

Welcome to **Day 2** of the EISPC and the National Council on Electricity Policy Annual Meeting

The Meeting and Roll Call will begin at 9:00 AM ET
Wi-Fi Information to be provided

April 25 - 26, 2016
Dupont Circle Hotel, Washington, DC

Welcome and Opening Remarks

Topics in Air and Energy Resources: States' Status' on EPA's clean

Kerry Worthington
NARUC

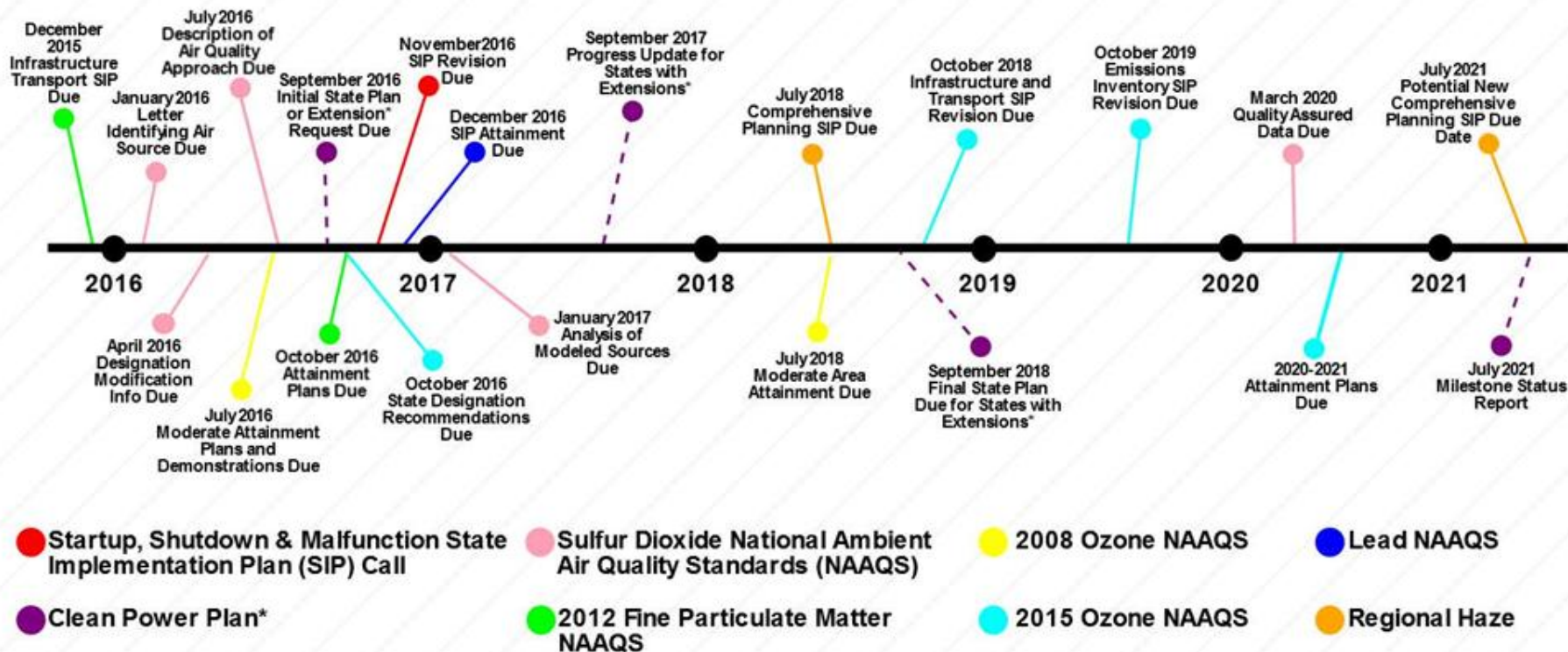
Alexandra Dapolito Dunn
Environmental Council of States

Hon. Betty Ann Kane
District of Columbia

April 2016



State Clean Air Act Deadlines, 2016 - 2021



* On February 9, 2016, the U.S. Supreme Court stayed implementation of the Clean Power Plan. According to U.S. EPA: "EPA firmly believes the Clean Power Plan will be upheld when the merits are considered because the rule rests on strong scientific and legal foundations. For the states that choose to continue to work to cut carbon pollution from power plants and seek the agency's guidance and assistance, EPA will continue to provide tools and support."

The Association of Air Pollution Control Agencies (AAPCA) is a national, consensus-driven non-profit organization focused on assisting state and local air quality agencies and personnel with implementation and technical issues associated with the federal Clean Air Act.

You can find more information about AAPCA at: <http://www.cleanaifact.org>

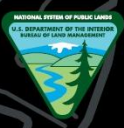


Topics in Resource Adequacy and Diversity: Federal Land Leasing

Miles Keogh
NARUC

Alfred Elser
Bureau of Land Management
Department of the Interior

TBD
Vermont



Bureau of Land Management Federal Coal Leasing Program





BLM Coal Program Quick Statistics

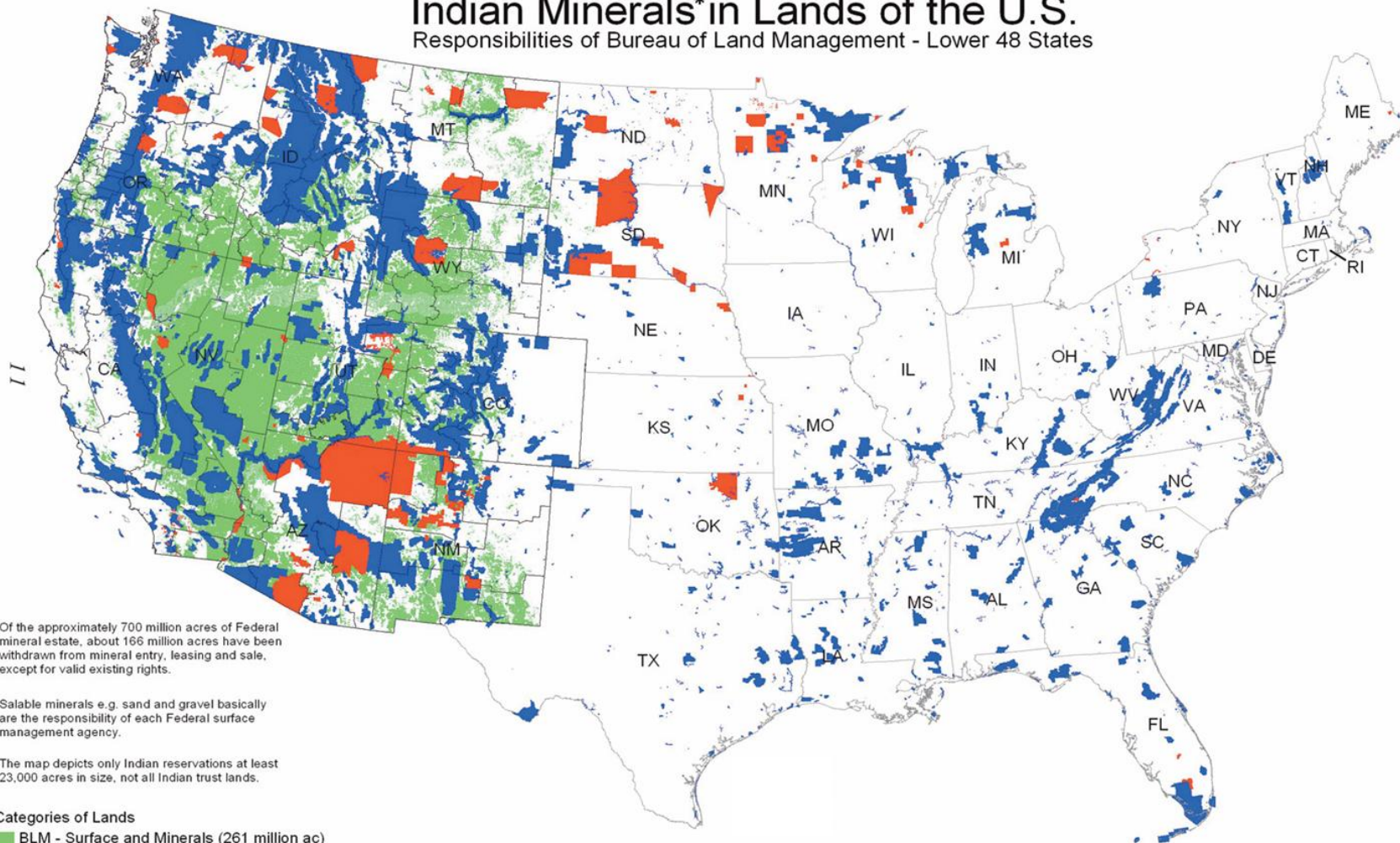
- Approximately **41%** of the Nation's electricity was produced from coal in recent years
- Approximately **14%** of the Nation's electricity was produced from Federal coal mined in **11** states
- BLM administers **306** coal leases (FY15)
- BLM-managed lands produced approximately **4.3** billion tons of coal in the last decade (32 leases sold)
- Generated **\$10.3 billion** in bonuses, royalty payments, and rent revenues





