



NTAC/NTTG/COGR Joint Meeting  
FERC Order 890

April 6, 2007



# ColumbiaGrid Planning Process

Three areas are addressed here:

- The FERC Order on ColumbiaGrid and Description of the Planning and Expansion Functional Agreement (PEFA)
- How the PEFA meets Order 890 Principles
- How ColumbiaGrid will coordinate with other sub-regional planning groups in the Northwest

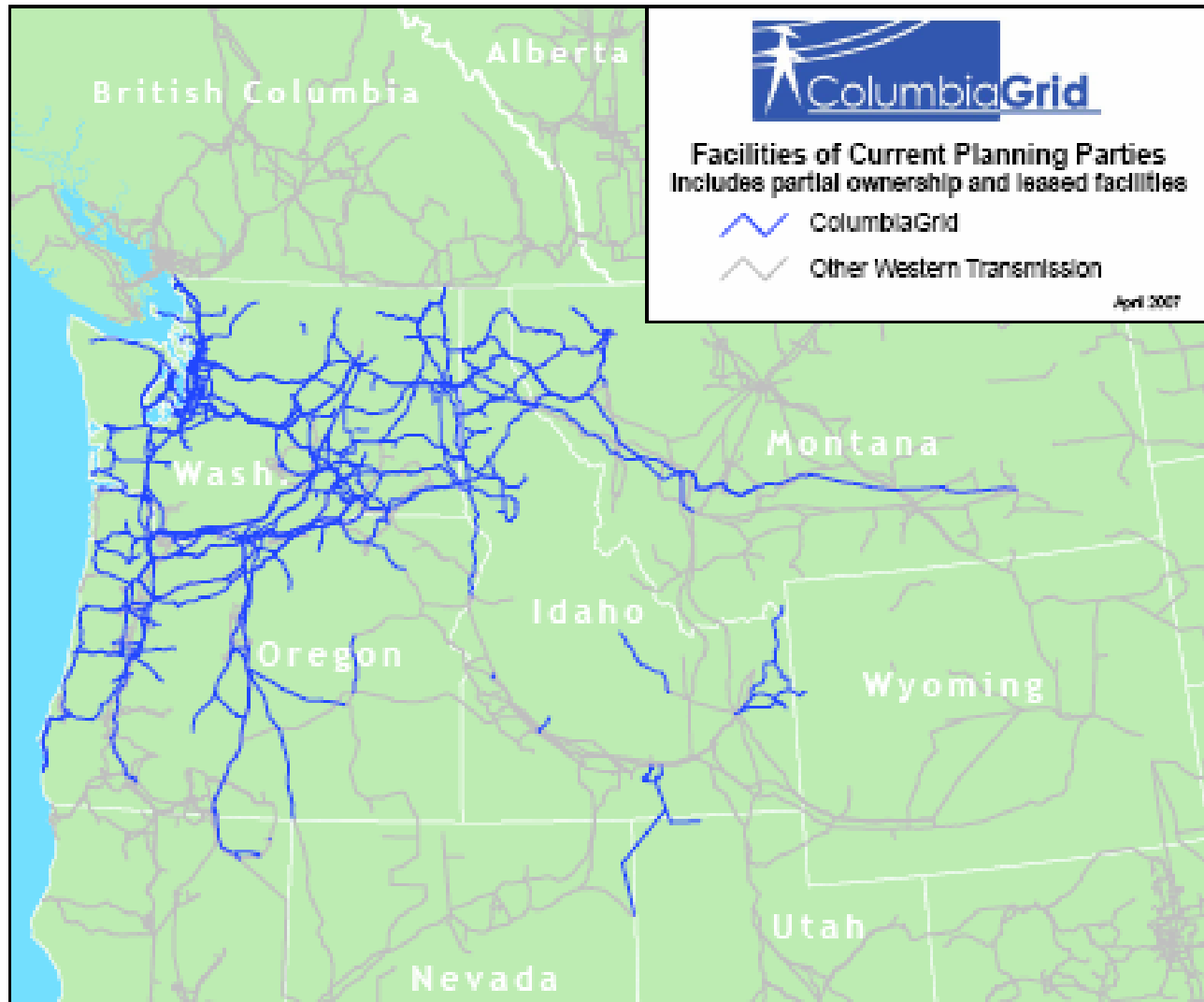


# FERC Order on ColumbiaGrid

- **PEFA is Effective**
- FERC accepted the PEFA for filing on April 3, 2007
- All of the Planning Parties have executed the PEFA
- PEFA became effective on April 4, 2007
- ColumbiaGrid is now providing independent, single-system transmission planning and expansion services



