**Transmission Planning - Generation Congestion**

Notes: Initial Work Session – February 19, 2014

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Meeting Agenda

1.       Review directive information from January ROS meeting.

2.       Discuss approach to completing the assignment as out-lined by ROS Chair.

3.       Identify sections of the protocols or planning guides that need review.

4.       Identify Next Steps

Notes:

1. How did we get here?
   1. Why Panhandle Study for future generation but not existing, constrained generation?
      1. Panhandle Renewable Energy Zone study need identified as a result of the CREZ Reactive Study.
      2. Transmission improvements identified by PREZ will be subject to economic justification.
   2. Do the existing protocols and guide create an adequate obligation for ERCOT and TSPs to address congestion?

2.     Identify roadblocks, if any, to transmission upgrades to allow full output of generation capability.

a.       Initial interconnection

i.   Section 5 of Planning Guides – determines facilities needed to reliably interconnect. How are some multiple interconnect requests in common portion of the system? Some utilities include other generation that is under study as a scenario. Generation by county is publicly available information.

ii. Interconnect Studies are not intended to evaluate the commercial impact to existing generation or multiple contemporaneous generation additions.

iii. Section 3 of Nodal Operating Guides -

b.      Changes in system over time.

i. Should there be an obligation to provide for generation deliverability as there currently exists to serve load? Has planning criteria been drawn too narrowly? (Section 35 of PURA) What is definition of wholesale market (gen bus or hub, may be a basis for defining generation deliverability)?

ii. Historical congestion analysis (more than Monthly congestion constraint report to ROS) as a source of identifying projects. Should there be a definition of Chronic Congestion and requirement to resolve?

  iii.   Possible Creative solutions.

1.       Market participant funded transmission upgrades in return for Congestion Revenue Rights.

2.       Change economic analysis to reflect system conditions that are more likely to exist over an 8760 period analysis.

c.       The relationship between Economic Analysis and Reliability Analysis

i.  Current studies/reports.

1.       CDR assumes all generation can be delivered but cannot always be delivered

2.       Congestion

3.       Outages

4.  CDR Reserve Margin or LOLE study role as a market signal.

5.       Dispatch of units to “zero” in current planning studies.

ii. Pricing signal being lowered below the unconstrained marginal price for generators “behind” a constraint as a means of identification of project need. Another means may be RUC units or deployment of ancillary services. May also inform how large to build a proposed project.

d. PUCT Subst. Rule 25.199a. Purpose. The purpose of this section is to prescribe the procedures and criteria under which the commission may require an electric utility or a transmission and distribution utility to construct or enlarge facilities to ensure safe, reliable service and to reduce transmission constraints within the Electric Reliability Council of Texas (ERCOT) in a cost-effective manner.

i.       The economic planning criteria as contained in the substantive rules: Is the criteria sufficient to address projects needed for “full” generator access to the grid (eg. Peaking units)? How to define “full” generator access?

4.       How should team prioritize questions for further investigation?

a.     Would legislative action be required? Focus on issues that do not require legislative action.

b.     Would Protocol revisions be needed? Focus on areas that would require true-up as a result of a PGRR revision.

c.      Would Planning Guide revisions be needed? May propose if supportable.

d.     Are processes, study scopes, or common practices in need of review?

5. Next steps:

a. Create draft status report for presentation to ROS March Meeting.

b. Take directives from ROS March Meeting for consideration at March PLWG Meeting.