Public Lands, On-Shore Federal and Indian Minerals* in Lands of the U.S.

Responsibilities of Bureau of Land Management - Lower 48 States



* Of the approximately 700 million acres of Federal mineral estate, about 166 million acres have been withdrawn from mineral entry, leasing and sale, except for valid existing rights.

* Salable minerals e.g. sand and gravel basically are the responsibility of each Federal surface management agency.

* The map depicts only Indian reservations at least 23,000 acres in size, not all Indian trust lands.

Categories of Lands

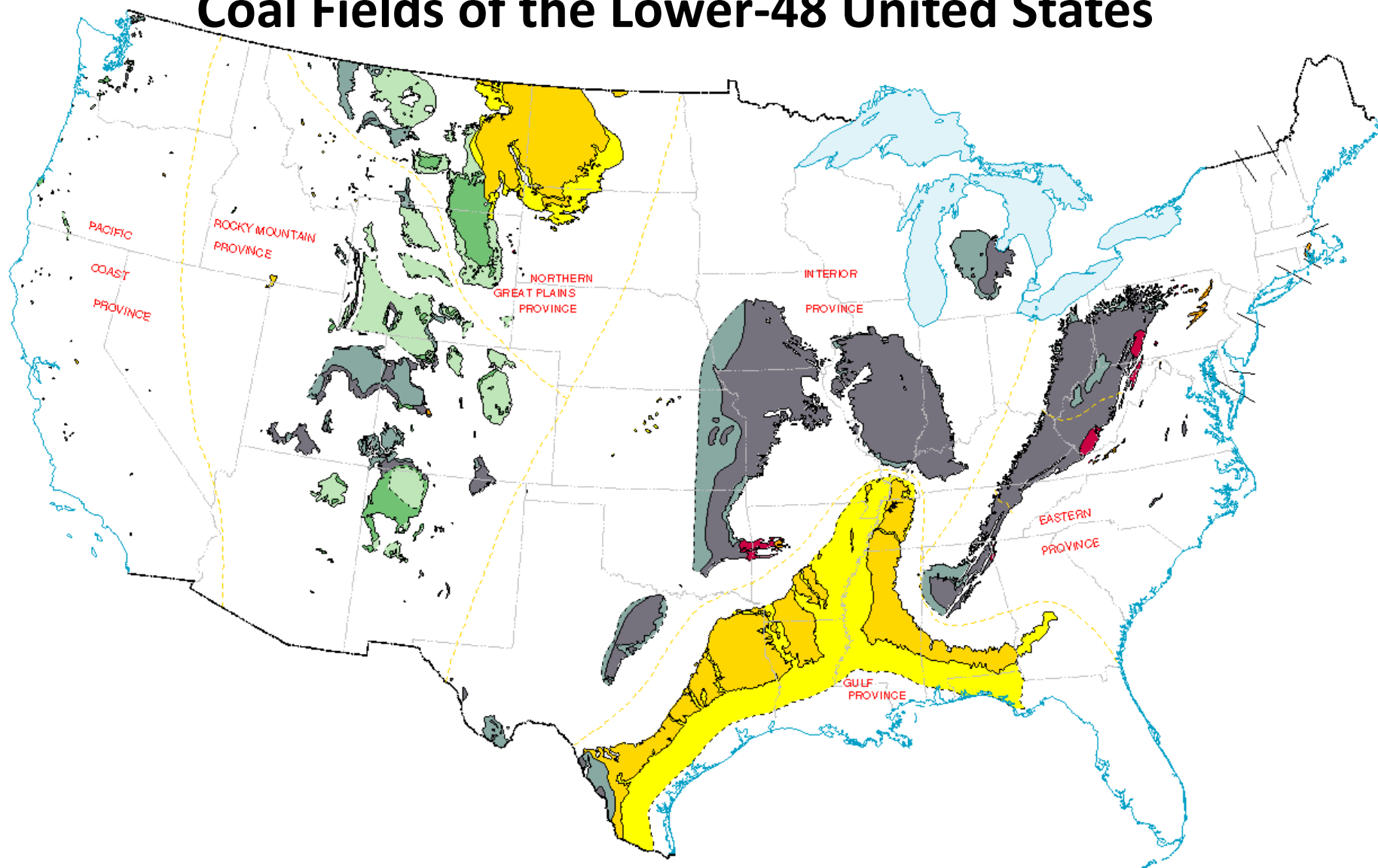
- BLM - Surface and Minerals (261 million ac)
- Other Federal Lands - Minerals (380 million ac)
- Non-Federal Surface (includes 58 million ac of Split - Estate Federal Minerals)
- Indian Trust Lands (56 million ac) except Mineral Operations for Osage Minerals
- BLM Administration Boundaries

No warranty is made as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data. Spatial information may not meet National Map Accuracy Standards. This information may be updated without notification.

