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August 25, 2010

Arizona Corporation Commission
DOCKETED

AUG 25 2010

Arizona Corporation Commission
Docket Control
1200 W. Washington
Phoenix, AZ 85007

DOCKETED BY 

Re: 2010 Biennial Electric Transmission Assessment for 2010-2019
Docket No. E-00000D-09-0020

Dear Sir/Madam:

Attached are SRP's comments to the second draft of the Sixth Biennial Transmission Assessment Report.

Please feel free to contact me at (602) 236-5028 if you have any questions.

Sincerely,


Jana Brandt

Attachment

cc: Prem Bahl, ACC Staff (via email)
David Korinek, KEMA Inc. (via email)
Kelly Barr, SRP
Jim Pratt, SRP

**SRP's Comments on
Draft of Sixth BTA Report Version 2.0**

Submitted August 25, 2010

General Comments

SRP appreciates the opportunity to voluntarily participate in the Commission's BTA process. Following are SRP's comments on the Draft BTA Report Version 2.0 and Draft Exhibits.

Specific Comments

Page vi – Executive Summary, First Bullet

Underline "load" in the title.

Page vii – General Conclusion 3

SRP would suggest revising Conclusion 3 to read:

3) Additional information in future filings regarding planned transmission line reconductor projects and substation high voltage transformer replacements that are performed for the purpose of increasing capacity may further assist the Commission in its obligation "to biennially make a determination of the adequacy and reliability of existing and planned transmission facilities in the state of Arizona".

Page vii – General Conclusion 4

General conclusion 4c): in the last sentence, place a "." after "Arizona" and delete the remainder of the sentence.

Subsections c.i. through c.iv. should be renumbered as 4.d. through 4.g. as these subsections address different reports.

Page viii – General Conclusion 6

SRP suggests striking this conclusion. Based on our review of the transcript and comments, it does not appear that there was a consensus that the NERC Reliability Standards meet the same objectives of the BTA. SRP believes that a more thorough discussion of this issue is necessary before reaching the conclusion in the draft report. At a minimum, the second sentence should be modified to state "Staff and KEMA are considering whether recognition and integration of the FERC reliability standards into the BTA process is appropriate, and if so, how best to address the standards."

Page viii – General Conclusion 7

SRP suggests placing a "." after "planning period" and striking the remainder of the sentence.

Page ix – General Conclusion 14

SRP does not agree with this general conclusion as the statement seems to imply that there is little to no consideration being given to utility scale renewable generation. Although it is not clear which utility scale projects will eventually be completed, the planning process does include adequate transmission capacity for these renewable projects. SRP believes it is important the general conclusion statement more accurately reflect the observations and conclusions discussed in section 3 of the report. As noted in Section 3, the renewable transmission projects selected by

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the utilities were identified in previous transmission plans and contribute to reinforcing the transmission system for general use as well for integrating renewables.

Page x – Recommendations 1.a

Revise Recommendation 1.a. of the report to read “Guiding Principles for ACC Staff Determination of Electric System Adequacy and Reliability,” but also direct transmission providers to include planned transmission line reconductor projects, substation transformer replacements, and reactive power compensation facility additions that are performed for the purpose of increasing capacity and are at voltage levels equal to or greater than 115kV in filings for future ten year plans in order to foster a more comprehensive assessment process.”

Page x – Recommendations 3

Revise Recommendation 3 to read ”Staff recommends that the Commission order the jurisdictional utilities to report relevant transmission planning (TPL 001-004) findings from NERC/WECC reliability standards audits that have been finalized and filed with FERC. This should include the relevant transmission planning findings and a description of any associated mitigation plan(s) filed with FERC since the prior BTA.”

Page xi – Recommendation 9

Delete this recommendation as it has been incorporated into SRP's comments for Recommendation 1.a.

Page 2 – Section 1.2

The second paragraph should also include a recognition that Commission Staff is invited to attend, and does attend, a number of these collaborative processes. Commission Staff has the opportunity to provide comment, if not direction, on these collaborative processes.

Page 3 – Section 1.3

In the fourth sentence that begins “The next stage”, change “consists” to “consisted”.
In the fifth sentence, change “is” to “was”.

Page 4 – Section 1.3.1

In item 1), place a “.” at the end of the paragraph.

