

Upper Midwest Transmission Development Initiative Transmission Planning and Cost Allocation Work Groups

Friday January 30, 2009



Agenda

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| I. Introductions, Overview | 9:00 AM to 9:30 AM |
| II. <u>Transmission Planning Work Group</u>
David Boyd, Chair | 9:30 AM to 12:00 PM |
| III. Lunch | 12:00 PM to 1:00 PM |
| IV. <u>Cost Allocation Work Group</u>
Eric Callisto, Chair | 1:00 PM to 3:30 PM |
| V. Adjourn | 3:30 PM |

History of UMTDI

September 18, 2008: Governors of IA, MN, ND, SD and WI announce UMTDI

October 2008: Executive Committee formed (regulators and Governors' representatives; staff)

October 28, 2008: first stakeholder letter

November 7, 2008: first stakeholder meeting

History of UMTDI, continued

November 21, 2008: stakeholder feedback

December 19, 2008: summaries of feedback posted

December 31, 2008: second stakeholder letter and invitation to join one of two work groups

Charge to Work Groups

Establish a plan that will guide and encourage the construction of interstate transmission to serve the states' commitment to cost-effective renewable generation while maintaining reliability

Develop an equitable cost-sharing methodology

Transmission Work Group Phases

First phase: select generation zones that can be used in design studies of potential transmission projects that will facilitate delivery of energy to load centers within the five states

Second phase: using the selected generation zones, create a list of candidate transmission projects designed, among other benefits, to further energy reliability and state policies by linking the selected zones to load centers in the five states

The five Governors will be able to assess progress and adjust the work of the UMTDI as necessary at the end of each phase

UMTDI proposes an aggressive schedule to be completed in Fall 2009

Transmission Work Group Questions

1. What cost should be included of the proposals? Should “all-in” costs should be assumed (i.e., generation, transmission, line losses, etc.)?
2. What transmission benefits should be considered and quantified for RGOS and UMTDI?
3. To what extent should the benefits of remote wind generation be compared to local generation?
4. What process should be used to corroborate the modeling of system needs and who would best to carry out that process? What timeline should the transmission build-out assume, and can the transmission owners meet that timeline? What time increments should be used for planning purposes? If so, what level of detail is appropriate for the initial increment?

Transmission Work Group Questions

5. What target in wind resource MWs should the UMTDI use? Should likely enhancements to the states' RPS/goals be included and at what point?
6. What generation assumptions should be used for the baseline reference case (e.g. Wind only? Wind plus load-following generation? Other renewables?)?
7. What factors should be used to determine appropriate size? Should focus only be on 345kV? Or a higher voltage overlay? How do new DC lines figure in solution?
8. What is necessary to support a business case for the prospective solutions?
9. Is there a role for regional permitting or some coordinated state permitting to facilitate a more efficient process? If so, what next steps are appropriate?

Transmission Work Group Inputs

MISO RGOS study

Input from regional transmission owners

Input from state meetings to the Executive Committee

Transmission Work Group Deliverables

Analysis, identification, and evaluation of prospective transmission solutions or optimal configurations by ATC, ITC, MISO, Xcel, or other UMTDI TOs for achieving the primary focus

List of resource zones agreed to by the five states with associated transmission corridors

Analysis of how transmission cited above could support extra-regional energy policy goals

Transmission Group Timeline

January 2009--WG initial meeting, St. Paul, Minnesota PUC.

Refine scope, work product, and issues list.

February 2009—MISO provides generation cost information per proposed generation zone to UMTDI; Executive Team reviews.

March 2009—UMTDI Executive Team selects preferred strategies; Progress meeting.

March-June 2009—MISO conducts design studies

Transmission Group Timeline

June-August 2009—Progress Meetings to vet draft candidate projects and identify further matters worth study and analysis

September 2009—MISO's detailed transmission design studies completed on feasible transmission projects. Meeting to designate final candidate projects to UMTDI Executive Committee

October 2009—MISO includes the accepted transmission projects in MTEP'09. UMTDI Executive Committee reports to Governors.

RGOS Review

MISO presentation:

Design Team Formation

Indicative Design Work Plan

Next Steps

Transmission Owner Planning Efforts

UMTDI is not intended to replicate or replace work that has occurred or is in progress

Presentations:

MN Transmission Owners

ATC

ITC

MidAmerican

Immediate Timeline and Tasks

States will collect information and establish priorities individually

(MN stakeholder meeting February 11, 2009)

MISO delivers indicative costs study by Feb 17

State feedback due to Executive Committee by February 18

Executive Committee will integrate state submissions and provide one or two scenarios to MISO for design study in early March