Produced By :
WO-210, Leonard Gore, Jr. (Graphics)
WO-300, Sie Ling Chiang (Data)
Documentation available in file
September 2003



Coal Fields of the Lower-48 United States





Federal Coal Regulating Agencies

- BLM
 - Leasing (mineral entry authorization)
 - Production verification
- Office of Surface Mining, Reclamation & Enforcement (OSMRE)
 - Mine permitting & reclamation
- Office of Natural Resources Revenue (ONRR)
 - Royalties
- Mine Safety & Health Administration (MSHA)





Coal Leasing Authorities

- Mineral Leasing Act of 1920
- Federal Coal Leasing Amendments Act of 1976
- Federal Land Policy and Management Act of 1976
- Surface Mining Control and Reclamation Act (SMCRA) of 1977



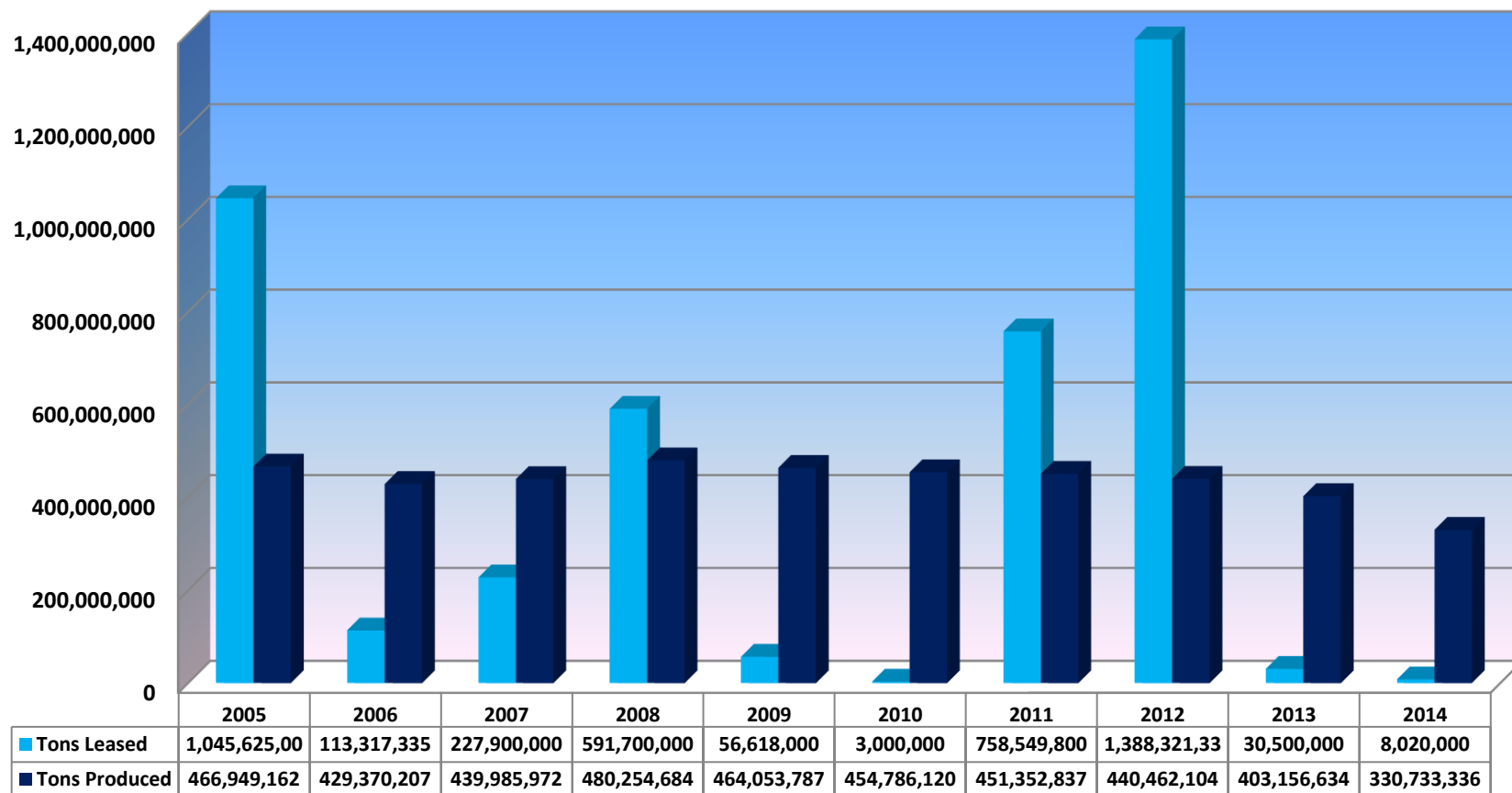


FY 2005-2014 Coal Lease Sales
\$3.6 billion bonus bids accepted
4.2 billion tons leased

Year	No. Sales	Acres Leased	Tons Leased	Bonus Bid	Bonus Bid \$/Ton
2005	9	18,006	1,045,625,000	\$814,207,234	\$0.779
2006	5	7,942	113,317,335	\$3,526,650	\$0.031
2007	5	5,641	227,900,000	\$39,021,420	\$0.171
2008	3	13,132	591,700,000	\$456,650,513	\$0.772
2009	3	1,066	56,618,000	\$48,650,024	\$0.859
2010	1	160	3,000,000	\$16,000	\$0.005
2011	4	7,441	758,549,800	\$701,100,191	\$0.924
2012	6	15,390	1,388,321,336	\$1,551,743,458	\$1.118
2013	2	3,795	30,500,000	\$8,690,000	\$0.285
2014	1	1,789.200	8,020,000	\$2,887,200	\$0.360
Total	39	74,362	4,223,551,471	\$3,626,492,690	\$0.859
Av./Year	4	7,436	422,355,147	\$362,649,269	\$0.859

