplated process are vetted with stakeholders; NTTG welcomes and encourages stakeholder input and comments at any point during the process.
Procedural Comments:		RNP believes that many of the most important transmission needs in the Northwest (and West) cross sub---regional planning group borders. As such, we urge NTTG and all of the sub---regional planning groups in the West to begin coordinated discussions around the inter---regional issues as soon as possible. Of primary concern would be inter---regional compliance issues that arise later in the process and require changes to the regional compliance filings.	38	RNP #7	04.26.12	NTTG's initial focus is on ensuring regional compliance for the October 2012 filing deadline. However, NTTG, WestConnect, ColumbiaGrid and most recently CAISO have been discussing and sharing progress as development of regional processes are considered. Development of a timeline for interregional coordination is anticipated by summer 2012.

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Transmission Planning Comments: Comments on “FERC Order 1000 NTTG Transmission Members’ Key Principles”		RNP is generally supportive of the “principles document.” We agree that the region’s transmission planning process is to generate ideas and come up with the best solution. In that regard, we are primarily interested in projects identified during a comprehensive planning process and the evaluation process of competing project designs. We also agree that projects selected into the plan for cost allocation need to meet the needs of the footprint more efficiently and/or cost effectively than the alternatives.	39	RNP #8	05.04.12	Agreed
Transmission Planning Comments: Comments on “FERC Order 1000 NTTG Transmission Members’ Key Principles		One area of concern is where the principles document states that “public policy projects should have a cost allocation methodology specific to public policy requirements.” We can understand that public policy benefits may require different approaches to cost allocation, but we do not support public policy benefits being only considered as separate projects with a separate cost allocation methodology. We believe that all major transmission projects have public policy benefits worth analyzing or at least screening for. Whether or not those benefits warrant specific cost allocations depends on their relative size and geographic scope.	40	RNP #9	05.04.12	As stated in the Planning Practice, the public policy projects will be evaluated no differently than other submitted projects with respect to cost efficient and effective analysis. However, the benefits of public policy projects will require careful cost allocation as the states within the NTTG footprint have a variety of public policy requirements.

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Transmission Planning Comments: Comments on “FERC Order 1000 NTTG Transmission Members’ Key Principles		RNP is focused on the following transmission planning principles and urges NTTG to incorporate these principles into NTTG’s planning principles document: <ul style="list-style-type: none">• A comprehensive transmission plan should describe an ideal system that maximizes total system benefits, including economic and environmental goals.• Planning should study transmission projects under multiple future scenarios; robust transmission projects with the least regret will gain regional support.• Transmission plans should consider----- to the best of their ability----- the full range of public policies that must be achieved and maintained as part of our comprehensive energy system: greenhouse gas emissions goals; Renewable Energy Standards; water and air quality; respect for cultural resources; and wildlife and ecosystem protection.• Transmission planning should fully incorporate: public policy obligations; non--- transmission alternatives; the best new areas for renewable resources and the optimal development of diverse renewable energy profiles; and the phaseout of less efficient coal plants and other resources.• Transmission customer requests for service across multiple balancing areas should be fully incorporated into plans and jointly planned for within and across subregions.• Individual utility and developer transmission plans and projects (arising from native load needs, congestion, or market opportunities) have a greater chance of success with regulators and the public when they demonstrably conform to a comprehensive regional plan.	41	RNP #10	05.04.12	The NTTG approach to transmission planning is described in the Planning Practice as presented on April 25, 2012. NTTG will produce the most efficient and cost effective regional transmission plan that incorporates public policy requirements, developer projects, and evaluates both transmission and non-transmission alternatives. NTTG is open to stakeholder involvement in the creation of scenarios which may incorporate the consideration which are described in the comment.
Transmission Planning Comments: Comments on “NTTG Order 1000 Planning Compliance Committee Options Summary”		In general, there appears to be a tension between NTTG’s “bottom up” approach and what stakeholders are looking for in more of a “top down” approach. RNP recognizes that a hybrid approach may ultimately be the best way to serve all interests. We wish to draw attention to and focus conversation on this tension.	42	RNP #11	05.04.12	As described in the Planning Practice, NTTG plans to create an initial transmission plan (the rollup of the Transmission Provider's local transmission plans) to create a basis for comparison against for the evaluation of alternatives to determine the most efficient and cost effective regional transmission plan. This concept is based on the Transmission Provider requirement to develop a local transmission plan which meets the needs of the Transmission Provider's service area (this includes load service, resource integration, public policy, and transmission service). NTTG will undertake the analysis to determine if any regional or interregional project is more efficient and cost effective at serving the needs of the NTTG footprint.

