

Defining the Future Workshops

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U.S. DOE & Western Area Power Administration

Agenda for Today's Webinar

1. Defining the Future: Opportunities, Purpose, Goals & Objectives
2. Western at a Glance
3. Defining the Future Schedule & Agenda
4. The Working Groups
 1. Transmission Planning & Operations
 2. The Future of Transmission Services
 3. Western's Transmission Authorities
5. Getting Ready for the Workshops
6. Getting Ready for the Listening Sessions

Opportunities & Issues

- ❑ Transitioning to a resilient, flexible and efficient 21stCentury grid
- ❑ Complying with NERC reliability standards
- ❑ Enhancing services and rate structures
- ❑ Integrating variable resources
- ❑ Scheduling on an intra-hour basis
- ❑ Centralizing dispatch
- ❑ Responding to solar flares
- ❑ Minimizing cyber-security vulnerabilities
- ❑ Responding to the recommendations in the Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) Report entitled: *Arizona- Southern California Outages on September 8, 2011* (Blackout Report)

A Commitment to Hear Diverse Views

- Western's preference power customers
- Western's transmission customers
- Generators
- Transmission providers
- Load Serving Entities
- Tribes
- States (including Governor's Offices, Regulatory Commissioners/Staff, etc.)
- Ratepayers and consumer advocates
- Members of Congress
- Other interested parties (e.g. environmental organizations, new technology providers and developers).

Purpose of the Workshops

To get input from Western stakeholders & Tribes in the Western footprint on the role that Western can play in defining the future of the electricity system.

Goals for the Workshops

- ❑ Context: We all want Western to contribute to a healthy, secure, competitive & prosperous future, but our views differ on what Western's role should be
- ❑ Goal: To present the opportunities and issues identified in Secretary Chu's Memo
- ❑ Goal: To create an environment where diverse stakeholders are comfortable providing input on a range of difficult issues
- ❑ Goal: To identify value added opportunities for Western as it seeks to support grid modernization while maintaining a commitment to its historic mission

Objectives for the Workshops

- ❑ To get input from Tribes & stakeholders in three specific areas: Transmission Planning and Operations, Design of Transmission Services, and Transmission Authorities
- ❑ To capture the diversity of views represented
- ❑ To capture value added opportunities where Western can make a difference
- ❑ To report the input to DOE and Western management as they formulate recommendations for Secretary Chu
- ❑ To define a communication process for continuing Tribal & stakeholder interaction

Western Area Power Administration at a Glance



What is Western?



- Power marketing administration, under DOE
- Wholesale electricity supplier
- 457 long-term/firm power preference customers when agency formed in 1977
- More than 680 customers today