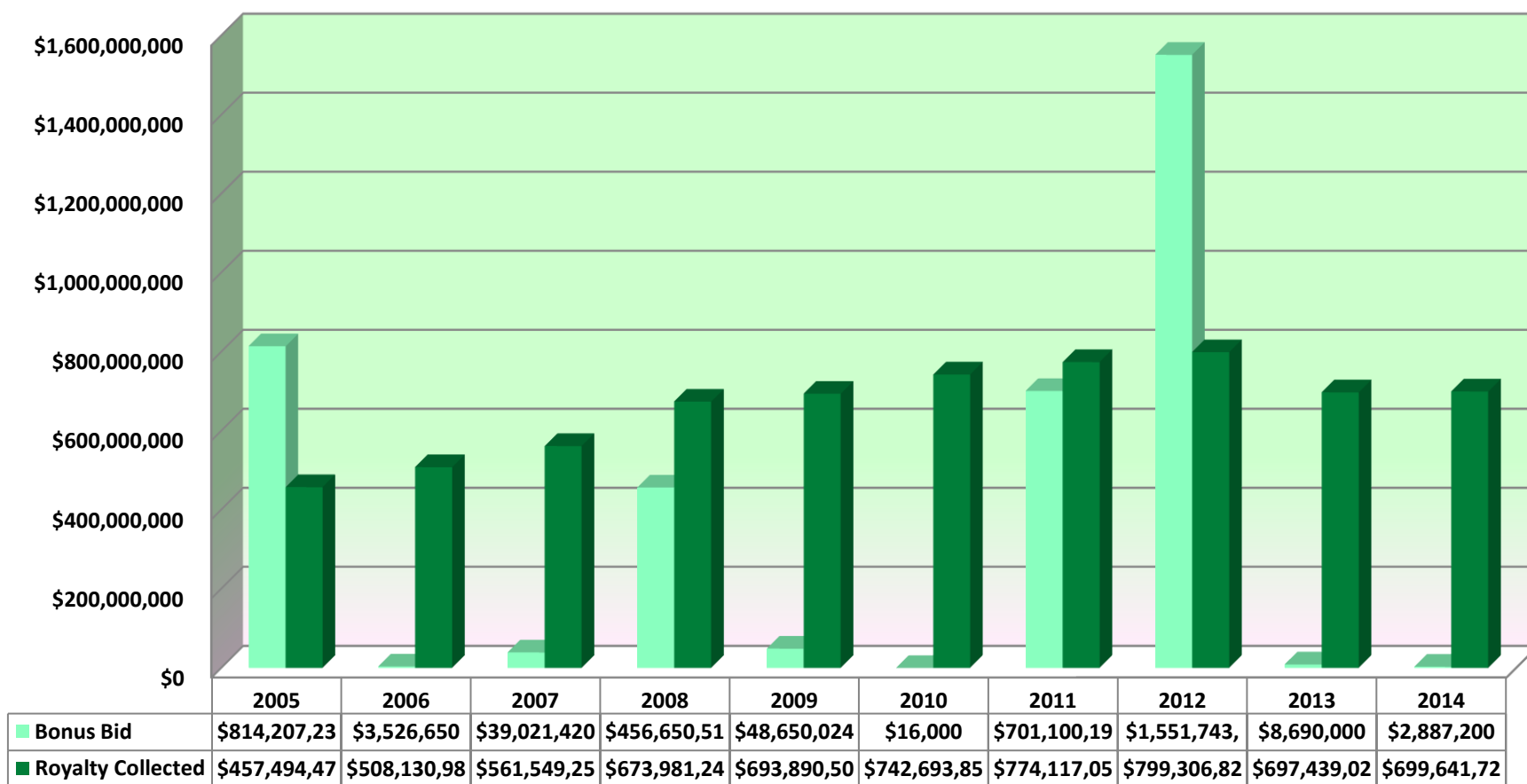


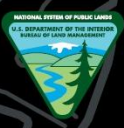
Federal Coal Tons Leased and Mined 2005 - 2014





Federal Coal Bonus Bids and Royalty Collected 2005 - 2014





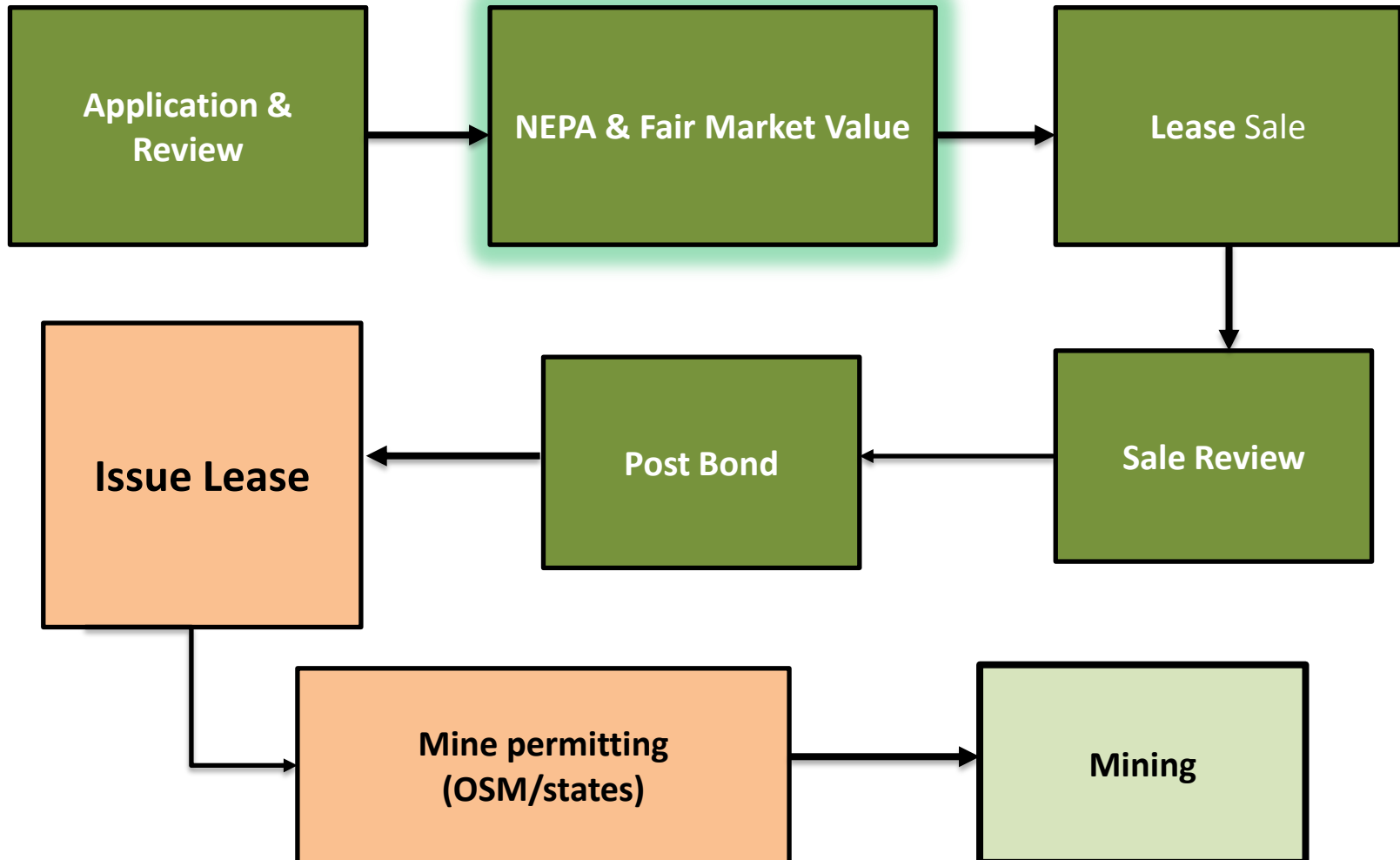
Mineral Authorizations General Steps

- Land Use Planning
- Application Submittal
- Environmental Analysis
- Mineral Authorization (Right of Entry)
 - Granted by BLM
 - Competitive or Non-competitive
- SMCRA Permit (Right to Mine)
 - Granted by OSM or State
- Reclamation





Federal Coal Leasing Process





2015 National Listening Sessions

In response to Secretary Jewell's call for "an honest and open conversation about modernizing the Federal coal program."

- Held five listening sessions in the summer of 2015 asking for public input on the following questions/topics:
 - Are existing royalty rates appropriate in light of the value of the federal coal resources, the costs of their development, and the returns due to American taxpayers?
 - How might different levels of royalty rates affect: Return? viability of mining operations? Revenues for states and communities? Levels and locations of coal production? Jobs and coal exports markets?
 - What are reasonable economic and market assumptions about Federal coal in the future, particularly in the West? In particular, what role might coal exports play? Do BLM's lease sale valuation and royalty policies appropriately consider exports or other market forces or economics?
 - Are there other ways in which BLM might promote greater competition in the coal leasing process?
 - Are there other aspects of the BLM coal program that should also be considered with respect to ensuring a fair return to the taxpayer, such as appraisals, leasing procedures, lease terms, bonding, cost recovery, or penalties?
 - What actions might the BLM take to address any of these issues, consistent with our existing statutory authority?

