

2005 RMEL Fall Convention

September 11-13, 2005

Jackson, Wyoming

Transmission in the West

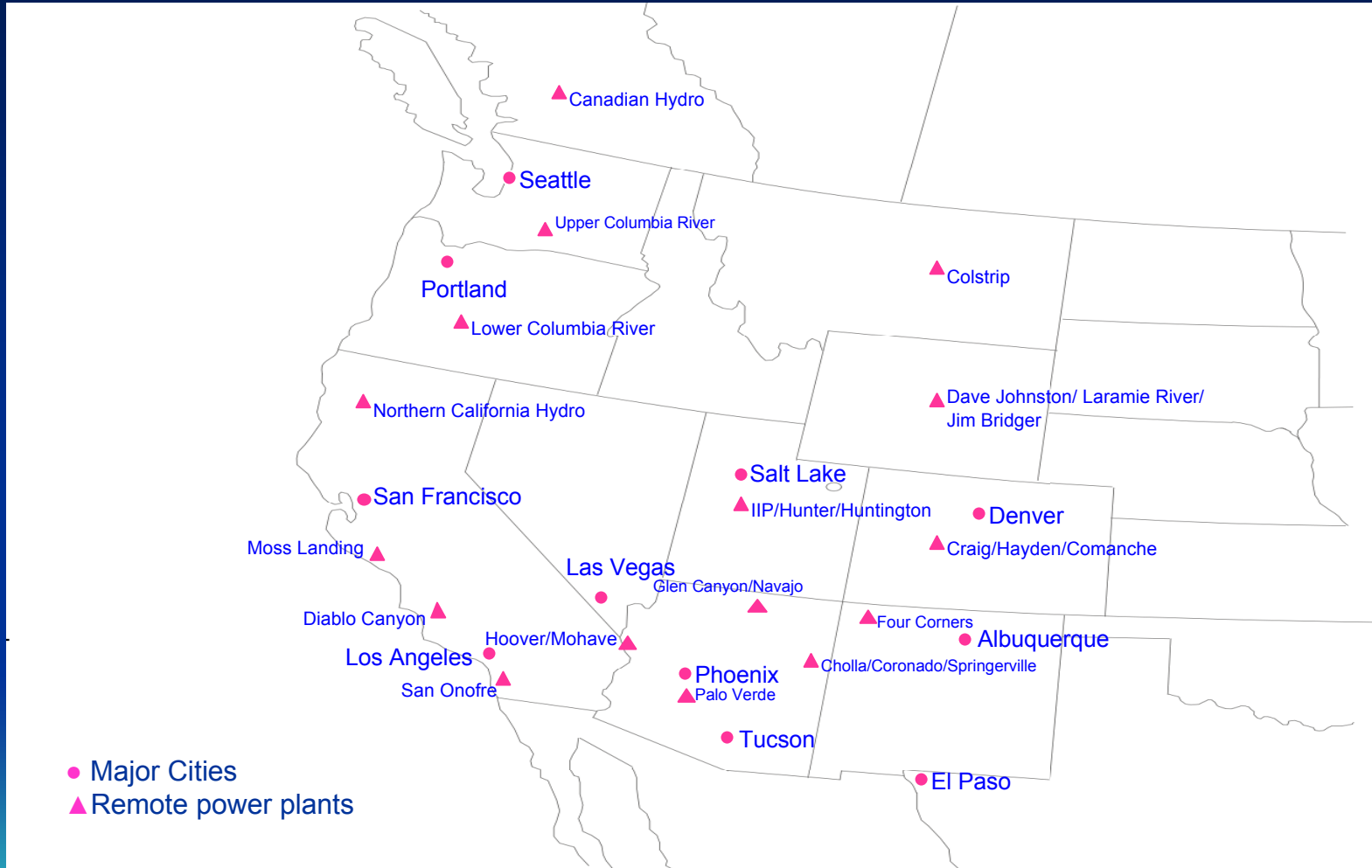
**Cary Deise
Arizona Public Service**



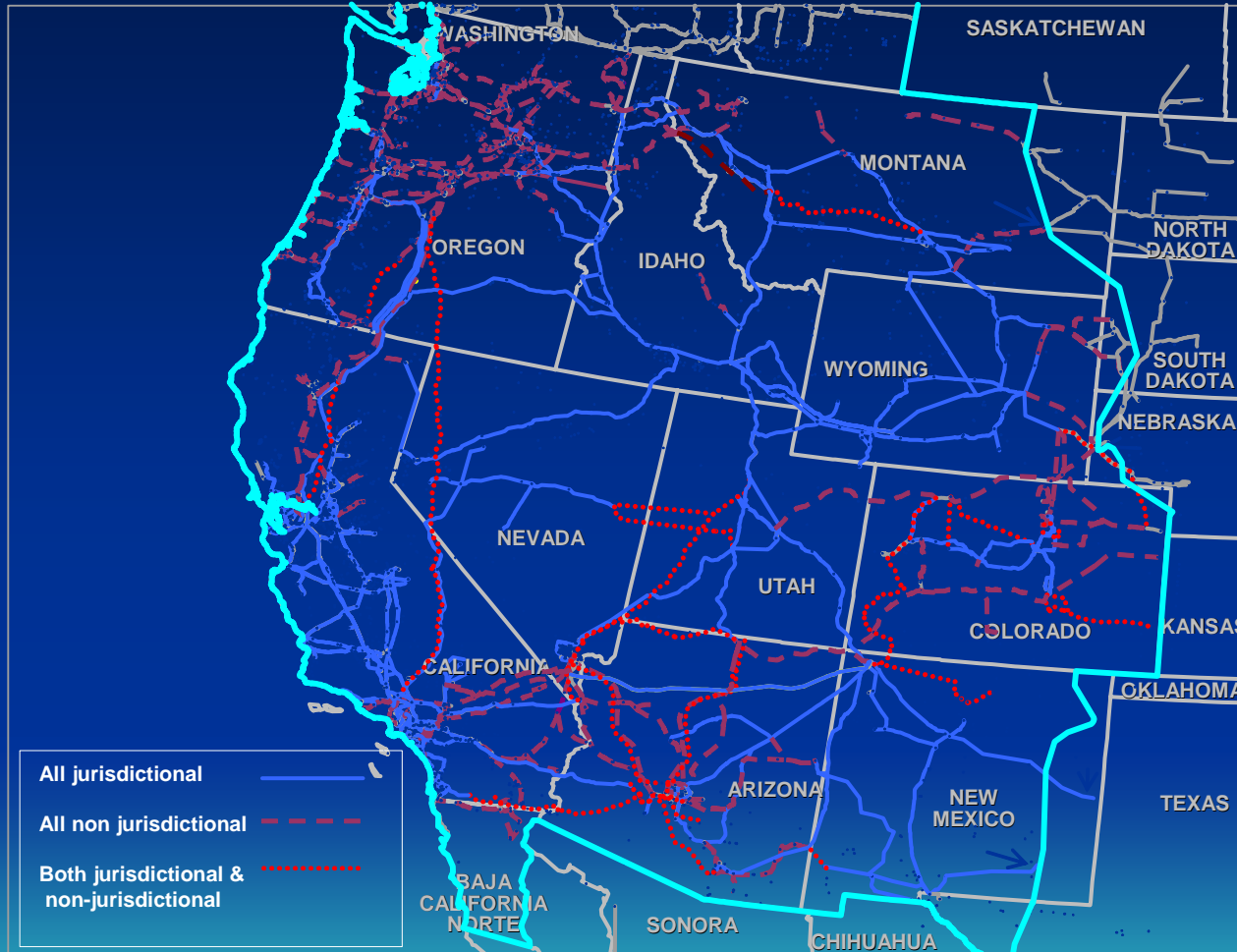
Where are the Customers?



Where are the Base Load Power Plants?



Western Interconnection Map



Transmission Challenges

- Planning and Expansion
- Transparent Data/Plans
- Generation Expansion
- Congestion Management
- Rates and Cost Recovery

Transmission Planning and Expansion Challenges

- Coordination of Sub-Regional Plans
- Inclusion of Interested Groups
 - Western Governors Association
 - State Commissions
 - Federal Land Managers
 - State Agencies
- “Reliability” versus “Economic” Projects

Transparent Data/Plans Challenges

- FERC Standards on Conduct/Interconnection Rules
- OASIS Postings
- Capacity and Renewable RFP in Multiple States
- General Trends towards Providing Operating Data
- BUT, Still need to Protect CEII

Generation Expansion Challenges

- Managing the interconnection process
- Renewable projects often located in remote areas without transmission
- Should transmission cost for renewables be socialized to the system?

Congestion Management Challenges

- Identifying paths that are congested
- Re-dispatch versus build option
- Determining cost of congestion

Rates and Cost Recovery

- Pancaked Rates
- Who Pays?
- Return on Investment (especially “economic” projects)
- Transmission Credits

WestConnect

Goal: To develop cost-effective solutions through a collaborate process resulting in an efficient/robust wholesale market

Members:

- Arizona Public Service
- El Paso Electric
- Imperial Irrigation District
- Public Service Colorado
- Southwest Transmission Cooperative
- Salt River Project
