

MEMO

Date: January 7, 2014
To: Ian McKay, Chair--TEPPC
Subject: Participation of TEPPC Chair on SPSG and TAS

Summary

In the October 2014 TEPPC meeting you asked me to lead a team, (Paul Didsayabutra and Jan Strack from TEPPC; Jim Filipi, Chair of the Technical Advisory Subcommittee; and Elise Brown representing the chair of the Scenario Planning Steering Group), to consider two questions:

1. Is the benefit of having the TEPPC Chair on SPSG worth the cost?
2. If so, is the benefit of having a TEPPC Chair on TAS worth the cost?

The team has considered these questions and:

- The team unanimously recommends that the TEPPC Chair remain a member of the SPSG; and
- The majority of the team recommends that the TEPPC Chair participate on TAS (one member was of the view that participation was not required).

The task force considered both technical and cost perspectives in arriving at these conclusions. Both the SPSG and TAS address issues that are complex and often require consideration and/or approval by TEPPC. While the SPSG and TAS strive to describe recommendations fully, the task force agreed that there is distinct value in the TEPPC Chair (or board member) being an active participant in the underlying discussions, especially in cases where the subcommittees did not achieve consensus.

SPSG Participation

Does the value of the TEPPC Board Chair participation/contribution to SPSG justify the estimated \$10,000 cost per year?

Effective transmission planning coordination requires consensus, though not unanimity, among stakeholders participating at all levels: at SPSG, at TAS and at TEPPC. One significant value of having the TEPPC Chair participate on SPSG is the ability to use the information gleaned through that participation as a means of facilitating consensus on issues that reach TEPPC. Additionally, having the chair of TEPPC participate on SPSG provides the opportunity to guide SPSG (and TAS) in directions that

are likely to meet WECC Board expectations. It can also contribute to broad stakeholder support and development of products that are meaningful to, and actionable for, the electric industry.

TEPPC Chair participation on SPSG also enables input to be provided from both the Board and TEPPC perspective. SPSG work often involves new, outside the box approaches that may benefit from input from the Board or TEPPC. Additionally, because the work conducted by SPSG (and TAS) may involve capital spending for consultants or purchase of software, participation by the Chair may have some benefits of keeping close connection to the Board budget priorities and status.

Direct involvement of the TEPPC Chair should provide better focus and efficiency of this group. The relatively modest compensation and travel costs (approximately \$10,000/year/committee) are a reasonable cost to pay for this efficiency as it reduces the amount of time required for TEPPC meetings. It would be unlikely or at best optimistic to assume that the TEPPC chair would participate on SPSG (or TAS) at the same level of engagement (i) without compensation, or (ii) with compensation set at a level below that which other competent individuals would expect for comparable work.

Given that transmission expansion planning analyses and questions can potentially have multi-billion dollar rate impacts, participation on the SPSG is justified when considering the benefits of Board-level participation.

In conclusion, the Team unanimously concludes that benefits of having the TEPPC chair participate in SPSG exceed the costs.

TAS Participation

Does the value of TEPPC chair participation/contribution to TAS justify the estimated \$10,000 cost per year?

The task force also reviewed the benefits and costs for the TEPPC Chair participation on the TAS. Given the benefits described above, most of which apply to TAS also, the majority of the team recommends participation on TAS. One member felt participation was not necessary for the successful operation of TAS.

Summary

The task force believes that the relatively modest cost for participating on SPSG and TAS to be well-worth the value achieved. Based on these considerations, the task force recommends that the TEPPC Chair continue to serve as a member of the SPSG and to participate in TAS.