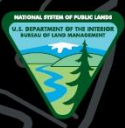


2015 National Listening Sessions

Received over 94,000 written comments

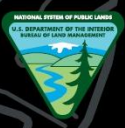
- Form letters from all sources (12 groups): 92,846
- Written comments submitted at the listening sessions: 1,001
- Other comments: 198
- Total Written comments:
94,045





Secretarial Order 3338

- Issued on January 15, 2016
- Programmatic Review of the Coal Program
- A Pause on new Coal Leasing during review
- Limited exceptions to the Pause
- Completion of Programmatic EIS (PEIS) for program
- PEIS will evaluate (among other topics):
 - a. How, when and where to lease
 - b. Environmental and Public Health Impacts
 - c. Fair Return
 - d. Socio-economic Impacts
 - e. Exports
 - f. Energy Needs



Coal Pause Exceptions and Exclusions

- **Exception**
 - Metallurgical Coal is excluded from Pause
- **Exclusions**
 - Emergency Leasing
 - Lease Modification 160 acres or less
 - Lease exchanges
 - Preference Right Lease Applications (before 1976)
 - Pending applications that have Records of Decisions.



Projects Potentially Covered by the Pause Exclusions

State	Mine	Application Type	Acres	Tons (Millions)
AL	Narley Mine No. 3	LBA	160	0.67
CO	Foidel Creek	LMA	310	0.34
CO	Colowyo	LMA	28	0
CO	West Elk	LMAs	800 & 921	10.1
OH	Buckingham Coal	LBA	432	1.42
ND	Falkirk Mine	LBA	320	3.4
ND	Center Mine	LBA	160	2.43
MT	Rosebud	LMA	160	5.9
UT	Sufco Mine	LBA	6,175	56.6
WY	Bridger	LMA	120	0.74
WY	Antelope	LMA	856	15.8
WY	Black Thunder	LBA	4,530	467.6
WY	Buckskin	LBA	1,253	167
WY	Cordero Rojo	LBA	2,306	271



Projects Potentially Subject to the Temporary Pause

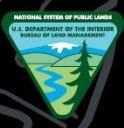
State	Mine	Application Type	Acres	Tons (Millions)	Mine Type
AL	Cassidy	LBA	5,988	22.75	Underground
AL	Yellow Creek	LBA	5,658	27.33	Underground
AR	Bates	LBA	2,430	0.027	Underground
CO	King II Mine	LMA	955	6.3	Underground
CO	Bookcliffs	LBA	14,098	78	Underground
CO	New Elk Coal Co	LBA	1,440	9	Underground
KY	Alma Deep	LBA	554	5.34	Underground
MT	Decker	LMA	310	17.5	Surface
MT	Decker	LBA	2,375	203.4	Surface
MT	Spring Creek	LBA	1,603	198.2	Surface
MT	Spring Creek	LMA	170	6.9	Surface
ND	Center Mine	LBA	1,040	22.7	Surface
OK	Heavener	LBA	5,915	TBD	Both
OK	Liberty No. 8	LBA	1,620	3.2	Surface

Continued...



Projects Potentially Subject to the Temporary Pause

State	Mine	Application Type	Acres	Tons (Millions)	Mine Type
OK	McCurtain	LBA	1,271	3.6	Underground
OK	Decker Mine	LBA	67	0.20	Surface
OK	Pollyanna	LBA	790	4.45	Underground
OK	Pollyanna #8	LMA	520	3.37	Underground
OK	Milton	LMA	290	1.80	Surface.
OK	Rock Island	LMA	960	TBD	Surface
OK	Shady Point/Cavanal	LMA	380	TBD	Surface
OK	Heavener	LMA	900	TBD	Surface
UT	Alton Coal	LBA	2,682	30.8-44.9	Surface
UT	Utah American Energy	LBA	4,191	32.2	Underground
WY	Rawhide	LMA	291	26.6	Surface
WY	Black Butte	LMA	450	9.2	Surface
WY	Belle Ayr	LBA	1,874	253	Surface
WY	Antelope	LBA	3,508	441	Surface
WY	Haystack	LBA	300	14.3	Surface
WY	Black Thunder	LBA	2,371	440.4	Surface



Summary

- BLM is contacting lease applicants whose actions may be subject to pause
- BLM will complete a Programmatic EIS of the coal program (~3 years)
 - Scoping meetings will likely occur in May and June, with scoping closing 30 days after last meeting
 - Comments may be submitted to:
blm_wo_coal_program_peis_comments@blm.gov



Thank You

For further information of BLM's coal program:

http://www.blm.gov/wo/st/en/prog/energy/coal_and_non-energy.html



Break

Meet back at 11:15 AM Eastern

Topics in Transmission: U.S. DOE Section 1222 and the Plains & Eastern Clean Line Transmission Line

Jennifer Murphy
NARUC

Christopher Lawrence
U.S. DOE

Sam Walsh
U.S. DOE

Kim Jones
North Carolina




A Few Thoughts About Transmission and Section 1222 of EPAct 2005

Kimberly Jones, Sr. Analyst, NC Utilities Commission

April 26, 2016



Two G&T Coops Proposed a HVDC line from ND to Delano, Minnesota

- ➡ 440 miles long
 - ➡ 659 towers placed at quarter-mile intervals
 - ➡ Land owned by 476 different landowners, mostly farmers
- 








Fast Forward to 2013



40 young
men
started –
Only 7
finished!

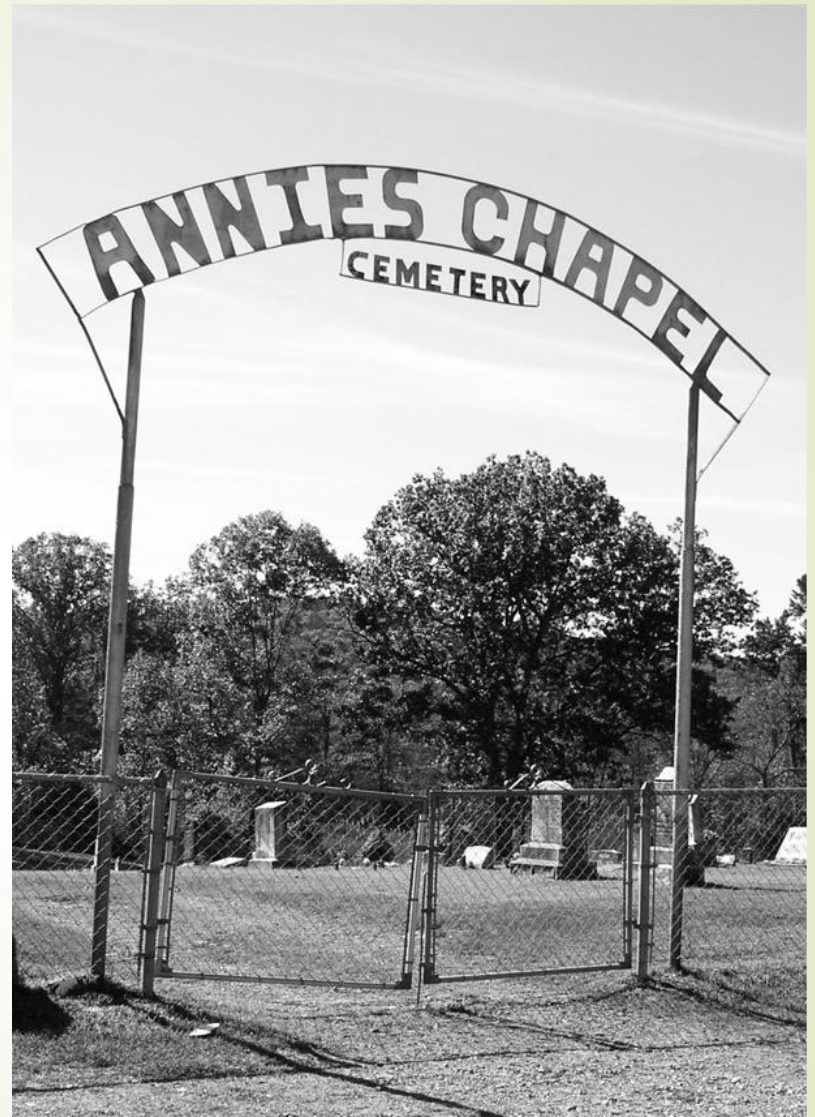




Here we are today -- April
2016

Plains and Eastern Clean
Line Transmission Project and
Section 1222 of the Energy
Policy Act of 2005?