FY 2010 PMA Statistics

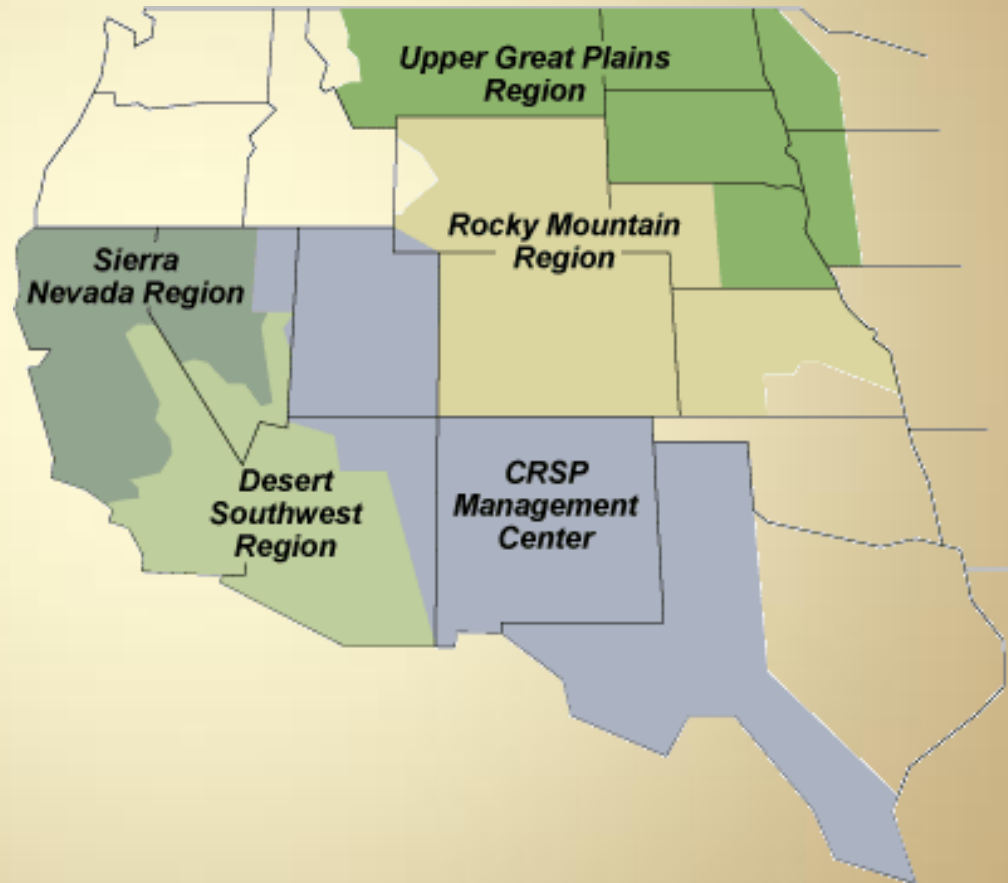
	Transmission lines (miles)	Substations (all voltages)	Powerplants¹	Installed capacity (MW)	Customers²	Total Power & Transmission Rev (millions of dollars)	Sales (billions of kWh)	Percent of sales in marketing area
Bonneville	15,213	263	31	22,363 ³	276	\$3,055.1 ⁴	85.5 ⁶	35 ⁷
Southeastern	N/A	N/A	22	3,392	489	\$247	7.7	4
Southwestern	1,380	25	24	2,173.7	103	\$201 ⁵	7.6	7.44 ⁸
Western	17,107	306	57 ⁹	10,479	687	\$1,102.4	36.3	5
Total	33,700	594	134	38,407.7	1,550	\$4,662.9	138.1	N/A

- Plants are primarily owned by the Federal government and operated primarily by the U.S. Army Corps of Engineers and the U.S. Bureau of Reclamation. Production is marketed by the power marketing administrations.
- Includes firm and nonfirm power customers and project use customers.
- Nameplate rating for federally owned generation from BPA's 2010 "White Book" on loads and resources.

- Total operation revenue, as reflected on page 31 of BPA's 2010 Annual Report.
- Not an audited number.
- FY 2008 number from 2010 BPA Rate Case Wholesale Power Rate Final Proposal, Statements A-F, WP-10-FS-BPA-09, July 2009.
- Approximate percentage from the FY2012 Congressional Budget
- Calculated from 2009 data.
- Includes 56 hydropower plants and 1 coal-fired plant