# Planning and Expansion Functional Agreement Network





# Planning Expansion Functional Agreement

- ColumbiaGrid's Planning and Expansion Functional Agreement (PEFA) authorizes independent transmission planning on a single-utility basis for its participants' interconnected network
- The PEFA is open to interested parties in the Northwest
- There are currently eight participants:

Avista	Puget Sound Energy
Bonneville	Seattle City Light
Chelan County PUD	Snohomish PUD
Grant County PUD	Tacoma Power



# Planning and Expansion Functional Agreement

## **Benefits**

- Dedicated Independent Staff
- Coordinated open planning process
- Transparency of data and methodologies
- Independent facilitation and approval
- Enhanced ability to integrate renewable resources across multiple transmission systems
- Mechanism to encourage FERC to take action should entities not voluntarily construct needed projects



# Planning and Expansion Functional Agreement

## **Project Types**

- Existing Obligation Projects
- Requested Service Projects
- Capacity Increase Projects
- Single System Projects
- Expanded Scope Projects



# Planning and Expansion Functional Agreement-Highlights

- “Single Utility” approach across combined network
- Annual System Assessment Reports
- Biennial transmission plan in region’s “best interest”
- Plan is product of staff, PEFA parties and interested persons
- Facilitates voluntary agreement of parties/stakeholders
- Board approves the plan or remands part(s) for restudy
- Allows for reconsideration of Board decisions
- Construction achieved via Facility Agreements



# PEFA and 890 cont'd.

## Next steps for PEFA:

- ✓ Add planning engineers and planning software
- ✓ Permanent office space under negotiation
- ✓ Develop mutual coordination procedures and methodologies with interconnected utilities and sub-regions.
  - Joint discussions with NTTG and NTAC have been underway.



# Order 890 Planning Principles

- Coordination
- Openness
- Transparency
- Information Exchange
- Comparability
- Dispute Resolution
- Regional Participation
- Economic Planning Studies
- Cost Allocation for New Projects



# PEFA and 890

- (1) Coordination - transmission providers must meet with all transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis.
- ColumbiaGrid, in coordination with its PEFA participants and all interested persons, will perform system assessments on the participants' combined transmission network, and the results will be posted on the ColumbiaGrid website. Transmission needs that are identified will be further analyzed via Study Teams open to participants, affected persons and interested persons.



## PEFA and 890 cont'd.

- (2) Openness - transmission planning meetings must be open to all affected parties; e.g. transmission and interconnection customers, state commissions, other stakeholders.
- ColumbiaGrid will seek to notify all affected persons and interested persons regarding Study Team activities. Documents and materials on planning process will be posted on website. ColumbiaGrid is developing protocols to foster collaborative involvement of affected Tribes and State agencies and commissions .



## PEFA and 890 cont'd.

- (3) Transparency - planners must disclose to all customers/stakeholders the criteria, assumptions and data underlying their transmission plans, including methodology and processes used to develop the plans.
- ColumbiaGrid's planning processes and criteria are set forth in the PEFA. ColumbiaGrid will perform its system studies in coordination with interested persons and the planning parties .



## PEFA and 890 cont'd.

- (4) Information Exchange - planners, in conjunction with customers/stakeholders, must develop guidelines and schedules for transmission customers to submit load/resource information on a basis comparable to native load planning.
- ColumbiaGrid's open development of annual system assessments, biennial plans and Study Teams provides PEFA parties and interested persons opportunities to update customer load/resource data on a comparable basis.



