

Long Term Study Meeting Notes: December 2, 2010

Agenda

- Antitrust Admonition
- Introductions
- Project Status Report
- Transmission Discussion
- Scenario Discussion
- Water Scenarios – defer to future meeting
- Introduction to Environmental Impacts for the Long-Term Study – defer to future meeting
- Environmental Policy and Impacts

Project Status Report

Warren Lasher, ERCOT, provided a status report of the project to date. He identified several near-term activities, including the following:

- Implement the grid simulation/generation expansion tool
- Develop potential generation expansion for initial (business-as-usual) scenario
- Complete formal documentation of technology reviews
- Complete the transmission simplification tool
- Establish first set of scenarios
- Evaluate options to assess system reliability requirements

He also addressed the importance of participation and feedback from the task force, as the participants can provide expertise and insight on the topics that interest the stakeholders. The task force can assist ERCOT by providing input into working groups and data gathering efforts, as well as validation of assumptions and methodologies. The task force really provides the guidance and direction for this study and feedback on the methods and results resulting from this study, keeping in mind that our intent is not to predict the future but to bound the future so that we can assess potential needs of the electric system, both for transmission planning and operational reliability purposes.

Transmission Discussion

Jonathan Rose, ERCOT, presented information on a network simplification tool that is being used for the ten-year Long-Term System Assessment (LTSA) transmission requirements analysis. The focus of the LTSA is to identify projects that may require 5 or more years to bring on-line or projects that both solve short-term issues but also meet long-term system needs more cost-effectively. This network simplification tool will be used to develop the initial transmission topology for the Long-Term Study guided by this task force.

This simplification tool provides appropriate visibility for a long-range study and avoids problems that are better dealt with in the short term. The transmission simplification also reduces the clutter of short-term problems that obscure big project visibility.

After running this tool, the bus count was reduced from approximately 6,000 to 3,000 while the flows on the bulk transmission network were similar to flows on the full network. In addition, the simplified case has similar branch loading and voltage behavior as the full case.

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Scenario Discussion

Kevin Hanson, ERCOT, presented slides on an initial “business-as-usual” (BAU) scenario, which would begin with the Five-Year Transmission Plan and results of the Long-Term System Assessment as well as other planned and approved transmission improvements. The generation starting point would include all existing resources as well as expected generation resources with interconnection agreements. The BAU scenario would be characterized by continuation of current market trends and policies and current EIA forecasts. The task force expressed interest in using economics rather than history for generation expansion. This baseline scenario will assist in the development of alternative scenarios and in the refinement of tools needed to evaluate generation expansion alternatives.

Kevin also raised some discussion questions for consideration by the task force, as well as sensitivities to consider for the alternative scenarios, including the following:

- rate of load growth,
- amount of load-shifting technologies such as energy efficiency, distributed generation, and demand response,
- amount of intermittent generation and associated capacity factors,
- strength of environmental regulations,
- availability of water, and
- fuel prices.

As these scenarios are developed, participation by the task force is encouraged to get “outside-the-box” and to ensure we are pushing the limits to define the boundaries of this study.

Environmental Policy and Impacts

The afternoon focus was on environmental policy and the impacts on the generation and ultimately the transmission system in ERCOT. The presenters were Pat Braddock, a partner with Fullbright & Jaworski, who spoke about rules and regulations affecting the industry and the associated challenges, and Tom “Smitty” Smith with Public Citizen who spoke about the impact the industry has on the environment.

January 10, 2010 Meeting Agenda (tentative):

- Project Status Report
- Scenario Development
- Modeling Software

Communication

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Attendees:

In Person:	Katie Coleman	TIEC
	Jenell Katheiser	ERCOT
	John Schnagl	U.S. DOE
	John Houston	CenterPoint
	Eddy Trevino	SECO
	Roger Studer	Save Or Scenic Hill Country
	Paul Rocha	CenterPoint
	Brad Schwarz	EC & R
	David Power	Public Citizen
	Rob Lane	Luminant
	Suzi McClellan	Good Company
	Jay Tonne	TCEQ
	Alison Silverstein	DOE
	Colin Meehan	EDF
	Kerry Meade	Clearesult
	Mike Grimes	Horizon
	David Schanbacher	TCPA
	Ken Donohoo	ONCOR
	Julies Horvath	Lone Star Transmission
	David Milner	CPS Energy
	Jonathan Rose	ERCOT
	April Pinkston	ONCOR
	Walter Reid	Wind Coalition
	Michael Juricek	ONCOR
	Calvin Opheim	ERCOT
	Alice Jackson	Oxy
	Daniela Hammons	CenterPoint
	Jim Randall	TxDOT
	Pat Wilkins	Tres Amigas
	Karen Clary	TPWD
	Karl Tammor	Sharyland Utilities
	Warren Lasher	ERCOT
	Dan Woodfin	ERCOT
Kevin Hanson	ERCOT	
Dana Showalter	ERCOT	
Doug Murray	ERCOT	
Cathy Carter	ERCOT	
John Barton	TxDOT	
Via WebEx or Phone:	Barry Exum	TCEQ
	Terri Gallup	AEP
	Tim Cook	LS Power
	Manny Munoz	CenterPoint
	Paul Wattles	ERCOT
	Monica Taba	FERC
	Barry Trayers	Citibank
	Chris Jones	Duke
	Fred Huang	ERCOT
	Curtis Crews	Texas RE
	Taylor Moulton	DCEnergy
	Lynne LeMon	Railroad Commission
	Paul Hassink	AEP