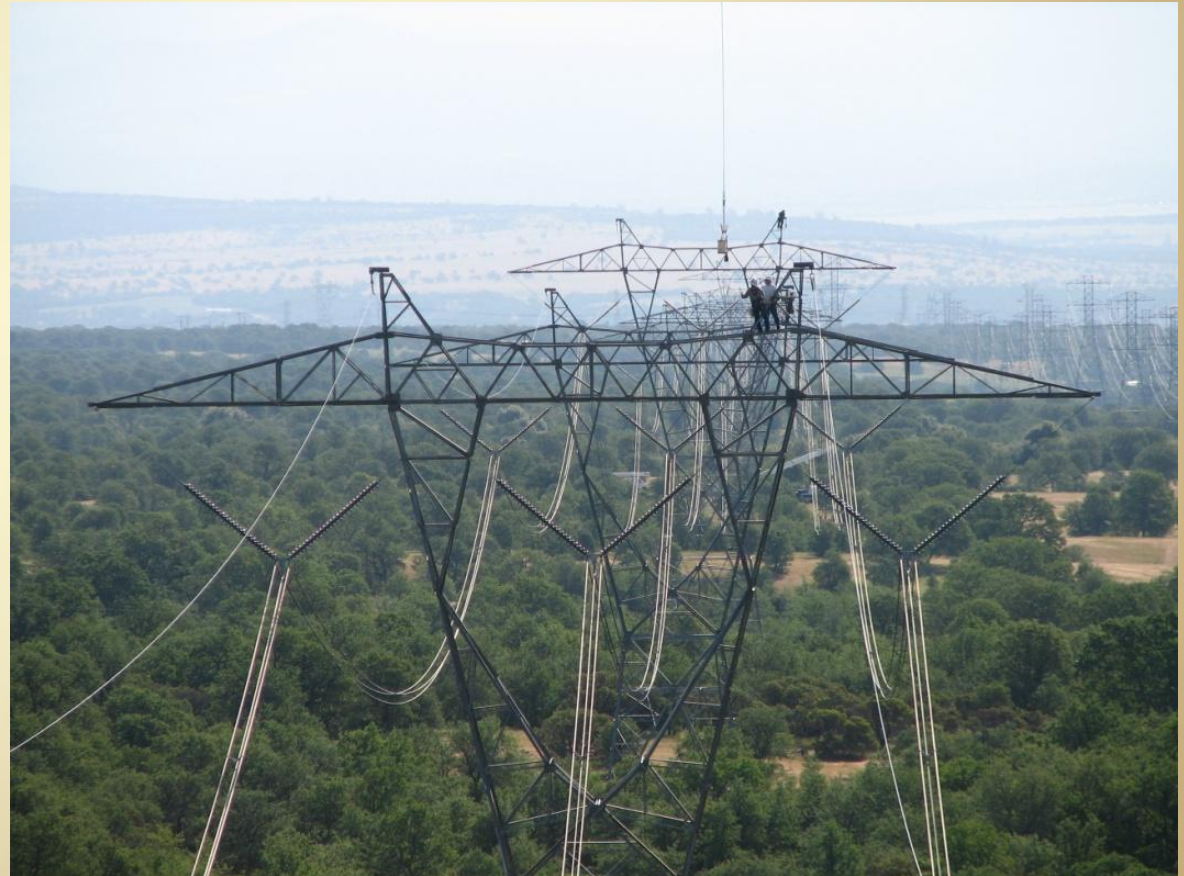
Western's service territory

- Serving customers from 5 regional offices
- 56 hydropower plants operated by BOR, Corps or IBWC
- 10,479 MW of installed capacity



Bulk wholesale transmission

- 17,107 miles of high-voltage transmission lines in 15 states
- Bulk, wholesale transmission



