

Baseline Infrastructure Criteria (BIC)

Proposals A, B, C

Q&A

Lunch

Discussion

Baseline Criteria

EISPC – PROPOSAL A

PRIMARY GOAL: Reasonable Certainty

- Baseline Infrastructure should only include facilities reasonably certain to be built.
- Create initial screen process to ensure this.
- Create petition process.
- Petition process will increase stakeholder comfort over reasonable certainty.

Facilities Dated up to 12/31/2015

Initial Include Bucket:

- Designated as “reliability” facility, and
- Designated as one of the following:
 - Existing
 - Under construction
 - State-budget approved
 - Planned (or “Committed” for generation)

Initial Exclude Bucket:

- Designated as something other than “reliability,” or
- Designated as “proposed”.

Both “Buckets” subject to Petition process

Facilities Dated 1/1/2016 and beyond

- Exclude all
- All subject to Petition Process

Petition Process

- May petition to include facilities or exclude facilities.
- Standard for Evaluating Petitions: is it “reasonably certain” that the facility will be built.

“Reasonable Certainty”

Examples of factors to be used in evaluating reasonable certainty:

- Final project design is developed to bid specific format
- Engineering on project is complete
- Facility has secured state siting approval
- Merchant Generation or Transmission have either an Interconnection Agreement or a Power Purchase Agreement and siting and environmental permits
- Utility generation is designed, engineered, has siting permits and environmental permits.
- Facility has received environmental permits

Examples of factors to be used in evaluating reasonable certainty:

- Others from WECC
 - Approved financial statements incorporating committed capital to cover the full costs of the project.
 - If applicable, inclusion of project in an IRP or equivalent process that has been approved[2] by applicable regulator(s), ISO or public entity (state/provincial dependent)
 - Major equipment orders placed, or project under construction
 - Permitting actively underway or competed (e.g., EIS, EIR)
 - Executed construction contracts
 - Executed participation contracts
 - Shipper contracts or commitments
 - Regulatory approval for cost recovery[3], where applicable
 - Right of way acquired or purchased
 - Proposed in-service date within the timeframe of study
 - Is in or has completed Phase 2 of the WECC path rating process

Advantages to Proposal A

- Allowing only infrastructure with “reasonable certainty” provides neutral springboard for futures analysis.
- Provides an apples to apples comparison among the regions.
- Provides a glimpse of planning in the EI beginning with a canvas rather than a paint-by-numbers.
- Petition process intended to increase confidence in results.
- Petition process mostly on side of “please include” from knowledgeable proponents.

Transmission Project Removal Causes

Planning Authority	Date Only	Status Only	Purpose Only	Date and Status	Date and Purpose	Status and Purpose	Date, Status, and Purpose	Totals
Duke Carolina								
Entergy	15							15
FPL				8				8
IESO	2	4		13				19
ISO-NE								0
JEA								0
LGEE								0
MAPP		12		6				18
MISO		1	17			11	18	47
MLGW								0
NYISO	1	2						3
PEC	1							1
PEF	17			6				23
PJM	10	38		3				51
SCE&G	6							6
SCPSA	11							11
SOCO	50							50
SPP	1		34	2				37
TVA								0
Totals	114	57	51	38	0	11	18	289

Generation Project Removal Causes

Planning Authority	Date and			Totals
	Date Only	Status Only	Status	
Duke Carolina				
Entergy			3	3
FPL			2	2
IESO		9	59	68
ISO-NE	4			4
JEA			1	1
LGEE				0
MAPP	1	7	12	20
MISO	3	11	6	20
MLGW				0
NYISO		133		133
PEC			2	2
PEF	4			4
PJM	1			1
PS	1			1
SCE&G	2			2
SCPSA				0
SOCO	5	4	6	15
SPP	2			2
TVA				0
<i>Totals</i>	23	164	91	278

Proposal B

- **Years 2010-2015:** Include all facilities in Revised Roll-up
- Transmission projects included
 - 92% or 711 projects are Reliability
 - 8% or 64 projects are other than Reliability
- Generation projects included
 - 74% or 459 projects are Planned, Committed, etc
 - 26% or 164 projects are other