- Public Service New Mexico
- Tri-State G & T Association
- Tucson Electric Power
- Western Area Power Administration

Website: www.westconnect.biz

WestConnect Approach to Transmission Issues

- Open discussions at meetings with all stakeholders.
- Provide transparent information within CEI requirements.
- Collaboration among transmission providers and customers on transmission planning and expansion.
- Develop cost effective solutions.

WestConnect Planning and Expansion

- Incorporating the transmission planning of Southwest Area Transmission (SWAT) Colorado Coordination Planning Group (CCPG) into WestConnect
- SWAT Functions
 - Data Exchange
 - Technical Studies of alternate Transmission proposals
 - Encourage generators to locate in areas that support transmission
 - Coordinate & integrate with neighboring regional planning

WestConnect Transparent Data/Plans

- SWAT/CCPG
- wesTTrans
 - In collaboration with PPIW, developed a common West-wide OASIS

WestConnect Generation Expansion

- SWAT
 - New Mexico Wind
 - Northwest New Mexico Coal Expansion
- Held stakeholders meeting to describe each TP's TTC/ATC methodology
- Held stakeholders meeting for each TP to provide committed use of existing TTC and future plans

WestConnect Market Monitoring

- Reviewing APS and PSNM FERC Approved Market Monitoring

WestConnect Congestion Management

- Reviewing GE Maps 2008 Simulation

WestConnect Rates and Cost Recovery

- Exploring pilot to eliminate pancake rates

2003 – 2013

Summary of Transmission Additions

- 58 Miles of lines in service
- 382 Miles of lines permitted
- No lines with permits pending
- 885 Miles of lines planned or in early permitting process
- 1995 MW of planned increases in transfer capability without new line construction