



10-Year Assessment

An annual report summarizing proposed additions and expansions to the transmission system to ensure electric system reliability.

2008

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www.atc10yearplan.com

Economic Criteria

We will conduct appropriate economic analyses when evaluating transmission additions, replacement and modifications. The criteria to be used in such economic analyses for purposes of system planning will include the following:

- 1) In developing screening level capital cost estimates for transmission lines and substations, terrain, geology and land use will be considered.
- 2) In conducting transmission system loss analysis, a sufficient number of powerflow cases will be developed to cover a reasonable range of load conditions from which to assess system losses. In addition, the value of losses shall be projected based on the energy futures market or on a credible energy price forecast.
- 3) In conducting analysis of generation redispatch precipitated by transmission constraints, a sufficient number of powerflow cases will be developed, or historical system loading may be used, in order to reasonably estimate the amount of time that such redispatch may be warranted. In addition, the cost of such redispatch will be projected based on marginal production costs and/or historical redispatch cost data of generating units dispatched to relieve the constraint. ATC will determine the economic feasibility of eliminating generation must-run situations based on these analyses.
- 4) All transmission projects have both reliability and economic benefits. In certain cases, economic benefit may be the primary driver of a project. In addition, economic analysis of projects may be used in the prioritization and staging of projects. In this effort, an attempt is made to capture all relevant factors to consider in determining the economic benefits of a project. Stakeholder input is utilized by ATC for this purpose. Various tools are also utilized by ATC, including New Energy Associates' PROMOD program; however, other methods and tools are open to consideration.