Western's power comes from

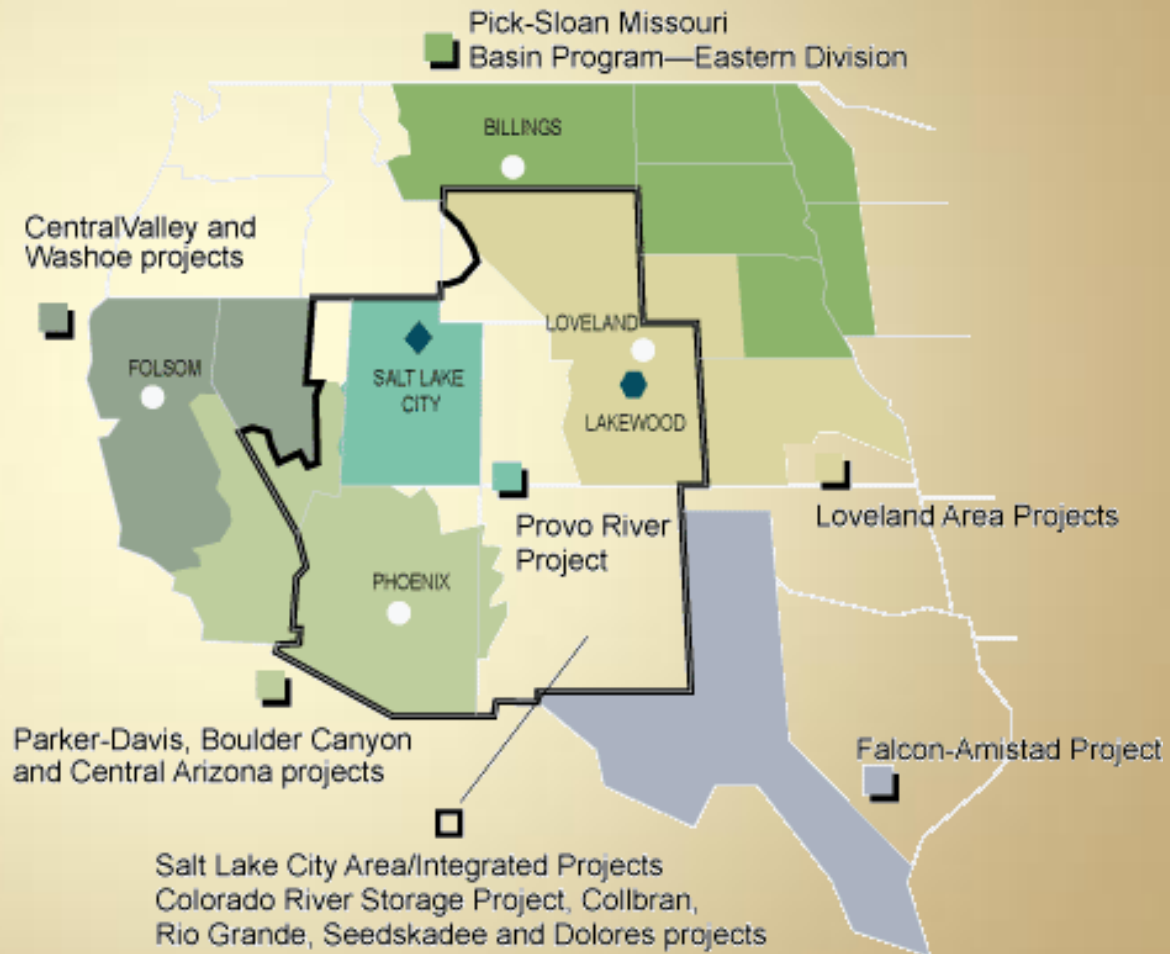
POWERPLANTS



- Hydroelectric energy produced at Federal generating agencies
- Multi-purpose projects
- Variable water availability

Western's hydro projects

- Power marketed on a project-specific basis
- Marketing plans developed through public processes
- Normally consist of:
 - Marketing criteria
 - How power is sold
 - Allocation criteria
 - Who receives power
 - Mostly partial load requirements



Western's Customers

- 687 customers
 - Cities and towns
 - Rural electric cooperatives
 - Irrigation districts
 - Public power districts
 - Federal and state agencies
 - Native American tribes
- Preference entities under the 1939 Reclamation Project Act

