NTTG Public Stakeholder Meeting

Monday, June 16, 2008

Attendees:

Philip Augustin (Portland General), Adam Black, Jim Cummings (PPL Energy Plus), Troy Dahlgren (Montana Electric), Christine Draper (NTTG), Dick Dowdy (PacifiCorp), Adam Bless (ODOE), Roger Hamilton (West Wind Wires), Sharon Helms (NTTG), Shaun Jensen (Idaho Power), Marv Landauer (Columbia Grid), John Leland (NorthWestern Energy), Ryan Munson (NorthWestern Energy), Matt Muldoon (Oregon Public Utility Commission), Larry Nordell (Montana Consumer Counsel), Armando Perez (CAISO), Margaret Schaff (Affiliated Tribes), Paul Schmidt (Sierra Pacific Power Company), Melissa Seymour (BPA), Kip Sikes (Idaho Power), Chuck Steggars, Tom Tjoelker (PacifiCorp), Jim Tucker (Deseret Power), Steven Wallace (NTTG)

Agenda:

- Review and acknowledge Standards of Conduct (Sharon Helms)
- Stakeholder input and review of the 2008-09 Draft Study Plan for the Biennial Planning Process

Presentation materials for the meeting are posted on the NTTG website at: http://www.nttg.biz, as is the Draft Study Plan.

Draft Study Plan

Objective: To perform a conceptual transmission study that determines what lines will provide a feasible system operation at forecasted stress times 10 years from now.

Questions and Answers:

Q: Marv Landauer: How are you going to export a substantial portion of the sub-regional surplus? Are you going to see how much you'll export while trying to meet the load requirements?

A: Steven Wallace: We will be establishing markets out of our region and determining whether or not the transmission additions will help facilitate the delivery of power out of the area.

Kip Sikes: People have identified resources within the footprint to sink in a sub-region or in the region external to the Northern Tier footprint. That meets the two

requirements. Then, for example, we'll coordinate with Columbia Grid if significant amounts of energy were being delivered into the Northwest.

Q: Larry Nordell: Are we turning an economic question into a reliability question? What do we need to do to avoid violating the reliability criteria? Is that the same question, or are we losing the ability to make distinctions between viable and nonviable projects?

A: John Leland: Isn't this study to discuss the transmission and how it integrates and coordinates together, not an economic study? This isn't an economic dispatch study. This may be different than answering the question for generation development.

Q: Marv Landauer: It sounds like anyone can ask for a resource to be run and it turns into an economic study. How is this being separated?

Q: Chuck Steggars: Isn't this a necessary change in the study philosophy, to reflect how FERC has maintained that there will be open access for new generators?

A: Larry Nordell: Open access doesn't mean that the cost is passed to the ratepayers so that generators can have access to the system.

Q: Marv Landauer: Can you use this process instead of transmission service requests to get an answer?

A: Steven Wallace: Our Transmission Providers receive the requests in interconnection and point-to point service requests and will be the ones to respond to the economic cost of providing those services. The Planning Committee's work is to provide a conceptual plan to show the availability of adequate transmission based on the projects in the Northern Tier Portfolio.

Kip Sikes: We are not going to take all the requests. The point of today's' call is to determine the criteria for selecting what resources will be turned on. It was initially proposed that, if a load was selected, the resource would have to be identified also.

Q: Chuck Steggars: Where do we go with the companies that filed TSRs point-to-point, but don't specify which project or load?

A: Kip Sikes: The TSRs that local Transmission Providers have and will have collected through attachment K processes need to be included in this study, but we need to verify that there is no double counting.

Q: Marv Landauer: The background information you are requiring from these requests clears a lot of that up? There have to be service requests behind the transactions being

performed that can be identified in this process? It's not open for just anyone to throw in?

A: Kip Sikes: It's open to for anyone to throw in a legitimate request. We have legitimate TSRs in a Transmission Provider's queue and those are long term requests that need to be accounted for in future transmission capacity. If we are talking about the addition of a resource that may or may not have a TSR or interconnection request in with the appropriate Transmission Provider, that's when the Stakeholder needs to identify that resource and what load it will serve.

Q: Roger Hamilton: Are we assuming that in that core test, there is consistency with IRP, RPS and any carbon constraints that might be in the planning stage to conform to the Western Climate Initiative?

A: Kip Sikes: Within the Northern Tier footprint it's consistent with the IRPs that the footprint utilities have in place.

John Leland: This is similar to the WECC L&R request in terms of what resources need to be included to know if you have load-resource balance.

Q: John Leland: What's the point of the study? Is it to prove that the generation is feasible or to prove that transmission is feasible and coordinates with others?

A: Steven Wallace: With the development of wholesale markets it's becoming rarer for power purchase commitments to go ten years into the future. Some of the generators need to be built on a speculative basis so that where the load is developing in one region and the resources are being economically built in another region and they are looking an estimate of the transmission cost and the capacity to deliver resources from the resource rich to the high load areas.

Q: John Leland: Whether or not the transmission gets developed will be ultimately supported by customer requests or some mechanism like that. Is that the question we need to answer here? It's almost a TEPPC question.

A: Larry Nordell: It could go either way. You have to ask what you have when you are done. If you throw in only resources under construction or only resources that have contractual commitments to facilities, you have a plan of transmission facilities that should be built.

Q: John Leland: Are we going to try and make decisions out of construction or are we talking about whether the system works as an integrated system?

A: Larry Nordell: That is probably a better way to view the plan. We need to ask what it takes to have a transmission system that works for each assumed generation pattern. Then there are a bunch of sensitivity runs that need to be performed.

Study Assumptions

Q: Are the loads for one period of time or an annual period of time?

A: Steven Wallace: That goes back to the cases we are studying. The studies will be looking at system stresses ten years into the future. Base cases for 2018 will be studied. The idea will be to do a one-hour interval ten years out.

Q: Kip Sikes: Can you describe how we plan to address the conditions that people are asking about?

A: Steven Wallace: We need to make a transition between the study plan and the work plan. We are mandated to have the study plan completed by the end of the second quarter, but that was also the time frame for the Transmission Providers to post information on their internal studies and analyses. There is a difficult coordination problem to work through. We will do that by migrating the study plan into a work plan within the next month or so. The intent is to have a draft work plan by end of June and a completed work plan by the end of July. In the work plan, we are going through the categories mentioned in the study plan and working out the details of how to implement the data, how to allocate the work amongst the people who are providing it. Northern Tier doesn't have the staff to do the work so the work must be shared amongst the Transmission Providers. We have established four task forces. Two will be focused on adapting the WECC base cases and the other two will be targeted towards the data that will be used in the studies.

Q: Marv Landauer: What base cases were selected?

A: Steven Wallace: Heavy summer 2018 and light autumn 2010.

Q: Marv Landauer: Is there anything in the winter?

A: Steven Wallace: We discussed that with the people participating in the work and, based on the dimensions of Northern Tier and the increase in summer demands in normally winter peaking areas, we believe that summer analysis for a conceptual study such as this should be adequate ten years out.

Kip Sikes: The heavy summer gets a heavy load stress and the light autumn would be more for resource export. If we looked at a heavy winter for exports into the Northwest, it would not likely stress the transmission as much as some of the other constraints.

Steven Wallace: Northern Tier continues to welcome comments and questions, either via e-mail (see the Contact Us link on www.NTTG.biz), or by communicating with any or our planning committee members. We will have a general stakeholder meeting in Bozeman, Montana in late July, where we will further present our final Study Plan and the work plan as it has evolved to that point.