Page 4 – Section 1.3.2, Table 1

In Table 1, the line for SRP, include an “X” in the column titled “2010-2019 Utility Technical Study Report”. SRP provided such study work to Staff and KEMA on August 24, 2010.

Page 5 – Section 1.3.2

In the first paragraph, second sentence, delete “SRP”. As noted in our previous comment to Table 1 on page 4, SRP has subsequently provided such study work to Staff and KEMA. Staff and KEMA should also consider whether the last sentence is still applicable after reviewing the additional study work turned in by all utilities as part of the final draft comments.

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Page 5 – Section 1.3.2

In the second paragraph, the last two sentences should be modified to consider SRP's remarks regarding the first paragraph and comments received by the parties at the 2nd workshop. Multiple entities, not just SRP, questioned the value of dynamic stability analysis for longer-term projects due to the uncertainty of load, type of resource, and generator characteristic assumptions used in those cases. SRP also recommends replacing "analysis of the initial" with "analysis during the initial" in the last sentence of the paragraph.

Page 5 – Section 1.3.3

In the fourth sentence, delete "These" and replace with "Industry".

Page 7 – Section 2

In Table 2, the bottom line of the box around the second column needs to be completed.

Page 10 – Section 2.1

SRP recommends modifying the second sentence of this paragraph to read "Two other significant classes of transmission system capital expansion utilized for the purpose of increasing capacity are". SRP agrees to provide the additional information but we do not believe the information will impact the outcome of any BTA analysis as the information is already included in the base cases used to study the transmission system. The last sentence of this paragraph should clearly agree with the final wording chosen for recommendation 1.a on page x.

Page 13 – Section 2.3

SRP would request where possible that the report note what entity is leading the specific effort or project. This is very clear with some projects but not others. This may help avoid confusion and more appropriately direct questions.

Page 19 – Section 2.4.2

The second sentence discusses a "northeastern" generation tie but SRP believes this should be "northwestern".

Page 21 – Section 2.5.1

In the first sentence, change "planning participate" to "planning to participate".

Page 25-35 – Section 3

It should be noted that SRP voluntarily participated in this process, including both SWAT RTTF subcommittees and voluntarily filed its top three RTPs with the ACC.

Page 33 – Section 3.2.2

The third bullet should be changed from "able" to "ability".

The fourth bullet should be changed from "accessible" to "access".

In the last sentence of the page, change "is same" to "is the same".

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Page 35 – Section 3.2.3

In the first sentence of the second paragraph, change “load centers southeastern” to “load centers in southeastern”.

Page 35 – Section 3.2.3.1

In the first sentence, change “that been” to “that has been”.

Page 36 – Section 3.2.4

In the second sentence of the second paragraph, delete “here”.

Page 38 – Section 3.3.2

Add an “s” to the last word in the sentence, “project”.

Page 42 – Section 3.3.5

Referring to the last bullet, SRP questions the validity of the assumptions used in reaching this conclusion, specifically the estimated contribution from PV solar installations in reducing system peak. SRP suggests removing this bullet point.

Page 43 – Section 4.2

In the second sentence, change “forth” to “fourth”.

Page 48 – Section 4.2.4

In the first sentence, SRP should be included in the list of load serving entities providing service in Pinal County.

In the second sentence of the second paragraph, change “in the area this BTA” to “in the area for this BTA”.

Page 48 – Section 4.2.5

In the second sentence, insert a “.” after “requirements⁵⁸” and begin a new sentence. The new sentence should read “It requires that two . . .”.

Page 51 – Section 4.2.7

In the first and second paragraphs, the references to Table 8 should be changed Table 9.

Page 52 – Section 4.2.8

In item 3), change “negligible 2013” to “negligible for 2013”.

Page 54 – Section 4.2.10

In the second sentence of the first paragraph, change “with no generation was on line” to “with no generation on line”.

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Page 56 – Section 4.3.1

In the second paragraph, change “contingency scenarios, included” to “contingency scenarios, and included”.

Page 62 – Section 5.3.1

In the last sentence following Figure 6, change, “ARRTIS subcommittee” to “ARRTIS and Finance subcommittees”.

Page 64 – Section 5.3.6

In the second sentence of the first paragraph following Table 11, change “Reservation Sulphur” to “Reservation, Sulphur”.

Page 67 – Section 5.5.1

In the first sentence before the quote, change “tool that has” to “tool has”.