What
are the
odds?



CLEAN LINE ENERGY PROJECTS

Houston-based Clean Line Energy is working to permit three transmission lines that it says will be used to take wind power from the Heartland to population centers farther east. In Missouri, up to 500 megawatts of wind would be pumped into the grid if regulators approve the project.






Arkansas Public Service Commission

“[the Commission] cannot grant public utility status to Clean Line based on the information about its current business plan and present lack of plans to serve customers in Arkansas.”

January 22, 2011



Grain Belt Express: State Commission Actions

- In July 2015 the Missouri Commission denied another Clean Line project, the Grain Belt Express, a certificate of convenience and necessity.
 - Kansas, Indiana and Illinois had granted the project approval.
- 




Iowa is Debating the Rock Island Project

“The Iowa House has passed a bill that would likely doom the proposed Rock Island Clean Line project, a project to build a 500-mile-long electric transmission line through Iowa, starting in O’Brien County to ship wind power generated in Iowa to Illinois. If the bill becomes law, developers of electric transmission line projects would have three years to get agreements with 75 percent of affected property owners before Iowa regulators could give developers eminent domain authority to seize the rest of the properties.”

KIWA Radio

April 6, 2016




“The bill faces an uncertain future in the Iowa Senate. Opponents say it not only would derail the \$2-billion construction project, but another \$7-billion worth of wind turbines in Iowa. The proposed Rock Island Clean Line would stretch through 16 counties and cover about 500 miles in Iowa.”

KIWA Radio

April 6, 2016



DOE's March 2016 Announcement:

- DOE will directly participate in the Plains & Eastern Line.
 - DOE issued the completed Environmental Impact Statement.
- 

DOE can directly participate in transmission projects in WAPA and SWPA






Arkansas's Congressional Delegation United in its Opposition

“Today marks a new page in an era of unprecedented executive overreach as the DOE seeks to usurp the will of Arkansans and form a partnership with a private company – the same private company previously denied rights to operate in our state by the Arkansas Public Service Commission ...”

March 25, 2016



Reactions/Questions:

- ▶ DOE prepared the project's environmental impact statement pursuant to NEPA
 - ▶ Is there a conflict between DOE's role as a transmission developer and its role as an environmental regulator?
- 



DOE Summary of Findings

March 25, 2016


Page 21:

“Therefore, the Department, acting through Western or Southwestern, need not obtain a certificate from a public utility commission for a transmission project under section 1222 before taking an action, such as construction, that if done by a private party would require a certificate under state law.”

<http://energy.gov/sites/prod/files/2016/03/f30/Summary%20of%20Findings%20Plains%20%20Eastern%20Clean%20Line%20Project%203-25-2016%20FINAL.pdf>



Who Wants the Power?

- Has any entity to the East, say in Tennessee, indicated that they want to buy the power transported on the line?
 - While there appear to be many willing wind developers, so far as I know, no parties willing to buy the power have stepped forward.
- 



And finally, about that Converter Station in Arkansas...

- Will the low-cost wind power disrupt the economics of the existing nuclear plants in Arkansas?
- Since the power would be injected from the SPP footprint, it appears the converter station would be in the MISO footprint – MISO is already struggling with lots of intermittent wind.

Opposition Groups In Arkansas





HR 3062: APPROVAL Act

Assuring Private Property Rights Over
Vast Access to Land Act – Would
Amend Section 1222:

- No eminent domain unless authorized by the Governor and PSC
- To the maximum extent possible projects must use Federal land







Kimberly Jones

Sr. Electricity Analyst

NC Utilities Commission

Chair, NARUC Staff Subcommittee on Electricity

kjones@ncuc.net

Lunch Break

Meet back at 1:00 PM Eastern

Topics in Reliability, Resilience, and Recovery: National Level Events Program Briefing by EEI

Sharon Thomas
NARUC

Christopher “Chris” Eisenbrey
Edison Electric Institute

Hon. Elizabeth B. “Lib” Fleming
South Carolina

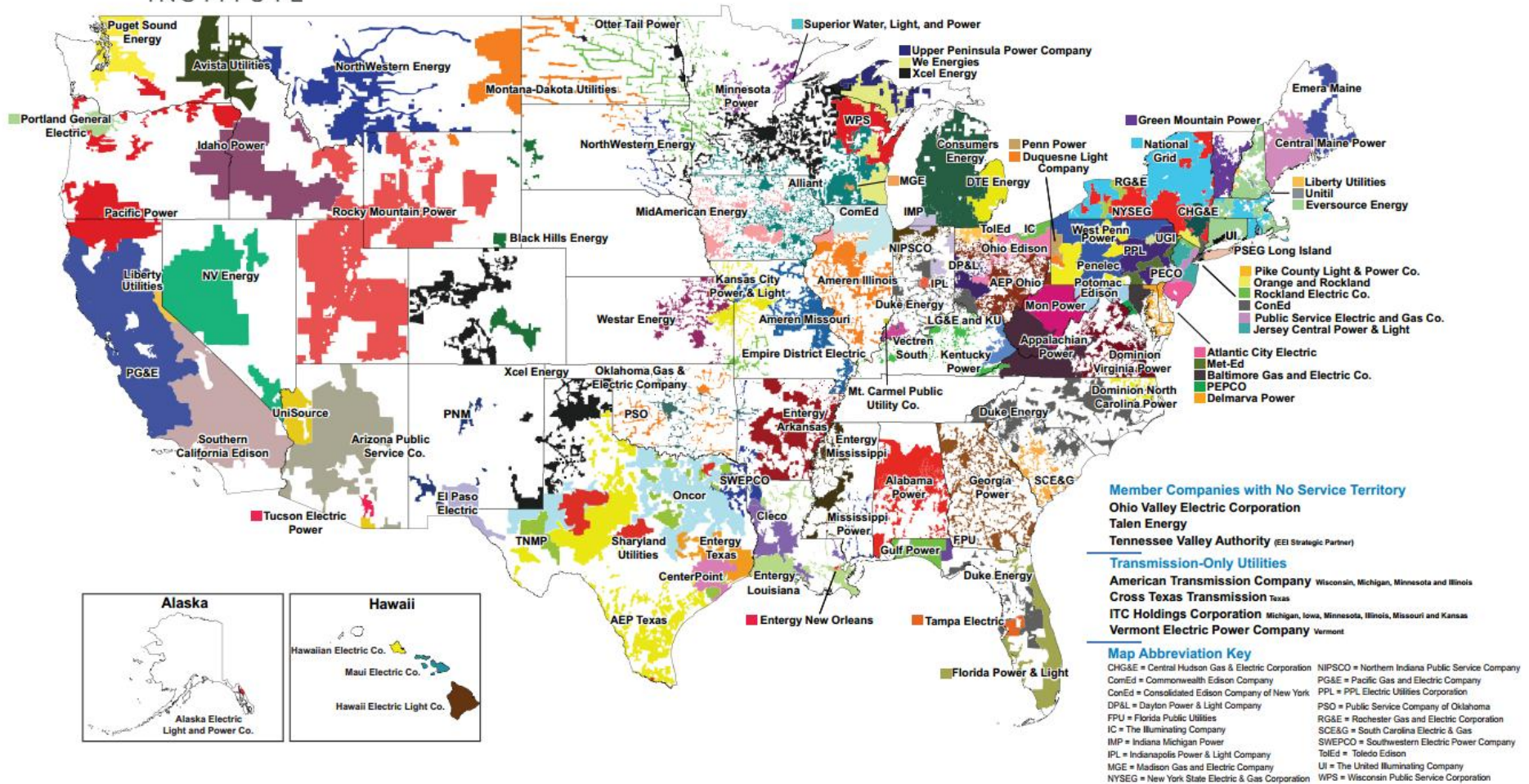


Edison Electric
INSTITUTE

Overview of the National Response Event Process

Eastern Interconnection States Planning Council &
National Council on Electricity Policy Meeting
April 26, 2016

