

Scope of Reliability Impacts of Climate Change Initiatives (RICCI) Task Force

Purpose and Deliverables

North American Electric Reliability Corporation (NERC) has recognized the continental scope of Climate Change legislation, and as many of the variables impact reliability on a national scale, it is vital that NERC, at a national level, sponsor and own the North American reliability issues. To this end, NERC's recently approved budget included:

Federal, state, and provincial CO₂ legislation is pending throughout North America. A special reliability assessment is vital to quickly evaluate a variety of CO₂ legislative scenarios and their impact on bulk power system reliability. For NERC to perform this vital independent assessment in a timely manner, assistance from consultants at an estimated cost of \$250,000 is required.

NERC, on behalf of its stakeholders, must identify reliability considerations of Climate Change Initiatives. Namely, the study will go beyond the regional view and 10-year assessment period, and develop a continental/regional assessment to perform this study. A continental view enables a consistent reliability "measuring stick" evaluating regional and North American concerns.

The targeted audience of these results is industry and government. In order to provide information to policy makers and industry quickly, a two phase approach will be used in 2009 to support this activity.

A few key principles regarding this study-work:

- Task Force Leadership will ensure that the results avoid policy considerations.
- The scope is broad to ensure that no reliability considerations are missed in the assessment
- The study work will not focus on legislative or regulatory policy, rather amplify and refine reliability considerations and facts important to these policy and regulation makers.
- Leverage results of ongoing NERC activities and other sources to ensure that duplicative work is not performed.
- Focus on getting the facts right. The study will develop the raw data and refine it into useful information and facts about bulk power system reliability impacts.

Phase I will focus on providing a high level view of reliability considerations for Climate Change issues and will identify and categorize technical reliability considerations. Phase II will be a technical assessment of North America, building on the results from the Phase I report, performing reliability assessments of the bulk power system for selected scenarios. Initially, a resource assessment will be performed, and then identification of potential bulk power system reliability issues and requirements.

- Phase I:** Develop a high level report that outlines: April 2009
- Status of Technologies
 - Initial Reliability Considerations
 - Ongoing work and potential Points of Collaboration
 - No Regrets Approach to development of scenarios
 - Scenarios for study
 - Scope of study for Phase II
 - If required, potential Scope of study for Phase III (2010, if required)
 - The Phase I document will be rationalized into shorter 1-page document messaging reliability considerations
- Phase II** A report documenting results from Phase II assessment December 2009

Phase III, if required, will continue to build on Phase II results developing deeper assessment bulk power system reliability considerations, including bulk system development requirements and supply/demand/transmission considerations.

This task force will advise on study scope and scenario development driven by climate change initiatives. Study output from contracts and NERC staff will be reviewed and industry perspective provided.

The task force’s schedule and milestones are as follows:

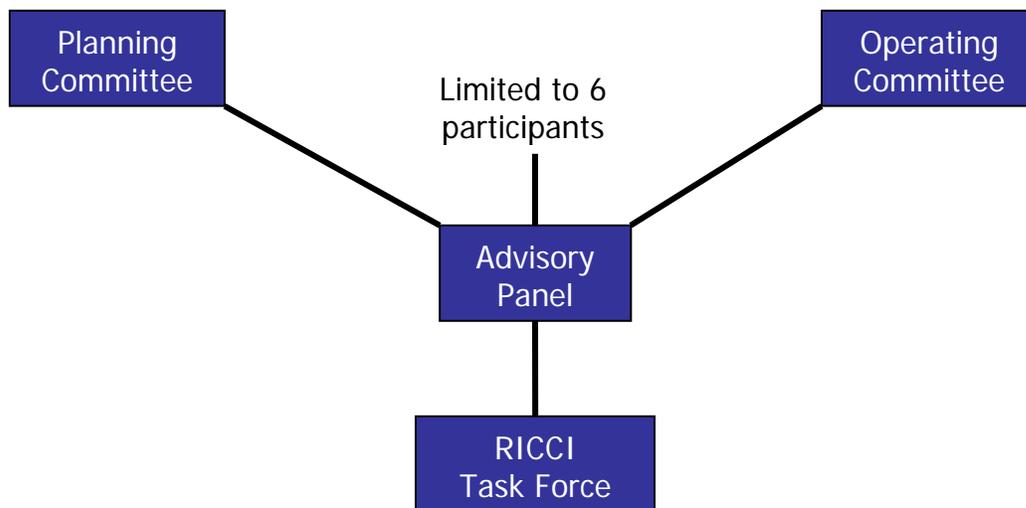
Date	Action
January 2009	- RICCI Task Force Charter and Plan
February 2009	- Scope of Work and Scenario Descriptions - Select Contractor, negotiate contract and begin work - <i>RICCI Task Force meeting</i>
March 2009	- Status Report to PC
April 2009	- Draft High Level Phase I report - Request incremental NERC funding for Phase II (2010) if required - <i>RICCI Task Force meeting</i> - Select Contractor, negotiate contract and begin work on study
June 2009	- Status Report to PC - Approval of High Level Report
August 2009	- Draft Final Report & Recommendations for Phase I - <i>RICCI Task Force Meeting</i>
September 2009	- Present Draft Phase II Report to PC
October 2009	- Obtain PC Comments and develop responses - <i>RICCI Task Force Meeting</i>
December 2009	- Final Phase II Report for 2008 Approved by PC
January-December 2010	- Commence Phase III assessment, if required

Membership

The PC Chair will appoint a chair and PC members with resource planning and transmission planning expertise, for the task force. The task force should have at least one person from each interconnection plus a Chair to ensure that regional/geographical diversity. Industry experts may be appointed as well.

In addition to the task force made up of industry experts, an Advisory Panel will be formed comprised of the PC/OC Chairs, vice chairs and others as they deem necessary to ensure the study-work concentrates on the key bulk power system reliability facts, leverages existing work and avoids mission-creep into legislative and regulatory policy concerns.

Members are expected to participate in the task force's discussion, including the development of the study scope, work plan and the final report.



Governance

The task force reports to the Planning Committee/Operating Committee Advisory Panel and its final work products will be subject to PC/OC review and endorsement prior to approval by the NERC Board of Trustees.

Meeting

Meeting and conference calls will be scheduled as needed.

January 30, 2009