

Proposed FY 2013-2014 Work Plan for the Western Interstate Energy Board

The work plan directs staff to undertake programs and projects to address issues of Board concern. The work plan is also designed to reflect the priorities of the Western Governors' Association (WGA).

The proposed work plan reflects the major shift approved by the Board in November 2009 to dedicate staff resources to implement sections of an American Recovery and Reinvestment Act (ARRA) grant to WGA on interconnection-wide transmission planning, including WIEB staff support to the State-Provincial Steering Committee (SPSC), and implementation of WREZ Phase 3 (coordinated schedules for procurement of generation from renewable energy zones). The work plan also reflects a 4-year cooperative agreement between the Board and DOE on transportation of high-level radioactive waste that was entered into a year ago. The work plan also supports the work of the Board's three committees:

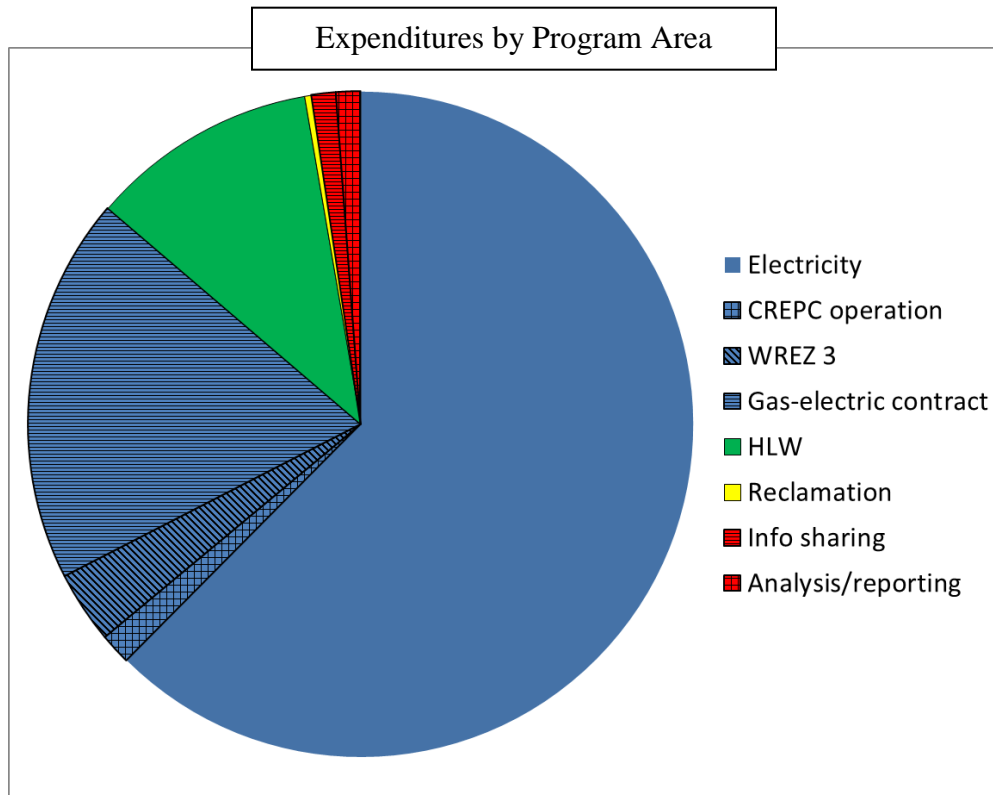
- High-Level Radioactive Waste (HLW);
- Energy Minerals Reclamation; and
- The Committee on Regional Electric Power Cooperation (CREPC).

The work plan does not include WIRAB activities. The WIRAB work plan and budget are approved separately by WIRAB; not the WIEB Board.

The table and graph on the following page summarizes the proposed allocation of resources by program. Restricted revenues are derived from grants for dedicated purposes.

Summary of Work Plan, Budget and Revenue Sources

Program	2012-13	Proposed for 2013-14
I. Affordable and Reliable Energy Supplies		
A) Electricity		
1. Operation of CREPC, including market monitoring	\$48,550	\$32,300
2. SPSC	1,167,593	\$1,729,976
a. Transmission expansion planning (30% of effort)		
b. Integration of variable generation (20% of effort)		
c. Efficient use of the grid (20% of effort)		
d. Natural gas-electric interface (30%)		
3. WREZ Phase 3 (coordinated procurement of renewable generation)	\$80,000	74,607
B) Natural gas		
C) Funds a major SPSC contract (\$400,000) to assess the infrastructure adequacy and operational flexibility of the interdependent natural gas-electric systems in the West	\$80,000	(under I.A.1.)
II. Energy Byproducts		
A) High-level radioactive waste	\$80,000	\$235,300
B) Coal and uranium mine regulation and clean-up	\$14,000	\$7,260
III. Information sharing and analysis		
A) Sharing information and experience (e.g., Board meetings)	\$16,405	\$25,257
B) Analysis and reporting of energy developments	\$16,405	\$25,258
TOTAL	\$1,502,953	\$2,129,758