EEI U.S. Member Company Service Territories

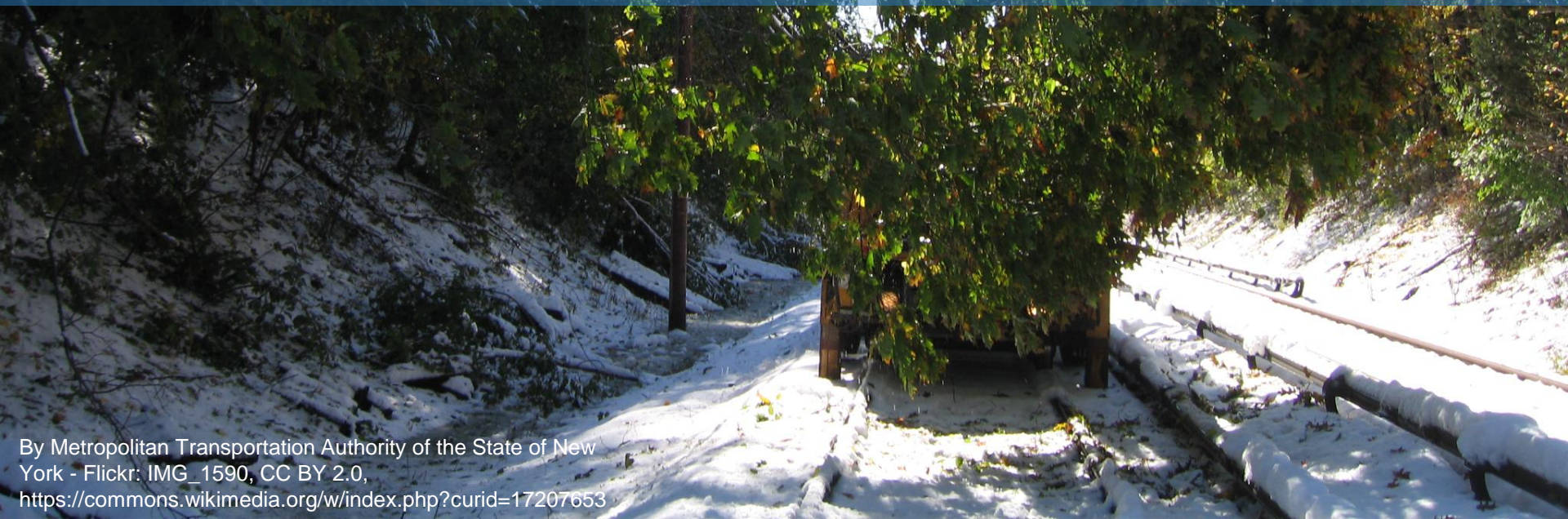


Regional Mutual Assistance Groups

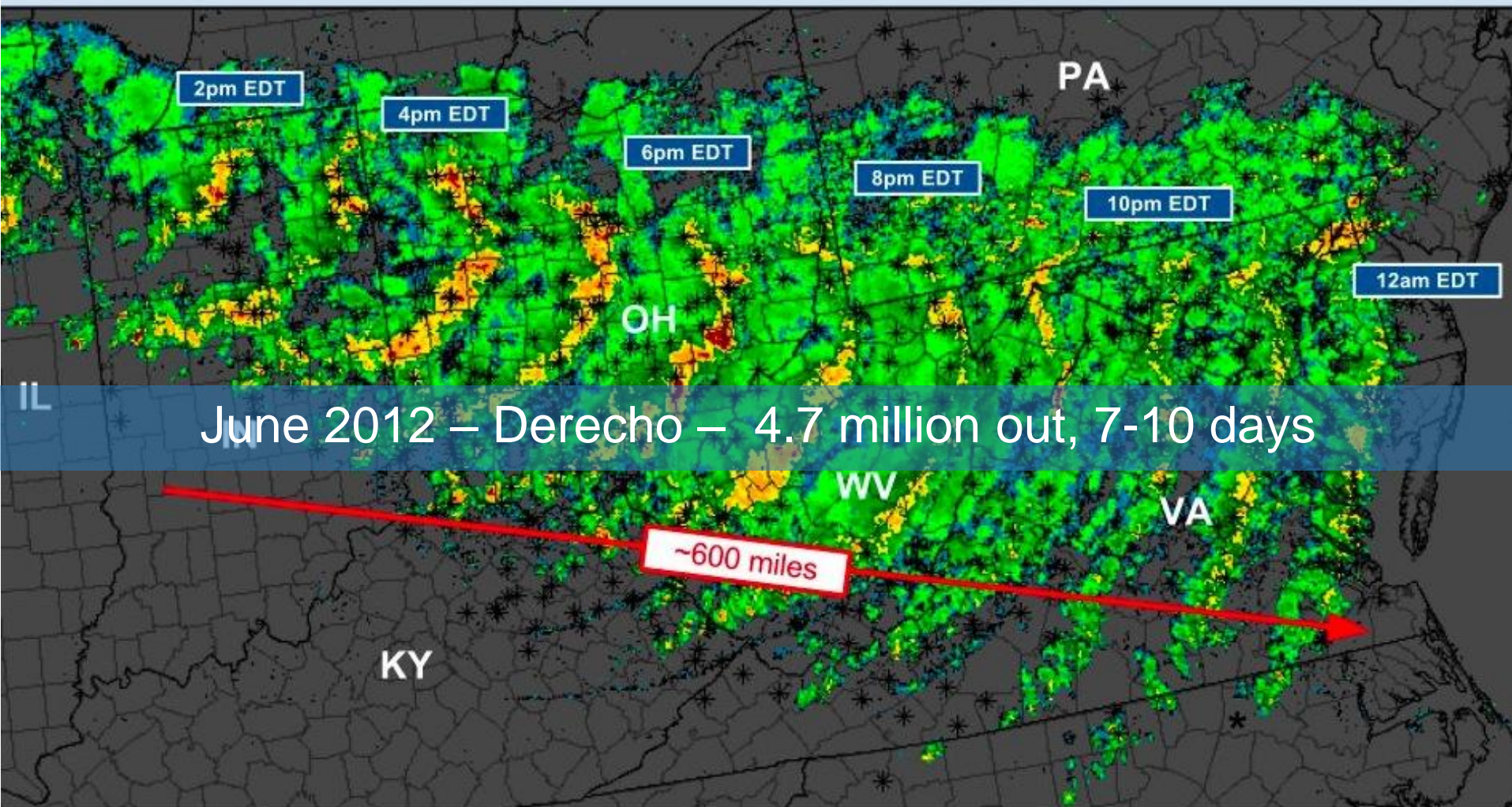




October 2011 – “Snowmeggedon” – 3 million out, 10 days

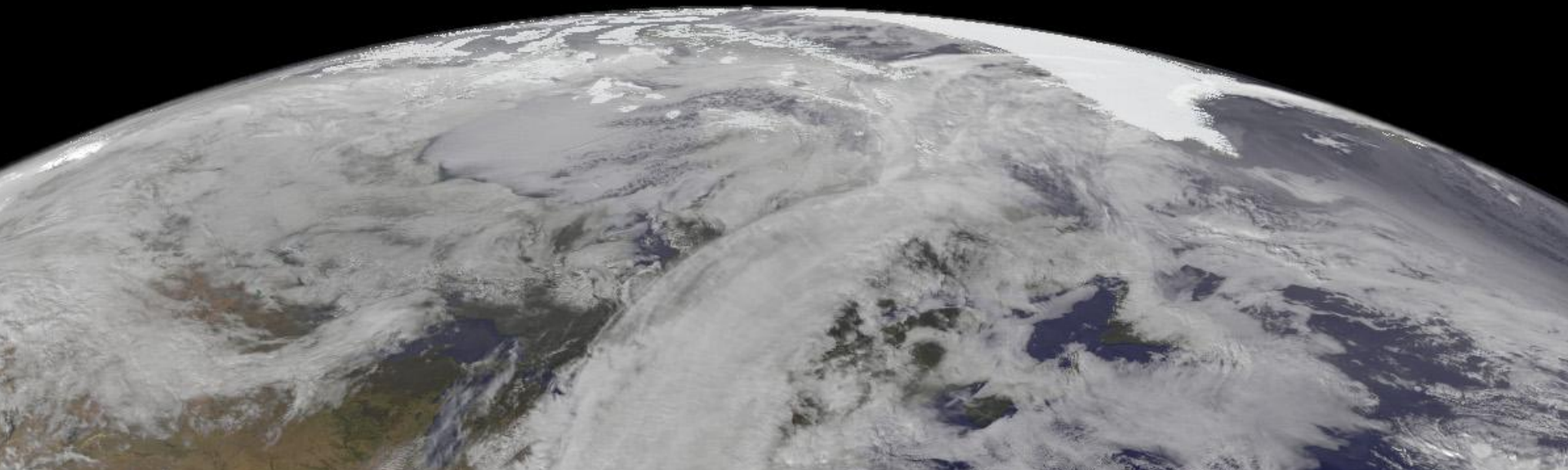


June 29, 2012 Midwest to East Coast Derecho
Radar Imagery Composite Summary 18-04 UTC
~600 miles in 10 hours / Average Speed ~60 mph



Over 500 preliminary thunderstorm wind reports indicated by *
Peak wind gusts 80-100mph. Millions w/o power.