Page 68 – Section 5.5.3

SRP believes that this section as currently written does not provide a balanced assessment of the report. The current language lists the conclusions shown in the executive summary of the report but it fails to address the limitations of the study. The limitations are also listed in the executive summary beginning on page 6. The items that were not included are very important when considering the adequacy and reliability of the Arizona transmission system.

Page 71 – Section 5.8

The last sentence of the first paragraph requires modification to indicate FERC's recent extension of the comment period to September 29. The last sentence could be changed to read “Interested parties have through September 29 to file comments on the NOPR.”

Page 73 – Section 6

In the first bullet, underline “load” in the title.

In the last sentence of this section, remove the underline.

Page 74 – Section 6.1

Referring to the first full paragraph, SRP disagrees with the characterization that the scope of the ten year plan filings may not be adequate for the Commission to fulfill its obligation under the BTA. The information being requested is already included in the base cases used to study the transmission system and therefore any associated impact is considered. SRP has agreed to provide this information to enhance visibility to the ACC but does not believe it will impact the outcome of any BTA analysis. The last sentence should be reworded to be consistent with the verbiage used in Recommendation 1.a.

Page 75, Section 6.1

For item 3), substitute the same language as proposed for page vii, General Conclusion 3.

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Page 76, Section 6.2

For item 4), in the fourth sentence, change “projects the ten-year plan,” to “projects in the ten-year plans,”

This paragraph implies that the various regional studies should be very similar to the NERC compliance efforts that each individual entity is required to perform and submit. It also states that “While this pair of studies alone does not include all of the NERC categories of analysis described in the NERC reliability standards for transmission planning.....” This implies that some BTA required analysis is missing and that is not an accurate characterization. Neither the ARS, ACC administrative code, nor the ACC require the same studies as NERC.

Page 78, Section 6.3

In the first sentence of the third paragraph, change “perform will minimal problems.” to “perform with minimal problems.”.

Page 80 – Section 6.5

SRP suggests that this section be rewritten as there is too much emphasis placed on the NERC issues. It is important to keep the NERC and BTA processes separate as they each have their own objectives. SRP agrees that it is important for the ACC to know if the various transmission entities are complying with the NERC Transmission Planning Standards TPL 001-004 and supports providing such compliance status. However, NERC compliance does not necessarily have a bearing on the adequacy of the Arizona transmission plan. Additional comments on this section are reflected for Page 81.

Page 81 – Section 6.5

For item 2), SRP recommends that the statement regarding staff's inability to determine compliance with NERC standards based on studies filed as part of the BTA be removed. The studies filed as part of the BTA were never intended to show compliance with the NERC standards and are not even the same scope of work in some cases.

Delete Table 12 as it offers no significance.

In the paragraph following Table 12, it is appropriate to indicate that SRP also is currently compliant with all applicable NERC transmission planning reliability standards based on our latest audit by NERC/WECC.

Page 82 – Section 6.5

For item 3), the paragraph should be updated to reflect that SRP has provided an internal stability analysis. SRP provided such study work to Staff and KEMA on August, 24, 2010.

Page 83 – Section 7

Recommendation 1a) should be modified to be consistent with the wording that appears on page x. Recommendation 1a) should read “Guiding Principles for ACC Staff Determination of Electric System Adequacy and Reliability,” but also direct transmission providers to include

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planned transmission line reconductor projects, substation transformer replacements, and reactive power compensation facility additions that are performed for the purpose of increasing capacity and are at voltage levels equal to or greater than 115kV in filings for future ten year plans in order to foster a more comprehensive assessment process.”

Recommendation 3 should be modified to be consistent with the wording that appears on page x. Recommendation 3 should read ”Staff recommends that the Commission order the jurisdictional utilities to report relevant transmission planning (TPL 001-004) findings from NERC/WECC reliability standards audits that have been finalized and filed with FERC. This should include the relevant transmission planning findings and a description of any associated mitigation plan(s) filed with FERC since the prior BTA.”

Recommendation 9 should be deleted as the recommendation is included in SRP's comments for Recommendation 1.a.

Exhibit 18

For the following projects, they should be shown as Completed, not Cancelled:

Hassayampa-Pinal West 500 kV #1 line

Sugarloaf Loop-in of Coronado-Cholla 500 kV line