

**North Carolina Transmission Planning Collaborative  
Oversight / Steering Committee (OSC)  
Meeting Highlights  
December 7, 2015  
ElectriCities Office  
Raleigh, NC  
10:00 AM - 12:00 PM ET**

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Edgar Bell, Chair</b> | <b>Duke Energy Carolinas</b>    |
| <b>Bob Pierce</b>        | <b>Duke Energy Carolinas</b>    |
| <b>Orvane Piper</b>      | <b>Duke Energy Carolinas</b>    |
| <b>Sam Waters</b>        | <b>Duke Energy</b>              |
| <b>Mark Byrd</b>         | <b>Duke Energy Progress</b>     |
| <b>Bill Quaintance</b>   | <b>Duke Energy Progress</b>     |
| <b>Lee Adams</b>         | <b>Duke Energy Progress</b>     |
| <b>Marty Berland</b>     | <b>ElectriCities</b>            |
| <b>John Lemire</b>       | <b>NCEMC</b>                    |
| <b>Luis Fondacci</b>     | <b>NCEMC</b>                    |
| <b>James Manning</b>     | <b>NCEMC</b>                    |
| <b>Rich Wodyka</b>       | <b>Consultant Administrator</b> |

**Administrative**

- The November 9, 2015 OSC Meeting Minutes and Highlights were reviewed and approved.

**OSC Items**

**TAG Meeting Presentations**

- Rich Wodyka led the OSC review and discussion of the proposed TAG meeting presentations for later in the afternoon.

**NCTPC/PJM/MISO Joint Transmission Study Report**

- Sam Waters reported on follow up activities related to the NCTPC/PJM/MISO Joint Transmission Study. Duke Energy, PJM and MISO have continued to discuss the issues related to the BRA auction results and the potential impact on NC transmission operations.

- Sam reported that the parties have finalized and signed a new Operating Agreement which includes the monitoring of additional flow-gates. The parties have also agreed to exchange operations information related to day ahead and day of market conditions. From a planning perspective, the parties agreed to coordinate the setting of the import capacity limits to ensure that capacity resources have approved firm transmission service. PJM also agreed to supply the list of approved capacity resources as soon as possible once the resources have cleared the BRA process.
- Sam also discussed a November 20th letter from PJM that further documents the parties agreement on these items. Sam will provide the OSC a copy of the Operating Agreement and PJM letter but these documents will not be distributed or posted on the NCTPC website because of the CEII protected information.
- Sam Waters will report back to the OSC as activities with PJM and MISO continue.

### **Update on the Western Carolina Modernization Plan**

- Sam Waters provided the OSC an update on the recent Duke Energy announcement related to the Western Carolina Modernization Project. The original plan was to replace the Asheville coal plant with a large gas unit, build a 230 kV Foothills transmission line, and establish a 600 MW energy transfer with an accompanying transmission service request from Duke Energy Progress East to Duke Energy Progress West.
- The new plan for this area is to replace the Asheville coal plant with two smaller natural gas units (280 MW each), cancel the Foothills transmission line and eliminate the 600 MW energy transfer with the east to west transmission service request. A third gas plant would be built on this site around the 2023 timeframe. The date of this third unit will be determined at a later date and be dependent on future load growth in the Asheville area as well as the success of energy efficiency, demand response, and renewable energy efforts in this area. The official Generation Interconnection Requests and any new Transmission Service requests for the new plan have not yet been submitted for review and approval at this time.
- Sam also noted that one issue that may impact the new plan is the implementation of the new NERC TPL standards that go into effect on January 1, 2016. Studies have not been done yet to determine if these new standards will require additional transmission upgrades but this issue will be evaluated in the upcoming planning cycle. Sam will continue to keep the OSC

apprised on these issues that may impact the new Western Carolina Modernization Project.