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Transmission Planning Comments: Comments on “NTTG Order 1000 Planning Compliance Committee Options Summary”		RNP agrees with the focus on taking the next step in our regional transmission planning process to analyze the most efficient and cost effective options for the NTTG footprint. We are confused about how the “alternative plan” will be developed. Our concern is that PPR and economic needs are not incorporated into the initial plan early enough. We would like to avoid a situation where alternative plans, solely focused on PPR and economic needs, have to compete against the initial plan, which is likely focused on a different set of needs. If this were the case, comparison across plans would not be as meaningful as comparison across alternative plans designed to meet the same set of needs. The statement that the “alternative plan total capital cost is less than or equal to the initial rolled up plan” is of particular concern and deserves clarification and further discussion.	43	RNP #12	05.04.12	NTTG will gather the Transmission Provider local transmission plans loads, resources, prior economic study results, alternatives and other information in the first quarter of the planning cycle. This information, along with the prior planning cycle regional transmission plan, will be evaluated in the second quarter in order to write a regional transmission study plan. All the information provided will be evaluated at the same time while creating the study plan. Those items in the approved study plan will be analyzed during the creation of the regional transmission plan.
Transmission Planning Comments: Comments on “NTTG Order 1000 Planning Compliance Committee Options Summary”		With respect to the specific questions identified in this document: <ul style="list-style-type: none"> • In terms of the reliability and cost---effective criteria itself, RNP agrees with the statement that “an iterative approach between reliability and production cost analysis will lead to obtaining the most efficient and cost effective plan. • With respect to the opportunities for stakeholders to fully assess benefits, based on our current understanding, RNP believes that stakeholder participation in Q2 (assumptions) and Q5 and Q7 (analysis of benefits) is sufficient. This is assuming that all plans and projects are compared on an equal basis in Q5 and Q7. • With respect to data submittal, RNP recognizes that new data will be required to fully model PPR needs and benefits. We believe this will be an evolving process and encourage NTTG to build into their planning process a regular review of the PPR data issues. 	44	RNP #13	05.04.12	NTTG will hold Planning Committee meetings throughout the planning process and will have a defined open comment period during the creation of the study plan, the draft regional transmission plan, and the final regional transmission plan.
Transmission Planning Comments: Comments on “Regional Public Policy Requirements (PPR)”		RNP is concerned that the proposal to only consider PPR included in the TP’s local transmission plans will not lead to a comprehensive understanding of PPR needs or a least--- cost approach to developing TX plans to meet those needs. If TPs are developing their plans in isolation, they may miss options outside of their footprint or may miss opportunities to participation in joint TX projects to meet joint needs. We believe that NTTG should solicit TP’s PPR needs generically, as opposed to incorporated into specific TX plans, and develop regional top--- down least---cost TX plans.	45	RNP #14	05.04.12	NTTG will create a data request form to capture the details of the public policy requirements. This will allow the NTTG to develop a study plan with the public policy resources and non-transmission alternative specified. NTTG members will be able to identify the opportunities to combine the requirements and develop a study plan to analyze the most efficient and cost effect way to meet these requirements.

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Transmission Planning Comments: Comments on “Regional Public Policy Requirements (PPR)”		With respect to the questions specifically identified in this document: <ul style="list-style-type: none">• RNP believes that NTTG should set up a committee/process for determining which public policies, codified or not, should be included in the transmission planning process.• As long as the TP is identifying the raw need, and not developing a local plan immediately, a consultation process with stakeholders and state regulators should work well here.• RNP supports complying by identifying and evaluating all transmission needs, whether driven by PPR, reliability needs or economic considerations. All needs should be evaluated simultaneously and then a least---cost transmission plan for meeting all needs should be developed.	46	RNP #15	05.04.12	NTTG plans to determine the public policies to be included in the regional transmission process through open stakeholder discussion in the second quarter Planning Committee meetings. The Transmission Providers have a FERC obligation to produce a local transmission plan. Nothing in Order 1000 changes that obligation. The NTTG process, as described, will roll up the Transmission Providers' plans and develop a regional plan which evaluates alternatives to the local transmission plans.
Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		RNP commends NTTG for recognizing that the existing Attachment K cost allocation process is voluntary and for endeavoring to develop a cost allocation methodology consistent with the requirements of Order No. 1000. RNP recognizes that this represents a big shift for the region and is committed to constructively engaging with NTTG in what is sure to be an evolving process. (See NTTG document “Definition of the Plan, Key Discussion Items”)	47	RNP #16	05.04.12	NTTG appreciates RNP's participation and input as the Order 1000 planning and cost allocation processes take shape. NTTG is exploring metrics used in other transmission planning regions for measuring transmission benefits, and assessing them for applicability to NTTG's planning and/or cost allocation processes. Continued stakeholder input on this topic is encouraged and appreciated.
Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		The statement “all projects—except for types [new projects identified in the planning process] and [non---transmission alternatives]—may be submitted by an eligible entity with a request for cost allocation” is confusing. Does these mean that those two project types are not eligible for cost allocation at all, or just that they cannot be “submitted” for cost 1 See NTTG document “Definition of the Plan, Key Discussion Items” allocation by an eligible entity? Would these two project types be eligible for cost allocation if the planning process determines them to be cost---effective and superior to other projects? In general, RNP believes that the “project---focused” approach to identifying benefits and allocating costs is problematic.	48	RNP #17	05.04.12	Concur---confusing as originally drafted. This document has been revised to clarify that transmission alternatives may be submitted into the plan by an eligible entity with a request that the project be considered for purposes of cost allocation, and that new projects may be identified in the planning process itself and will be considered for cost allocation. Non-transmission alternatives may be submitted for consideration in the plan but will not be considered for cost allocation. RNP's comment that "the 'project---focused' approach to identifying benefits and allocating costs is problematic" is unclear. Please explain further unless the clarification above addresses this concern.

