



Capacity Senior Task Force Proposal Report

July 19, 2013

RTEP/Transmission – [CETL Stability, Easily Resolved Constraints](#)

1. Recommended Proposal

The recommended proposal for this issue seeks to ensure that transmission constraints which can be “easily resolved” and which improve the ratio between the Capacity Emergency Transfer Limit (CETL) and the Capacity Emergency Transfer Objective (CETO) beyond the threshold of 115% will be fixed. Under the proposal, “easily resolved” constraints are those which total less than \$5 Million and can be implemented within 36 months, or prior to June 1st of the Delivery Year. Such “easily resolved” constraints will be implemented if they meet the CETL/CETO ratio requirement, cost, and completion timeline above, AND there are no Customer-Funded Upgrades¹ already existing in the queue.

The draft Tariff language implementing this proposal states that “easily resolved” constraints can be a single transmission upgrade or multiple transmission upgrades. If multiple, the combination of those upgrades will not exceed the \$5 Million or timeline requirements set forth in the proposal. In addition, the draft Tariff language states that testing for “easily resolved” constraints and upgrades will take place in any LDA that is modeled in a Base Residual Auction, or would have been modeled but for the resolution of the easily resolved constraints.

Cost allocation for such upgrades will be considered and recommended by the Transmission Owners Agreement – Administrative Committee.

2. Former Proposal

The draft Tariff language presented to the CSTF on July 17th contained language indicating that “easily resolved” transmission constraints would only be upgraded within LDAs “that would not otherwise be modeled in the Base Residual Auction per Section 5.10(a)(ii) of Attachment DD”. That section of the Tariff refers to

¹ A **Customer-Funded Upgrade** is defined in Section 1.7A.01 of the Tariff as:

Any Network Upgrade, Local Upgrade, or Merchant Network Upgrade for which cost responsibility (i) is imposed on an Interconnection Customer or an Eligible Customer pursuant to Section 217 of the Tariff, or (ii) is voluntarily undertaken by a market participant in fulfillment of an Upgrade Request pursuant to Section 7.8 of Schedule 1 of the Operating Agreement. No Network Upgrade, Local Upgrade or Merchant Network Upgrade or other transmission expansion or enhancement shall be a Customer-Funded Upgrade if and to the extent that the costs thereof are included in the rate base of a public utility on which a regulated return is earned.



LDAs such as MAAC and EMAAC (as examples, but an inclusive list). During the CSTF, a suggestion was made to remove that language with no objections.

3. Package Solution from Matrix

ID	Design Component	Packages	
		Status Quo	Package 1
1.1	Easily Resolvable Transmission Constraint Definition	No criteria for what is an "easily resolvable" constraint	Projects that can be completed within 3 years with high certainty
1.2	Time frame limit for solution build out (this will ultimately be part of the definition for easily resolvable constraint)	Based on load deliverability criteria violation	36 months; Prior to June 1st of the Delivery Year
1.3	\$ Capital Investment (this will ultimately be part of the definition for easily resolvable constraint))	N/A	<\$5 Million
2	CETL/CETO ratio where "easily resolvable" constraints are removed	CETL < CETO	CETL greater than 100% CETO but less than 115% CETO
3	Forecast to be used	N/A	Same as BRA
4	Triggering mechanism	Existing planning criteria, including market efficiency analysis	upgrade meets the requirements outlined in other components, and there is no customer-funded upgrade already existing in the queue that can resolve the constraint
5	Cost Allocation		

4. Accompanying documents

Draft Tariff Language – Clean

Draft Tariff Language – Redline (showing edits from original language presented at CSTF on July 17th)

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