In comparison with the FY 2012-2013 work plan, this plan:

- Funds a major SPSC contract (\$400,000) to address issues at the interface of the natural gas and electric power industries and a SPSC-approved consulting project on demand response as well as SPSC-authorized projects involving outreach and assistance to states/provinces and industry in the use of “Grid Tracker,”¹ research on reserve sharing and intra-hour scheduling.
- Increases funding for work on nuclear waste pursuant to a new cooperative agreement with DOE which was not in place when the Board approved the 2012-2013 budget in May 2012.

The Board will review the proposed work plan at its annual meeting on June 13.

MISSION

The Western Interstate Nuclear Compact, the legal basis of the Board, states that the purpose of the Board is to provide the instruments and framework for cooperative efforts to “enhance the economy of the West and contribute to the individual and community well-being of the region’s people.” The Board seeks to achieve this purpose through cooperative efforts among member states/provinces and through cooperative efforts between the West and the federal government in the field of energy. The Board also supports the efforts of the Western Governors’ Association through technical study and policy analysis.

WIEB has the following objectives:

- *Provide a forum for identifying, evaluating, and resolving regional energy-related issues;*
- *Build the capacity of states/provinces to effectively address issues related to the production, distribution and consumption of energy and its byproducts;*
- *Promote cooperative efforts between the U.S. federal government and Western states/provinces that foster the well-being of the region’s people;*
- *Provide for the timely analysis and sharing of information among Western states/provinces on energy-related issues; and*
- *Provide policy and technical support to the Western Governors’ Association.*

¹ “Grid Tracker” is an internet tool developed by the SPSC to analyze historical flows over the major transmission paths in the Western Interconnection.

DISCUSSION OF PROGRAMS

Acronyms

CREPC	WIEB's Committee on Regional Electric Power Cooperation
DOE	Department of Energy
FERC	Federal Energy Regulatory Commission
HLW	High-Level Radioactive Waste
LSE	Load-Serving Entity
NERC	North American Electric Reliability Corporation
REZ	Renewable Energy Zone
SPSC	State-Provincial Steering Committee
TEPPC	WECC's Transmission Expansion Planning Policy Committee
WECC	Western Electricity Coordinating Council
WGA	Western Governors' Association
WIRAB	Western Interconnection Regional Advisory Body
WREZ	Western Renewable Energy Zones

I. Affordable and Reliable Energy Supplies

I.A. Electricity

- 1) Operation of CREPC
- 2) State-Provincial Steering Committee
- 3) WREZ Phase 3

GOAL Promote actions that contribute to the goal of affordable and reliable electricity supplies. (Related WGA Resolution 10-15 [Transmission and the Electric Power System](#))

BENEFITS Affordable and reliable supplies of electric power can provide significant economic benefits to the West. Businesses and citizens of the West spend more than \$67 billion annually on electric power (or approximately \$960 per capita). Given the interconnected nature of the Western electric power system and the diversity of governmental entities (e.g., state PUCs, state siting agencies, FERC, Canadian provinces) exercising regulatory authority over varying parts of the system, it is essential for coordination to take place among the relevant parties. This coordination requires communication and cooperation among states and provinces, the U.S. federal government, and industry participants in order to foster economic efficiency and achieve other state/provincial and regional objectives (including system reliability, stable pricing and the minimization of environmental impacts).

OBJECTIVES AND STRATEGIES

- 1) Provide a forum for state/provincial regulators and energy agencies to share information and collectively interact with FERC, DOE and the Western electric power industry:

- Hold two joint meetings of the CREPC and the SPSC. The fall 2013 joint meeting will be held in conjunction with a Transmission Technology Forum meeting.
 - Hold webinars and workshops as needed to address issues identified by CREPC and the SPSC.
 - Enhance communication between Western states/provinces and FERC on monitoring of electricity (and natural gas) markets through monthly market monitoring calls.
- 2) Pursuant to the DOE transmission grant, provide staff support to the SPSC in three areas, as outlined below. (The priority work in these three areas is reviewed and adjusted as needed at each SPSC meeting.)
- *Input into transmission expansion planning:*
 - Provide state/provincial input into WECC’s 2013 interconnection-wide transmission plan to be issued in September 2013.
 - Provide information to WECC to enable it to execute the SPSC’s study requests.
 - Work with the SPSC and Lawrence Berkeley National Laboratory to refine load forecast information used in WECC modeling and develop information on future penetration of distributed generation.
 - Monitor the implementation of regional and inter-regional planning under FERC Order 1000.
 - *Make more efficient use of the existing grid:*
 - Hold a Transmission Technology Forum in Fall 2013.
 - Conduct outreach with states, provinces and industry to explain ways to use the newly developed internet-based “Grid Tracker” and identify enhancements of the tool
 - *Lower the cost of integrating variable generation (wind and solar):*
 - Support the states/provinces in exploring the potential benefits of a Western Energy Imbalance Market (an EIM would also contribute to the goal of making more efficient use of the existing grid by using transmission capacity that goes unused in real-time and other measures such as the proposed Northwest Power Pool’s MC Flexible Reserves Assistance Program).
 - Implement an internet “dashboard” to convey information on utility actions or plans to lower the cost of integrating variable generation. This work will be guided by a state/provincial-industry VER Dashboard Steering Committee and will involve additional surveys of current utility practices (e.g., wind and solar forecasting).
 - Managing a consulting project that explores use of demand response in integrating variable generation.
- 3) Executing WREZ Phase 3 with a focus on expanding the use of a new tool (“Grid Tracker”) and a revised WREZ Generation and Transmission Model
- 4) Meet contractual requirements under a WGA-WIEB transmission planning contract.

BUDGET \$1,836,883²

Of this amount, \$7,300 is from WIEB dues; \$25,000 is from the Western Conference of Public Service Commissioners to support the operation of CREPC; \$74,607 is from the WREZ Phase 3 contract; and \$1,729,976 is to support the SPSC. Of the funds to support the SPSC, \$338,000 is for state/provincial travel; \$783,400 is for contractors; \$98,000 is for SPSC/CREPC meetings, webinars and conference calls; and \$510,576 is for WIEB salaries, staff travel and overhead.

I.B. Natural Gas

GOAL Address issues important to states/provinces at the interface of the natural gas and Western electricity industries.

BENEFITS A seamless interface of the natural gas and electric industries will improve the reliable supply of energy to Western consumers, lower the cost of integrating variable generation needed to meet state and provincial renewable energy policies, and better inform state/provincial decision-makers on the advantages and risks of growing reliance on natural gas-fired generation.

OBJECTIVES AND STRATEGIES

- 1) Administer a \$400,000 contract to examine the infrastructure adequacy and operational flexibility of the interdependent natural gas-electric systems in the West. This involves selection of a contractor (bids on the RFP are due July 3), staffing a state/provincial – industry Technical Advisory Group to oversee the contractor, outreach to solicit input on key decisions such as selection of scenarios and contingencies, and working with gas pipeline companies to perform modeling of their pipelines for Phase 2 of the contract.
- 2) Provide FERC with updates on gas-electric coordination activities by industry, regulators and others in the West.
- 3) Add relevant information from the gas/electric interdependency project above (number 1) to the proposed CREPC/SPSC dashboard related to the impact of more coordinated actions between the natural gas and electricity industries on the cost of integrating variable generation.
- 4) Monitor and report on FERC NOPRs, technical conferences, hearings and commission meetings related to the growing natural gas-electric industry interdependencies (specifically Docket No. AD12-12-000).
- 5) Monitor and collaborate with other industry and regulatory coordination efforts in the West (e.g., the Northwest Natural Gas and Power Planning Task Force, WECC, Cal-ISO).

² Note that under the SPSC’s charter, decisions on the expenditure of consulting funds are made by a vote of the SPSC and subject to competitive bid for contracts over \$25,000. State travel continues to be below the amount estimated in the DOE grant.

6) Monitor and collaborate with other regional coordination and study efforts around the country (e.g., EISPC, EIPC-NARUC, NY-ISO, ISO New England).

7) Continue participation in FERC via market monitoring as reflected under I.A.

BUDGET

Included in SPSC budget above.³

II. Energy Byproducts

A. Safe high-level radioactive waste transportation shipments

GOAL To ensure adequate preparations are made to support the safe and uneventful transportation of spent nuclear fuel and high-level radioactive waste in the West and to provide technical support to WGA on nuclear waste issues. (WGA Resolutions 11-3 [The Storage and Disposal of Radioactive Waste and Spent Nuclear Fuel](#) and 11-5 [Transportation of Radioactive Waste, Radioactive Materials, and Spent Nuclear Fuel](#))

BENEFITS Protect citizenry from unnecessary risks from the transportation of spent fuel and HLW and ensure that the costs of preparations for shipments are borne by the beneficiaries of such shipments.