## PEFA and 890 cont'd.

- (5) Comparability - transmission providers must develop transmission plans that will meet specific service requests of customers, and which will treat similarly-situated customers comparably.
- The open and transparent processes established in the PEFA will ensure that customers are treated in a comparable manner .



## PEFA and 890 cont'd.

- (6) Dispute Resolution - transmission providers must have a dispute resolution procedure to deal with disputes arising from the planning process, including procedural and substantive issues. An appropriate process should encompass negotiation, mediation and arbitration.
- PEFA 's dispute resolution process allows for reconsideration of Board decisions on identified projects through input from all affected persons and staff in front of the Board. Arbitration is not currently part of the PEFA process, but the participants ' legal team is expected to review this situation in light of the order.



## PEFA and 890 cont'd.

- (7) Regional Participation - providers must coordinate with interconnected systems to ensure that plans are simultaneously feasible and to integrate new resources or relieve congestion across a wide area.
- ColumbiaGrid's planning process is designed to ensure simultaneous feasibility over the transmission network encompassing the facilities of all participants using consistent data and assumptions. Beyond the range of its network, ColumbiaGrid will actively coordinate with its neighbors to achieve these same ends.



## PEFA and 890 cont'd.

- (8) Economic Planning Studies - customers and stakeholders have the right to request that a transmission provider perform a defined number of high-priority economic planning studies annually to address congestion and new resources and loads, without making a transmission service request.
- The PEFA does not currently provide for these types of studies. The participants are expected to evaluate whether this requirement will be met through other regional processes.



# PEFA and 890 cont'd.

- (9) Cost Allocation for New Projects - a transmission provider's planning process must address cost allocation among the participants in new projects. Allocation methodology must be fair, provide incentive for new construction and be generally supported by state authorities and regional participants.
- The PEFA does not currently provide a specific methodology for cost allocation, instead encouraging mutual agreement and/or staff recommendations. However, participants are expected to consider whether to include specific methodologies in PEFA in the future.



## PEFA and 890 cont'd.

**Question** - Does the PEFA comply with Order No. 890 and, if not, what steps will the parties take regarding Order No. 890 compliance?

**Answer** - The PEFA meets the majority of Order No. 890's requirements relating to regional planning processes. The parties are currently reviewing the agreement to determine whether modifications are needed to further assist Planning Parties in meeting Order No. 890 requirements.



# Coordination with Others

## **Coordination with Other Planning and Reliability Organizations**

- ColumbiaGrid is a member of WECC and participates in the PCC and TEPPC
- ColumbiaGrid participates in NWPP NTAC meetings and is seeking membership in the NWPP TPC
- ColumbiaGrid is exploring membership in NERC and NAESB



## Coordination with Others, contd.

### **Suggested Role for WECC in Planning Coordination**

- WECC is the appropriate level for conducting large scale region-wide economic and congestion studies
- ColumbiaGrid may also need to develop economic study capability for sub-regional studies.
- WECC should maintain a west-wide planning data base with sufficient detail to perform studies at the sub-regional and transmission provider level
- WECC should establish data submission and access policies that meet Order 890 and NERC requirements



## Coordination with Others, contd.

### **Suggested Role for ColumbiaGrid**

- ColumbiaGrid will maintain a dedicated independent planning staff
- ColumbiaGrid will meet its primary obligation to provide reliability expansion planning for multi system projects among the PEFA parties
- ColumbiaGrid may also be required to provide economic and congestion studies for the PEFA parties in addition to reliability based planning
- ColumbiaGrid will co-sponsor or actively participate in study teams with other sub regions for the purpose of identifying system needs, impacts and opportunities
- ColumbiaGrid will play a role in data collection from the PEFA parties, in support of the WECC and NWPP processes



## Coordination with Others, contd.

### **Determining Roles for other Northwest Planning Groups**

- A joint NWPP/NTTG/COGR Ad-hoc work group is engaged to clarify roles for coordination of planning studies.
- Going forward, ColumbiaGrid suggests that the ad-hoc work group continue their efforts to assure an efficient coordinated planning effort among the three sub-regional entities