Proposal B

- **Years 2016-2020:** Include only those facilities in revised roll-up categorized as Reliability and Planned for Transmission and Planned for Generation.
- Facilities may be removed or added back in through a challenge session.
- Transmission Projects
 - 69% or 120 projects not subject to challenge
 - 31% or 55 projects are subject to challenge
- Generation Projects
 - 25% or 31 projects not subject to challenge
 - 75% or 93 projects are subject to challenge

Proposal B

Advantages

- Results in a more manageable level of projects for challenge consideration, which will result in a smoother challenge process
- Improves the likelihood of a reasonable and timely solved case for future scenario analysis
- Accepts the efforts of the Planning Authorities for near term (defined as five years) planning
- Provides a PA-accepted five-year base plan for expansion scenarios

Disadvantages

- No differentiation between project status or project type for projects before 2016.
- No ability to question planned and reliability projects after 2015.

Proposal B

Challenge Session Thoughts

- A manageable number of projects equates to a manageable challenge process. Grouping should be considered.
- Planning Authorities are the appropriate entity to be challenged. Eleven PA's are affected by Proposal B.
- The Challenge Session should consist of a small number of questions to be answered during an SSC webinar.
- SSC votes to include or exclude based on PA responses.

Baseline Criteria - Option C

2010 – 2015

- Include all facilities in the revised roll-up (whether reliability, Multi Value, or economic).
- *Unless*, pursuant to the petition process, it is determined such facilities are not reasonably certain to be built.
- Opt-out approach.

Baseline Criteria - Option C

2016 – 2020

- Exclude all facilities in the revised roll-up.
- *Unless*, pursuant to the petition process, it is determined such facilities are reasonably certain to be built whether for reliability or to further the primary goals of DOE's FOA on development of renewable energy capacity.
- Opt-in approach.

Baseline Criteria - Option C

- Use a higher standard of what constitutes “reasonable certainty” for generating facilities.
- For generation, when in doubt, leave it out (because the CRA NEEM model can add back in generation).
- Option C approach focuses on “reasonable certainty”.

Baseline Criteria - Option C

- “Reasonably certain” determinations shall use objective criteria such as those used in the WECC process.
- It should include facilities planned to meet state or federal clean energy policy.
- "Reasonably certain" determinations to establish the baseline infrastructure for modeling EIPC futures do not imply that the specific facilities included either should be built or are the best alternatives.

Possible Thresholds – WECC

(more than one needed?)

- Approved financial statements incorporating committed capital to cover the full costs of the project.
- If applicable, inclusion of project in an IRP or equivalent process that has been approved by applicable regulator(s), ISO or public entity (state/provincial dependent)
- Major equipment orders placed, or project under construction
- Permitting actively underway or competed (e.g., EIS, EIR)
- Executed construction contracts
- Executed participation contracts
- Shipper contracts or commitments
- Regulatory approval for cost recovery, where applicable
- Right of way acquired or purchased
- Proposed in-service date within the timeframe of study

Other Possible Project Thresholds

(More than one needed?)

- Final project design is developed to bid specific format.
- Engineering on project is complete.
- Facility has secured state siting approval.
- Merchant Generation or Transmission have either an Interconnection Agreement or a Power Purchase Agreement and siting and environmental permits.
- Utility generation is designed, engineered, has siting permits and environmental permits.
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Clarifying Questions

(before lunch)

Further Discussion

	December 2010	Dec 2010 – Jan 2011	
	Initial Cut-off Criteria	Petition Process	
Proposal A	IN IFF satisfies all 3 criteria: 1. in-service by 12/31/2015 2. planned status 3. reliability purpose Or if petitioned in		
Proposal B	IN by 12/31/2015, and IN after that if satisfies: 2. planned status 3. reliability purpose Or if petitioned in		
Proposal C	IN if in-service by 12/31/2015 unless petitioned out, OUT after 2015 unless petitioned in		

Notes