OBJECTIVES AND STRATEGIES

- 1) Maintain the Board's High-Level Radioactive Waste Committee and its engagement in transportation-related components of the nation's nuclear waste management program. The Committee will meet twice in the coming year.
- 2) Meet the nuclear-related informational needs of Western states.
- 3) Assist Western states' participation in the reformulation of the nation's nuclear waste program. Topics include:
 - a. Key lawsuits and their implications for program reformulation;
 - b. DOE and NRC initiatives in the absence of legislative change (e.g., development of a generic disposal standard or siting criteria);
 - c. Congressional initiatives to amend or replace the Nuclear Waste Policy Act;
 - d. Development and advocacy of Western states' positions regarding host state siting roles and transportation system design;
 - e. Responses to initiatives (e.g., DOE Blue Ribbon Commission report) for early removal of spent nuclear fuel (SNF) from shutdown reactor sites (scheduled to begin in 2021) and from still-operating sites (scheduled to begin in 2025);
 - f. Monitoring individual state initiatives (in the West and elsewhere) regarding the reformulated nuclear waste program; and

³ Note that expenses related to the work of WIRAB on the natural gas/electric interface are reflected in the WIRAB budget.

- g. Consideration of the merits of separation of HLW and SNF waste streams, and of regional fairness in implementation of the reformulated program.
- 4) Participate in the NRC Extended Storage and Transportation inquiry, and in the related update to its Waste Confidence Rule, which has implications for new plant licensing and license extensions for currently operating nuclear plants. Participation includes:
 - a. Participation in the NRC Extended Storage/Transportation inquiry;
 - b. Participation in the NRC Waste Confidence EIS formulation and process;
 - c. Participation in related NRC rulemaking considerations; and
 - d. Reviewing findings from other inquiries (including state government) related to the above.
 - 5) Assess selected prospective DOE nuclear waste transportation-storage-disposal campaigns on their own terms and with attention to precedents regarding SNF and HLW. Examples include the disposition of Greater-Than-Class-C radioactive waste and disposition of U-233. Specifically:
 - a. Identify and help resolve regional transportation concerns to permit the safe and uneventful transportation of SNF and HLW in the West.
 - b. Provide technical expertise in support of WGA nuclear waste programs and policies.

BUDGET

\$235,300 from DOE-NE for the second year of a WIEB-DOE four-year cooperative agreement.

B. Successful coal and uranium mine reclamation

GOAL To improve Western state programs to regulate coal and uranium mining.

BENEFITS Improved administration of state mine regulatory programs will lessen environmental impacts from coal and uranium mining.

OBJECTIVES AND STRATEGIES

As needed, hold meetings and conference calls of the WIEB Energy Minerals Reclamation Committee to address issues such as: (1) technical assistance to state programs, (2) regulatory grants, (3) oversight of state programs by the federal Office of Surface Mining, and (4) monitoring of uranium mining reclamation.

BUDGET \$7,260

III. Information Exchange

A. Expand the quality and timeliness of interstate sharing of information and experiences

GOAL To improve the quality of state/provincial decision-making and to coordinate interstate

actions affecting regional energy-related interests through the timely sharing of quality information.

BENEFITS Rapid sharing of information among states/provinces that: (1) enables coordinated action; (2) avoids unnecessary conflicts resulting from misunderstandings; and (3) reduces costs to individual states and provinces by allowing one state/province to benefit from the experience and analyses of another.

OBJECTIVES AND STRATEGIES

- 1) Hold meetings to share information and experience on specific topics of common interest.
- 2) Promote an understanding of the objectives of each state/province to allow increased reliance by one state/province on another state/province for information and analysis.

BUDGET \$25,257

B. Analysis and reporting of energy developments

GOAL Provide states/provinces and WGA with timely information and analysis on events affecting their energy-related interests. Issue an annual report that provides a synopsis of Board activities and fulfills the statutory requirements of the Western Interstate Nuclear Compact (establishing the Board's legal basis).

BENEFITS Analysis and dissemination of information on energy-related developments affecting the West can be done at lower cost by a central staff than by each individual state/province. Capturing these economies of scale lowers costs to individual states/provinces and improves understanding of developments outside of one's borders.

OBJECTIVES AND STRATEGIES

- 1) Conduct special analyses at the request of states and provinces and WGA.
- 2) Prepare and post the Board's annual report on the WIEB homepage.

BUDGET \$25,258