

2011

September 2011 10-Year Assessment www.atc10yearplan.com

ed additions and expansions

## **Open Letter from ATC's Directors**

While reliably meeting the needs of electricity customers is the top priority for any transmission owner, public policy initiatives are playing a major role in how utilities plan for their system needs. Traditionally, transmission owners performed planning studies and analysis for their individual needs; today, however, while local reliability remains the responsibility of the owner, the trend is toward broader-based planning driven by regional transmission organizations and government agencies. These broader plans improve access to markets and may help meet public policy requirements.

An annual report summarizing propo

to ensure electric system reliability.

Changing the way transmission system costs are allocated also affects the planning as well as permitting for system improvements. Regional planning initiatives increasingly focus on projects that provide additional benefits beyond local-area reliability. These multi-benefit, or Multi-Value Projects (as defined by MISO), also include economic savings and the ability to move renewable energy from where it is generated to where it can be used. As these projects are identified, regulators from multiple states will need to work together to determine cost sharing as well as permitting. We are working diligently with all stakeholders to design an incremental regional build-out of these projects to move forward efficiently and cost-effectively.

Three 345-kilovolt projects that MISO is considering for Multi-Value Project cost sharing were presented in the 2010 10-Year Assessment. These projects are the Badger Coulee, Dubuque-Spring Green-Cardinal and Pleasant Prairie (Bain)-Zion Energy Center projects. For an update on those projects, visit our website, www.atc-projects.com

Enforceable, mandatory reliability standards, developed by the North American Electric Reliability Corp. and approved by the Federal Energy Regulatory Commission in 2007, also play a role in how we plan, operate and maintain our system. Earlier this year, NERC issued a set of high-priority reliability issues to help the industry focus on standards setting, compliance, training and education. Several of those priorities, including a changing resource mix and the integration of new technologies, will impact the way we plan and operate our system.

Our planning process also is affected by pending Environmental Protection Agency regulations for electric generators and the recently issued FERC Order 1000 governing regional planning, public policy requirements and cost allocation. These issues, along with the internal identification of a new credible contingency scenario, have caused us to undertake a study on transmission reinforcements in northern Wisconsin and the Upper Peninsula. Later this year, we expect to identify a Northern Plan, some preliminary packages of projects that coordinate with the existing northeast Wisconsin and Upper Peninsula projects to address generation changes, load changes and developing





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transmission contingency concerns. As the EPA rules become clearer, additional studies may be undertaken to explore these need drivers in other areas of our service territory. The planning zone summaries included in this report detail specific projects identified to improve reliability and access to the market and renewable energy resources. A more comprehensive listing of these plans is available at our website <u>www.atc10yearplan.com</u>.

Year Assessment

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

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SEPTEMBER 2011 REPORT PUBLIC PARTICIPATION