

## PGRR Comments

<b>PGRR Number</b>	<b>031</b>	<b>PGRR Title</b>	<b>Implement 95% Facility Rating Limit in the Planning Criteria</b>
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<b>Date</b>	February 3, 2014
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<b>Submitter's Information</b>	
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<b>Market Segment</b>	Independent Generator

<b>Comments</b>
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Edison Mission Marketing and Trading (EMMT) supports Calpine's request for a remand of Planning Guide Revision Request (PGRR) 031.

The multiple PGRRs passed through the stakeholder in recent history<sup>1</sup> have effectively moved billions of dollars of what would have heretofore been economic transmission upgrades—subject to passing a stringent benefit threshold-- into a classification of what closely resembles an “automatic” upgrade based on definitions of reliability as established through definitions of Reliability as established in various PGRRs.

Exacerbating this is the current proposal to withhold 5% of the transmission system capability and then stress the system with planning studies that can employ any combination of forecast: extreme weather conditions, extreme load conditions, full combined cycle train generator outages, and other transmission system outages (e.g. autotransformers). The criteria in PGRR 031 will accelerate transmission projects-- increasing costs to loads ahead of when a project may be needed, or in some cases when it may not ultimately be needed at all (but this would never be known because the projects would be undertaken up to 6 years ahead of time—thus obviating opportunities for redispatch, demand response, etc.).

During the discussion of ERCOT's presentation at TAC on January 28, 2014, ERCOT staff noted that the total capital cost of the projects that would be accelerated based on current models was approximately \$823M. On an annual basis this represents is an increase of transmission costs of approximately 17% of that value (which would include interest, maintenance, etc.) or approximately \$140M dollars per year. For the most part,

<sup>1</sup> PGRR005, New Planning Guide Section 4, Transmission Planning Criteria; PGRR 024, Clarify Planning Assumptions and Performance Criteria, PGRR 025, Addition of Criteria for Autotransformer Unavailability, PGRR 026 Addition of Year 6 to the SSWG Base Cases.

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transmission costs are unavoidable for load as the annual funding requirement paid by the transmission owners each year for the ERCOT system (Transmission Cost of Service) is assigned to load based on usage at during the Coincident Peak calculation process.

EMMT respectfully requests the Board of Directors insist on an evaluation of existing planning criteria and how existing criteria fall short (if they do)—what reliability risks are currently imperiling the system and how does PGRR 031 fix this risk? A specific case for how the current planning criteria are insufficient must be made to establish the need for PGRR031. If it is determined that current planning criteria are insufficient, the criterion should be listed, the insufficiency defined, and the part of PGRR031 that fixes it should be identified. A justification of the 5% value should be provided. If the concept moves forward at all, we suggest that it be considered advisory and not justification for a reliability upgrade in and of itself.

<b>Revised Cover Page Language</b>
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None proposed at this time.

<b>Revised Proposed Guide Language</b>
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None proposed at this time.