

AGENDA

Western Sub-Regional Transmission Planning Group Organizational Meeting

November 18, 2003

9am to Noon

CATS Meeting follows from about 1 pm to 4 pm

PNM Headquarters
La Luz Conference Room (Second Floor)
Albuquerque, New Mexico

MEETING NOTES

1. Introduction- Rob Kondziolka
 - a. Welcome
 - b. Round robin introduction (see attachment sign-in sheet)
 - c. Arrangements
 - d. Meeting Purpose (Why we are here and what we hope to accomplish)
The purpose of the meeting was to explore expanding the CATS public planning process to include the stakeholders in the New Mexico and West Texas areas.
 - e. Note taker- PNM
 - Serve future customers
 - Make More efficient use of existing transmission
 - Develop long term transmission plans
 - Not about moving CATS to a bigger area
 - CATS is committed to the goal of promoting coordinated planning activities covered by the WECC DSW sub-region and exploring the opportunities to meet that goal.
 - Open to all stakeholders
 - Needs to be open to all participating utilities
2. CATS History- Harlow Peterson
 - a. When started-time line
 - b. Objectives/Goals of CATS
 - c. Public planning concept
 - d. Accomplishment/Results
 - CATS- Central Arizona Transmission Study
 - Organized in the early part of 2000
 - Common interests in reinforcing transmission between Phoenix and Tucson
 - Built upon SWRTA planning concepts
 - Expanded CATS to all stake holders in late 2000 (20-25 stakeholders attend meetings)

- First activity focused on developing a long range transmission plan for Central Arizona complete in the Fall of 2002
- Transmission Development in for a lot of change
- Long Term Plan took approximately two years to develop
- Southeast Transmission Expansion Planning Group (STEP) just held first anniversary
- Study work for 2003 is to evaluate 10-year transmission plans through a coordinated study of Arizona. In the process to finish up these studies

- Concepts for CATS work
 - Volunteer- No Staff
 - Everyone allowed to participate
 - No ideas turned down
 - Rely as much as possible on technical studies done in other forms
 - Entities who want specific studies have to do the work or arrange for it to be done.
 - Solves problem that others are doing studies for other entities
 - All results are shared amongst the group.

- Public Planning Concepts
 - Open to all stakeholders
 - Information available for all entities in group

- Accomplishments of CATS
 - Developed a public planning process supported by the Government
 - Working interactively/Cooperatively with Southern California
 - Developed a transmission long-range plan for Central Arizona.
 - Facilitating development of transmission projects
 - CEC system additions would not have been a successful project without CATS

- What CATS Does/Not Do (Up to the entities)
 - Studies for participants
 - Determine project participants
 - Justify or sponsor projects
 - Project studies (e.g. detail studies)
 - Identify facility locations

3. Transmission Planning Function- Gary Romero

- a. Process
- b. Study Guidelines
- c. Study Criteria
- d. How study work is done (Example-Phase III)
- e. Sharing of results
- f. Documentation

- Main focus is on the regional need of Central Arizona
- As an input at the beginning of the project, consider a variety of alternatives
 - Follow mutually agreed to study plan
 - Work from a common base case
 - Results are made public in annual report
 - Process of weeding out the alternative
 - Flexibility in the process of the alternatives
 - Steering committee review and comment but on formal voting on the process
- CATS Annual Cycle
 - Needs
 - Work Plan
 - Study and Analyze
 - Document results
 - Schedule
 - Facilitate project interest
 - Periodic status reports
 - Phase I took 1 year and Phases II and III should take the same amount of time.
- Collaborative Study Plan
 - Determine Scope
 - Methodology
 - Alternatives and Sensitivities
 - Document results
- Study and Analysis
 - Studies conducted based on individual assigned responsibilities
 - Individual results are shared and compared
 - Everyone's facilities in one case and run N-0 and N-1 analysis
 - Make updates along the way and flag problems that may occur and re-run analysis
 - Any refinements are documented and reported in a report
- Document results

4. What CATS is All About- Jerry Smith

- a. Principles
 - b. Value to participants and governmental entities
 - c. Participants
 - d. Audience
- Principles Utilized by CATS
 - Open to all sectors of Electrical industry and State regulators
 - Forum for discussing State transmission issues and policies
 - Collaborative planning forum for:
 - Provides a common foundation for filing ten-year plans
 - Study Participants

- APS, TEP, SRP, SWTC, WAPA, and PNM Marketing (Proposed line from Arizona to Mexico gave PNM Marketing a good reason to participate in CATS)
- Generator providers as well as transmission owners are part of the process
- Benefits
 - Gain knowledge about the Arizona Power System
 - Discuss emerging energy policies
 - Communicate/Coordinate industry project needs
 - Build industry consensus of Arizona “System Needs”
 - Build siting, permitting and corridor development
- Participation Value for Regulators
 - Provides earliest awareness of potential system deficiencies
 - Builds knowledge base regarding future infrastructure needs
 - Allows regulatory encouragement of collaborative solutions
 - Pre-empts regulator’s need for own technical studies
- Value to Others of Regulator’s Participation
 - Demonstrates “system need” in advance
 - Early consideration of competing alternative solutions and avoids delays
 - Builds technical rapport between regulatory staff and industry
 - Opportunity to display industry commitment to collaborative solutions
 - Has the informal process helped the entity and regulatory agree better? Yes it has.
 - Commissioners have looked at reports and have asked questions and are well informed. Therefore a consensus has been built and everyone is on the same page.
 - As long as everyone is on the same page on deciding processes, it is more beneficial to all.
 - Environmental consultants have attended CATS meeting and are informed on alternatives...etc.
- Questions
 - FERC 889 (No issues yet)
 - Anti-trust Implications? Open process to where there shouldn’t be a claim (No issues yet)
 - Planned facilities only listed
 - Up to parties that are involved in a project to study, justify and document project details

5. Open Organizational Discussion- Harlow Peterson

- a. CATS and STEP Today
- b. Purpose/Need (Objectives)
- c. Study area
- d. Organization
 - i. Oversight group
 - ii. Technical group(s)

- e. Organization name
- f. Membership
- g. Governance
- h. How to formalize the process
- i. Funding
- j. Leadership
- k. Website
- l. Meeting specifics (frequency, locations, times)
- m. Work product and timelines

We had a very good meeting in Albuquerque to discuss the expansion of CATS into a new, yet unnamed, regional planning group. The meeting participants as a whole thought expanding CATS in a group that covers Arizona and New Mexico and West Texas was a very good idea.

There will be a small follow up group to address the key organizational issues for discussion at the next meeting. In addition we all need to think about what work should be accomplished in 2004. Harlow Peterson will get the group together via conference call to begin this effort in about 2 weeks

- PNM, Tri-State, EPE and NMPRC supports concept of regional planning process.
- Future technical studies group may involve into having a subgroup for New Mexico and West Texas as well as one for Arizona.

6. Relationship with other organizations-WECC, West Connect, SSG-wi, Other Regional Organizations- Harlow Peterson
7. Next Steps/Action Items- ALL
8. Next meeting of participants group- Early January

The next meeting will be held in Phoenix at SRP in January. The meeting and a RMR workshop for the Arizona studies will be held back to back. Due to a conflict these two meetings were reversed.

The next joint Arizona, New Mexico and West Texas CATS meeting will be held on January 14th. The joint ACC/CATS workshop for the 2003 RMR Arizona studies will be held on January 15th. When the meeting arrangements are confirmed, SRP will send out a full meeting notice. The agenda for the next joint meeting will be sent out about one week ahead of the meeting.