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Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		The eligibility criteria for submitting projects for cost allocation is also confusing. Is it true that in general, projects eligible for cost allocation will have been proven superior through the planning process? If so, what is the significance of the criteria for submitting projects (see OR 1000, P323).	49	RNP #18	05.04.12	<p>In order to have cost allocation applied to a project, the project must be selected into the regional transmission plan through the planning analysis. NTTG agrees that the entity eligibility criteria required by Order 1000 is confusing given that a project's value/benefits is otherwise the basis for determining whether it is eligible for cost allocation, however Order 1000 paragraph 323 is unambiguous in that it requires establishment of such criteria:</p> <p>"First, the Commission <u>requires</u> each public utility transmission provider to revise its OATT to demonstrate that the regional transmission planning process in which it participates has <u>established appropriate qualification criteria for determining an entity's eligibility</u> to propose a transmission project for selection in the regional transmission plan for purposes of cost allocation, whether that entity is an incumbent transmission provider or a nonincumbent transmission developer. These criteria must not be unduly discriminatory or preferential. The <u>qualification criteria must provide each potential transmission developer the opportunity to demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities.</u>"</p>
Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		The statement that the “selection for cost allocation will be based upon the relative certainty or robustness of a project’s benefits and beneficiaries” deserves further discussion. Does this statement apply to all projects or just “type (c)” projects? RNP would be concerned if there were fundamentally different criteria for cost allocation based on a project’s type. The certainty and robustness of a project’s benefits and beneficiaries seems like important criteria for all types of projects.	50	RNP #19	05.04.12	All projects that emerge from the Plan Optimization process and are eligible to be considered for cost allocation will be evaluated using the same criteria to ensure relative certainty or robustness of benefits and beneficiaries. This includes projects submitted by an eligible entity with a request for cost allocation, as well as new projects identified in the planning process itself (formerly referred to as "type c" projects).
Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		The concept of “conditional selection” for projects with significant benefits for parties whose agreement is required before costs can be allocated to them is an interesting concept. This approach may work well for interregional projects and also for projects where customer subscriptions are important. RNP looks forward to discussing this approach further.	51	RNP #20	05.04.12	NTTG welcomes RNP's and all stakeholder input.

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Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		The cost effective evaluation process should not just include a comparison of capital costs and production costs. An alternative plan may have greater costs but still be superior if there are also even greater benefits, proportionally. The evaluation process needs to include a “net---benefits” component.	52	RNP #21	05.04.12	Order 1000 requires evaluation to determine the most efficient and/or cost effective regional transmission system. This is determined by evaluating the regional reliability and production cost performance improvements (benefits) of proposed projects. The most cost effective would be determined by both usable benefits and the project cost. However, a proportionally greater benefit at greater cost may not always equate to most cost effective.
Cost Allocation Comments: Comments on the “February 2nd, 2012 Stakeholder Meeting Presentation”		It is important to distinguish linking benefits to “identified needs” as opposed to “identified projects.” RNP supports a transmission planning process that considers all needs as comprehensively as possible, not just those needs that have been identified already through the local planning process. Similarly, the time horizon over which needs are considered is important. RNP believes that PPR needs should be evaluated on a 20 year time horizon, or longer.	53	RNP #22	05.04.12	Agreed that benefits are needs-based, however, the benefits brought about by a project must be defined for cost allocation purposes. Regarding the planning horizon, it is not practical (from a time, resource, and expense perspective) to set the planning horizon beyond the WECC created base cases. NTTG is committed to aligning the planning horizon with the WECC base cases, whether it is ten years or longer.
RNP Conclusion:		RNP is committed to working with regional utilities, sub---regional planning groups, WECC/TEPPC, and FERC to incorporate these principles and improvements into the regional and interregional planning processes under Order 1000. Thank you for the opportunity to comment. We look forward to written feedback and further discussion.	54	RNP #23	05.04.12	NTTG members appreciate RNP's comments and efforts to participate in the NTTG stakeholder processes.