### **2015 Collaborative Transmission Plan Study Report**

- Orvane Piper led the OSC discussion on the 2015 Study Report. Orvane highlighted the 2015 Study Process, the Study Assumptions, and the final 2015 Study Results. The 2015 Plan includes 8 major transmission projects with an estimated cost of \$156 M.
- OSC also discussed results of the Hypothetical Transfer scenario analysis and two Local Economic Study scenarios. For all the Hypothetical Transfer scenario analysis, there were no issues observed that do not already have planned mitigation.
- For the Local Economic Study scenario #1 - a 661 MW transfer from TVA's Shelby 500 kV substation to the DEC/DEP control Areas, there were no issues observed that do not already have planned mitigation.
- For the Local Economic Study scenario #2 - a hypothetical forced outage(s) of multiple nuclear units on DEC and DEP systems, there were additional transmission projects in this scenario required in both DEC and DEP. In DEC three projects totaling \$140 M and in DEP two projects totaling \$28 M would be necessary under this scenario to ensure future reliability.
- TAG will be requested to submit any additional comments or questions on this 2015 Draft Plan Report to Rich Wodyka by January 8, 2016.

### **2016 Scope of Work**

- James Manning led the OSC discussion on the scope of work for 2016. James noted that the 2016 study analysis would include our standard reliability analysis for 2021 summer and winter along with the 2026 summer. James discussed past alternate study scenarios and will request input from the TAG on any suggested study scenarios as well as input on Local Economic Study Requests and Public Policy Study requests. The OSC will discuss this item again at the January meeting.

### **ORCA and MISO/Entergy Integration**

- Bob Pierce reported that the parties announced on October 13th that they have reached a joint parties Settlement Agreement that allows MISO to compensate the parties for transmission overuse beginning on February 1, 2016. Bob

highlighted the terms of the Settlement Agreement that also defines the limits for transfers among the parties. Bob noted that this Settlement Agreement still needs FERC approval.

**Regional Studies Updates** - Bob Pierce led the OSC review and discussion on the following Regional Studies.

- **SERC Long-term Study Group (LTSG) Update** - Bob Pierce reported that the LTSG was nearing completion of work on the 2015 series of MMWG cases. He noted that the 2020 summer study report showed acceptable levels of transfer capability and no unanticipated projects are required. This report will be available to the public in April 2016.
- **CTCA Study Update** - Bob Pierce highlighted the CTCA planning group 2015 study analysis and noted that the study report was distributed and posted on the NCTPC and OASIS websites for stakeholder review. Bob noted that the 2015 study results did not identify any significant problems for the NC transmission system.
- **EIPC Update** - Bob Pierce reported that the planning group presented the screening results of the 2025 Summer and Winter models to the stakeholders on a recent EIPC webinar on November 17th. There were no notable issues identified. The EIPC is also seeking feedback from the stakeholders on future EIPC studies by January 29, 2016.
- **SERTP** - Bob Pierce reported that the SERTP annual transmission plan will be presented to the stakeholders at the SERTP meeting scheduled on December 15th. They will also seek stakeholder feedback on the regional transmission plan, economic study results, and assumptions for next year's transmission plan.
- **NERC Update** - Bob Pierce reported that the CIP-014 Physical Security risk assessment was due on October 1st and that the third party verifier has 90 days to then submit a report on the findings. Bob Pierce also reported on the TPL 001-4 standard. He noted that there remains an issue whether the initial compliance assessment is due January 1, 2016 or 2017. This remains under debate in the NERC community.

#### **TAG Work Plans**

- **2015 TAG Work Plan** - Rich Wodyka reviewed his planned update of the TAG 2015 work plan.

- **2016 TAG Work Plan** - Rich Wodyka reviewed and discussed the proposed work plan for the 2016 TAG activities. He noted that he made some minor modifications to the plan but essentially it is the same work plan that was utilized for the 2015 TAG activities.

**PWG Items and Regional Updates**

- All PWG items and Regional Updates were covered by the OSC under the discussions of the TAG meeting presentations.

**Future OSC Meeting Schedule**

- The OSC reviewed and approved the meeting dates and times listed below.
- Edgar Bell will send out Doodle polls to establish dates for the OSC meeting schedule for the remainder of the first half of 2016.

| <b>Date</b>                       | <b>Time</b>   | <b>Location</b> |
|-----------------------------------|---------------|-----------------|
| January 14, 2016                  | 10 am - 12 pm | Conference Call |
| February 15, 2016                 | 1 pm - 3 pm   | Conference Call |
| March 14, 2016<br>OSC/TAG Meeting | 10 am - 3 pm  | Tentative - TBD |