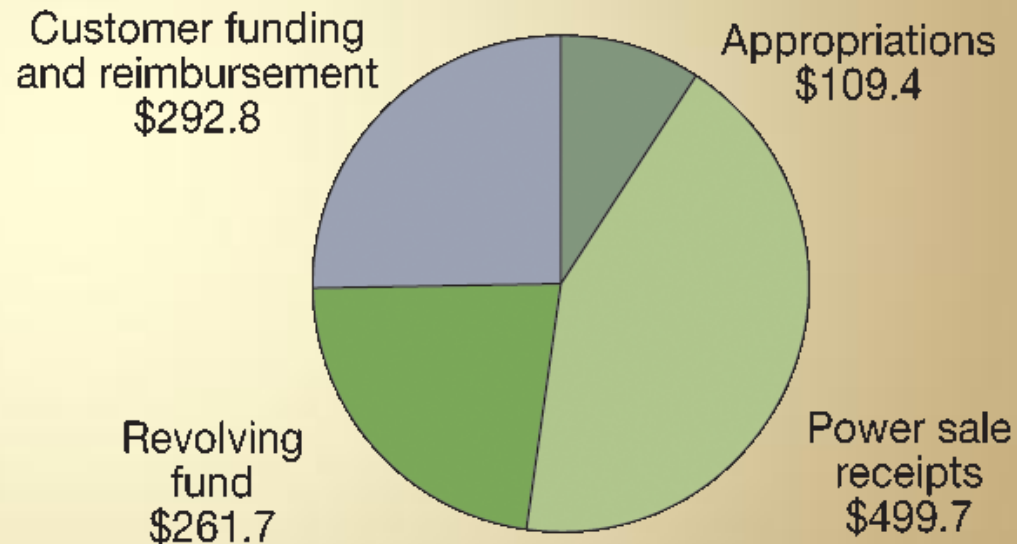


How Western is different

- Funded by customers and Congressional appropriations
- Cost-based rates
- Repay U.S. Treasury
- Voluntarily comply with FERC rulings

Sources of Western's funding FY 2010

Dollars in millions



Total funding sources
in FY 2010: \$1.16 billion

Western's role in providing energy



- Market clean hydropower
- Transmit power to customers
- Control 4 BAs and 1 sub-BA
- Manage interties
- Provide open access to transmission

Defining the Future

All information posted on the Defining the Future page
at wapa.gov

<http://ww2.wapa.gov/sites/western/about/Pages/Definingfuture.aspx>

Workshop & Listening Schedule

<u>Location</u>	<u>Event</u>	<u>Date</u>	<u>Reg Due</u>
Rapid City	Workshop	July 17	Closed
	Listening	July 17	July 13
Billings	Listening	July 18	July 13
Phoenix	Workshop	July 24	Closed
	Listening	July 24	July 20
Folsom	Workshop	July 26	July 12
	Listening	July 26	July 12
Loveland	Workshop	July 31	July 17
	Listening	July 31	July 17
Sioux Falls	Workshop	Aug 2	July 19
	Listening	Aug 2	July 19

Workshop & Listening Agenda

DRAFT AGENDA	
DOE/Western Joint Outreach Team Stakeholder Workshop: Discussion on the Western Area Power Administration's Implementation of Secretary Chu's Memorandum	
8:00 – 8:15 am	Welcome Remarks
8:15 – 9:20 am	Overview of the Day and Team Introductions This session will provide an overview of the day and the issue-based structure that the DOE/Western Joint Outreach Team (JOT) is employing to address the areas of focus outlined in Secretary Chu's March 16 th memorandum.
9:20 – 9:30 am	MOVE INTO CONCURRENT SESSIONS
09:30 – NOON (includes break)	<p>Concurrent Sessions</p> <p>Workshop participants will break out into smaller group discussions on—Electric System Planning and Operations, Design of Transmission Services, and New Transmission Authorities. The three concurrent sessions will follow the same format, outlined below.</p> <p>§ <i>Introduction</i> – The DOE and Western leads will provide brief background comments on their individual issue areas and pre-read materials.</p> <p>§ <i>Stakeholder Perspectives Panel</i> – Representatives from a diverse set of stakeholder groups ranging from Western preference customers to renewable energy generators and environmental organizations will provide brief comments on the specific topic areas outlined in the Working Group's pre-read materials in advance of the larger group discussion.</p> <p>§ <i>Group Discussion</i> – This facilitated discussion will focus initially on the specific areas of focus/issues outlined in the pre-read materials to assess if they are the right areas to focus on, if any of the included topic areas/issues should not have been, or if any topic areas/issues are missing.</p>
NOON – 1:00 pm	LUNCH

