

**North Carolina Transmission Planning Collaborative
Oversight / Steering Committee (OSC)
Meeting Minutes
May 18, 2010
ElectriCities Office
Raleigh, North Carolina
10:00 am EPT**

**Sam Waters, Vice Chair
Mark Byrd
Phil Creech
Bob Beadle
Ed Ernst
Bob Pierce
Bobby Mc Murry
Orvane Piper
Greg Locke
Roy Jones
Rich Wodyka**

**Progress Energy
Progress Energy
Progress Energy
NCEMC
Duke Energy
Duke Energy
Duke Energy
Duke Energy
ElectriCities
ElectriCities
ITP**

Administrative

- Sam Waters chaired the OSC meeting in David Beam's absence.
- The April 19, 2010 OSC Meeting Minutes and Highlights were approved.

OSC Items

Progress Energy Carolinas - PJM Agreement

- Phil Creech provided a presentation on the Progress Energy Carolinas – PJM Congestion Management Agreement that was filed with FERC in January 2010. He reviewed and discussed the following elements of this agreement:
 1. **Manage parallel flow on the PJM/PEC interface.** The coordination of ATC values used to determine the firm and non-firm ATC values between VACAR and PJM by PJM and PEC will reduce the off path parallel flow and help manage the congestion. Both PJM and PEC will determine the ATC available on the VACAR/PJM interface by performing the calculation using PEC and Duke as one source/sink and PJM classic as the other. The resulting total value will be used to divide the interface between PJM and VACAR into a PEC/PJM path value and a Duke/PJM path value. The values used in the process will be recalculated annually using the SERC East-RFC Working Group summer power flow case. Targeted June 1st to get implemented.

2. **Manage the non-firm loop-flow impact on PJM and PEC.** Losses are incurred on the transmission system when power is moved from the source to the load. However, when a significant part of the actual power flow is parallel flow on a third party, that party may have to increase generation due to an increase in losses. This agreement provides for compensation to PJM and PEC when the non-firm power flow on one system increases the losses on the other. The process for PEC compensation to PJM is based on the PJM impact due to PEC third party non-firm power purchases and sales. The process for PJM compensation to PEC is based on the parallel flow on the PEC system above the agreed upon base level. Expect to complete development of this solution within 1 year.

3. **Manage real-time congestion.** Coordination of actual flow across the PEC/PJM interface to reduce congestion is accomplished by implementing a dynamic schedule between CPLE and PJM to move power across the interface. This process is more efficient than just re-dispatching on one side of the congested facility due to the increased impact of transfers vs. unilateral re-dispatch in one area or the other. This coordinated power flow minimizes the inefficient re-dispatch in a single zone thus reducing cost. This process results in managing congestion with the settlement being a power receipt or delivery. PEC calculates the dynamic schedule based upon the PEC cost, PEC ability to move generation and the PJM LMP value. The LMP value is calculated by PJM based on the value to PJM for PEC to relieve the congestion on the PJM transmission system. Planned implementation of this process is scheduled for the fall.

Joint Planning Status

- The OSC discussed the status of the various joint planning activities as part of the TAG presentation review.

NCTPC Participation Agreement

- Sam Waters requested that the OSC review the NCTPC Confidentiality Agreement that was recently distributed and be prepared to discuss and finalize this agreement at the next OSC meeting.

TAG / ITP Update

TAG Meeting Agenda and Presentation Review

- Rich Wodyka and Bob Pierce reviewed the TAG meeting presentations. They highlighted the following information:
 1. Update on the 2010 Study Scope with the addition of four Enhanced Transmission Access scenarios recently approved by the OSC;
 2. Progress report on the 2010 Study Activities;
 3. Update on various Regional Study activities;
 4. Report on recent FERC activities related to system reliability and transmission planning; and
 5. Update on the 2010 TAG work plan.
- The OSC approved the presentations for posting and distribution to the TAG in the afternoon meeting.

ITP Contract and Website Transfer

- The new ITP contract has been executed by all parties and copies were distributed for each company's files.
- The transfer of the NCTPC website is still being evaluated and a resolution is expected shortly.

PWG Update

- Bob Pierce reported that the 2010 study activities are preceding on-schedule. The models are being finalized and the combined model is being put together. Bob noted that the reliability case screenings will be performed in May.

Future Meeting Schedule

Date	Day	Time	Location
June 18, 2010	Friday	10 am – Noon	Teleconference
July 22, 2010	Thursday	2 pm – 4 pm	Teleconference
August 19, 2010	Thursday	2 pm – 4 pm	Teleconference
September 21, 2010	Tuesday	10 am – 2 pm	Raleigh – NCEMC
October 21, 2010	Thursday	10 am – 2 pm	Charlotte – Duke
November 16, 2010	Tuesday	10 am – 2 pm	Raleigh – Electricities
December 16, 2010	Thursday	10 am – 2 pm	Raleigh – NCEMC