



Eastern Interconnection Planning Collaborative



SSC Webinar/Conference Call

June 21, 2011

Summary

SSC Members in Attendance (by sector)

Chairs: Roy Thilly, Kevin Gunn

TO/TDs: Stuart Nachmius, Will Kaul

GOs: Michael Goggin, Steve Gaw, Mark Volpe

End Users: Ryan Kind, Brenda Harris, Sonny Popowsky

Public Power/TDUs: Tim Noeldner, Paul Malone

NGOs: Beth Soholt, Wil Burns

Other Suppliers: Chris Lyons, Dennis Sobieski

States: Doug Nazarian, Lib Fleming, Jim Volz, Diane Barney (alt. for Garry Brown), Ed Finley, Sam Loudenslager (alt. for Elana Wills), Rob Berntsen, Marya White (alt. for Jon McKinney)

Canada: Rob Sinclair (alt. for Jon Norman)

Ex Officio: David Meyer

EIPC: Dave Whiteley, John Buechler

Presenters: Ralph Luciani, CRA; Tyler Ruthven, NEEM-TX Subteam

The Keystone Center: Catherine Morris, Margaret Pinar

1. **CRA Presentation of MRN-NEEM results** Future 2, S4-11 and Future 3, S1-2 (see [presentation](#) for details)

- Carbon price and intermittency limits (35%) are the same as F2. Super-region transfer constraints are binding in the F3 Base Case and the OL75 soft constraint, resulting in:
 - More generation construction in PJM-ROR
 - MISO wind moving west to MISO-W and MAPP-US
 - SPP Wind build out is lower compared to F2
 - CO2 emissions at same carbon price are higher and do not meet the prescribed target

Discussion:

- NGO representatives suggested that an additional Sensitivity in F8 of relaxed intermittency limits similar to those in Futures 5 & 6 might provide a useful comparison.
- TO/TD representative suggested that relaxed intermittency limits should acknowledge and possibly quantify the increased cost of integrating intermittent resources on the system.

- GO representative suggested that if this approach is taken, the interconnection cost of other generation such as nuclear power (e.g. balancing power) should also be quantified.
2. **NEEM-TX Subteam report on transmission hardening limits** (THL) for Future 3, OL 75 (See [presentation](#) for details)
- The Subteam recommends applying the average methodology approved by the SSC with minor adjustments to three IESO lines to reflect the Future 3 definition that prevents transfers between Super-regions.
 - Shadow price differentials decrease significantly (compared to F2) between regions where wind is constrained because of Super-region definitions and/or intermittency limits.
 - Shadow price differentials are higher where more nuclear and gas is built.
 - Lower GDP and electricity load levels also are a factor in easing pressure on inter-regional transfers.
 - The Subteam briefly discussed the implications of the high post-2030 carbon prices needed to reach the 2050 carbon reduction targets. Some thought it was unrealistically high.
 - Tyler noted that the \$/MW savings of transmission expansion is simply a directional indicator and should be “taken with a huge grain of salt.”

The SSC did not object to the applied hardening method or the adjustment proposed.

3. Options for open Sensitivities

- Roy Thilly opened the discussion by noting that the SSC has two Sensitivities currently in reserve for use in helping to define the Scenarios and it would be prudent to find two more Sensitivities for the same purpose. He encouraged the SSC members to consider which of the remaining Sensitivities are not likely to provide useful information given what we have learned from the analysis so far.
- The SSC agreed to:
 - Retain OL75 soft constraint Sensitivity for Future 5
 - Eliminate two Sensitivities -- the reduced friction charges in Future 3 and reduced hurdle rates in Future 6 – and reserve them for use in Scenario development.
- No decision was reached on the use of the OL25 soft constraint sensitivity in Future 8.
 - The NGOs said they had discussed a number of possible options including a higher intermittency limit or an increase in off-shore wind, but had not reached consensus on a recommendation.
- No decision was reached on the High Carbon Price Sensitivities in Futures 2&3. They will remain on hold for further discussion and decision on the next SSC call/webinar.
 - TO and NGO Sectors expressed an interest in using one of the High Carbon Price Sensitivities as an modified carbon price sensitivity in Future 2 and based on the results determine whether a similar sensitivity should be run in Future 3.

- TOs suggested the derived carbon price should be held constant at 2030 levels through the remainder of the study period.
- NGOs suggested that the MWG's proposal of using the lower of the default carbon price or the derived carbon price might be appropriate.
- GOs suggested that a better use of these sensitivities might be to test the impact of the intermittency limits rather than another lower carbon price, since that seems to be driving many of the resulting generation choices.
- States suggested that an additional sensitivity in Future 8 to rerun the base case with hardened transfer limits might provide helpful information.
- Some of the Sectors argued that the free sensitivities should be held in reserve for Scenario development.

NEXT STEPS:

- CRA confirmed their approach and schedule for the remaining Futures. In particular, Ralph explained that CRA will use the MRN results from Future 2 in Future 3; Use MRN results for Future 5 as the starting place for Future 6; use MRN results from the Future 1 (BAU) for Future 4; and finally, will rerun MRN for Futures 7 & 8.
- The Keystone Center will work with Dave Whiteley to determine the expected date for the next round of results and will poll SSC members to set the date for the next SSC webinar.
- SSC members should share all proposals for how remaining sensitivities should be used in advance of the next call.
- Dave W. will confer with Wil Burns to determine the need for an additional webinar on Phase 2 analysis to inform the Scenario selection process.