Workshop & Listening Agenda

NOON – 1:00 pm	LUNCH
1:00 – 2:45 pm	<p>Concurrent Sessions (continued)</p> <p>Building on the morning session, in the afternoon, the breakout groups will focus on prioritizing the topic areas/issues identified and begin to identify potential paths forward for addressing those issues.</p> <p>The breakout group will select two spokespeople to present Topic Areas and associated Key Issues to the Plenary Group.</p>
2:45 – 3:00 pm	BREAK AND RECONVENE TO PLENARY GROUP
3:00 – 5:00 pm	<p>Plenary Session: Presentations of Priority Implementation Issues from the Concurrent Sessions</p> <p>Each breakout group will present its topic areas and priority issues coming out of the concurrent sessions, providing ample time for responses, questions, thoughts and recommendations from the larger group.</p>
5:00 – 5:15 pm	<p>Wrap-Up</p> <p>Summarize the day's discussion and provide participants with additional information on how this effort will move forward in the coming months.</p>
5:15 pm	ADJOURN THE STAKEHOLDER WORKSHOP
6:00 – 8:00 pm	Listening Session
ADJOURN FOR THE DAY	

Workshop Breakouts

- Transmission Planning and Operations Working Group
- Design of Transmission Services Working Group
- Transmission Authorities Working Group

Transmission Planning & Operations (TPO)

The Transmission Planning and Operations Working Group will focus on improving Western's existing infrastructure and improving Western's collaboration with other owners and operators of the grid.

TPO: Improving Western's Existing Infrastructure

- Western's 10 Year Transmission/Capital Improvement Plan
- Complying with NERC Reliability and Critical Infrastructure Protection Standards
- Integrating Variable Resources
- Centralizing Dispatch

Improving Infrastructure: Sample Questions

- ❑ How can the Regional 10 Year Transmission/Capital Improvement Plan processes be refined to better account for reliability, commercial and strategic needs?
- ❑ How can Western provide leadership and support for efforts to respond to the recommendations in the FERC and NERC Report regarding September 8, 2011 events?
- ❑ How can Western provide leadership and support in the joint initiatives to identify, develop and enhance tools to facilitate the integration of variable energy resources?

TPO: Improving Collaboration with other Owners and Operators of the Grid

- ❑ Strengthening Relations with Other Owners and Operators
- ❑ Coordinating Operations with Neighboring Balancing Authorities
- ❑ Participating More Effectively in Regional Planning

Improving Collaboration: Sample Questions

- What can Western do to facilitate longer term (20 year+) planning in Western and Eastern Interconnections?
- What enhancements are needed to ensure that Western and other utility operators have the situational awareness needed to operate reliably?
- What capabilities within the Western and Eastern Interconnections should Western promote to enhance long term system operations and planning?

Design of Transmission Services (DOTS)

The Design of Transmission Services Working Group will be focused on improving Western's transmission services and rate designs.

DOTS: Areas of Discussion

- Integration of Variable Energy Resources
- Minimize Rate Pancaking
- Energy Efficiency and Demand Response
- Increased Electric Vehicle Use

DOTS: Sample Questions

- What improvements in operating technology, procedures and practices offer the best value added for Western and its customers in increasing the level of variable energy resources that Western could support without significant cost/operational impacts?
- Is rate pancaking within Western's system hindering the development of cost effective exchanges among different parts of Western's system? If so, what can be done to mitigate this?
- Can incentives for energy efficiency and/or demand response be incorporated into Western's rate design?

Transmission Authorities

The Transmission Authorities Working Group will evaluate avenues for Western's involvement in developing, or participating in the development of new infrastructure.

Transmission Authorities: Areas of Discussion

- Summary of Section 1222 functions and requirements
- Application process
- Evaluation criteria
- Program consistency and interaction with Western's Transmission Infrastructure Program
- Transparency / communications with applicants

Transmission Authorities: Questions

- How can DOE and Western improve program transparency?
- How can decision points in the application process be designed to provide appropriate feedback?
- What factors should DOE and Western consider in evaluating an application?
- Are there transmission needs in your region that may be served by a § 1222 project?

Getting Ready for the Workshops

- Register and choose your working group
- Read the pre-read materials and consider the questions posed
- Come prepared to participate actively, listen actively and propose solutions
- Come with ideas of how we can make this stakeholder interaction process successful and on-going

Getting Ready for the Listening Sessions

- Register separately for the Listening Sessions
- If commenting, come prepared with a 3 minute statement
- A transcript of the Listening Session will be prepared
- The transcript will be considered in conjunction with the workshop input as recommendations are formulated

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Contact us

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The Power Grid