Summary Map by G. Carbin
NWS/Storm Prediction Center



October 2012 – Superstorm Sandy – 8.2 million out , 14 days+



Observatory image by Robert Simmon with data courtesy of the NASA/NOAA GOES Project Science team.

A New Need: Respond and Coordinate on a National Level

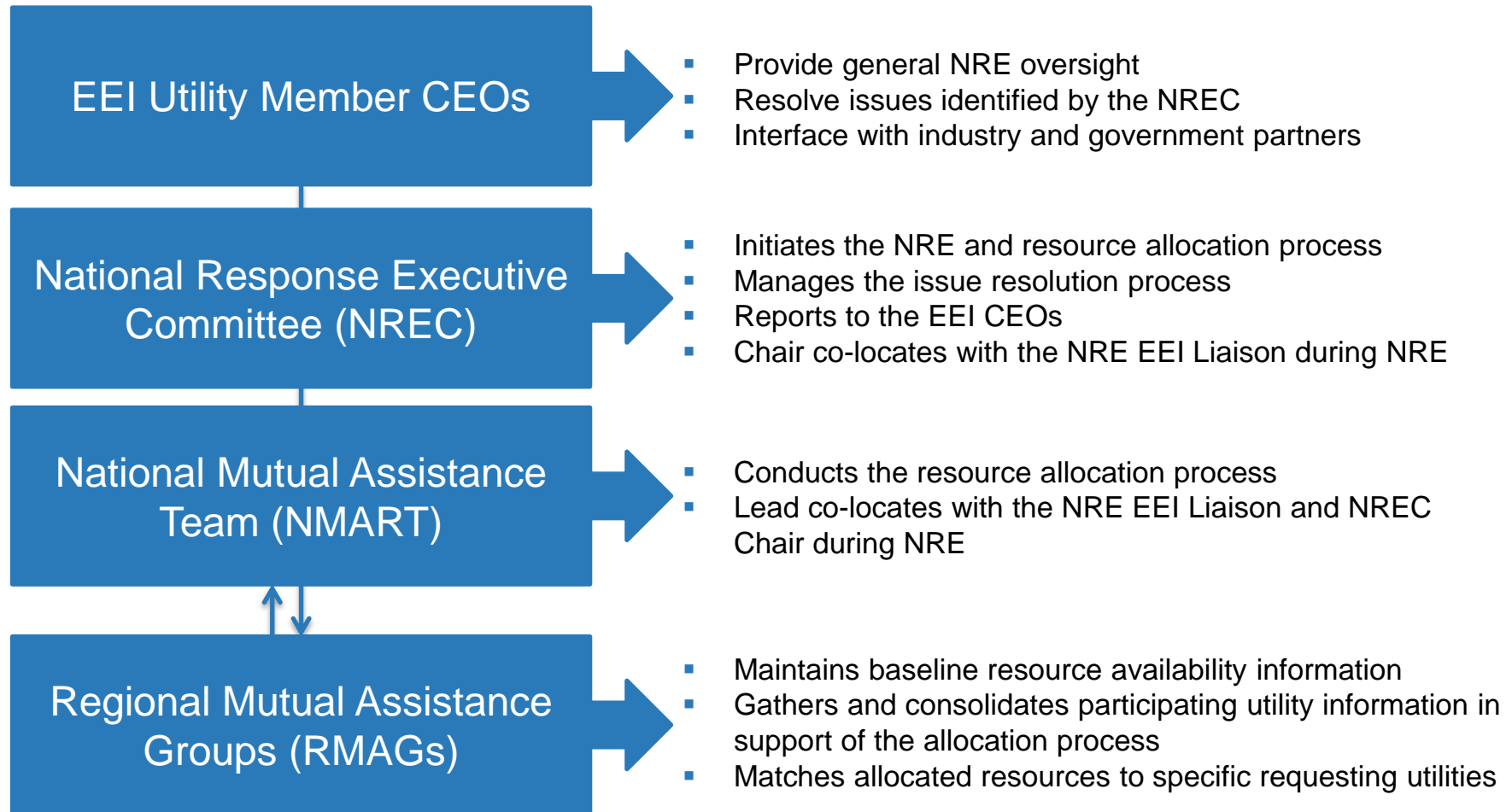
January 2013, the EEI Board meets and directs EEI to develop a new national-level mutual assistance framework

September 2013, our “National Response Event” (NRE) Framework Approved by EEI Board

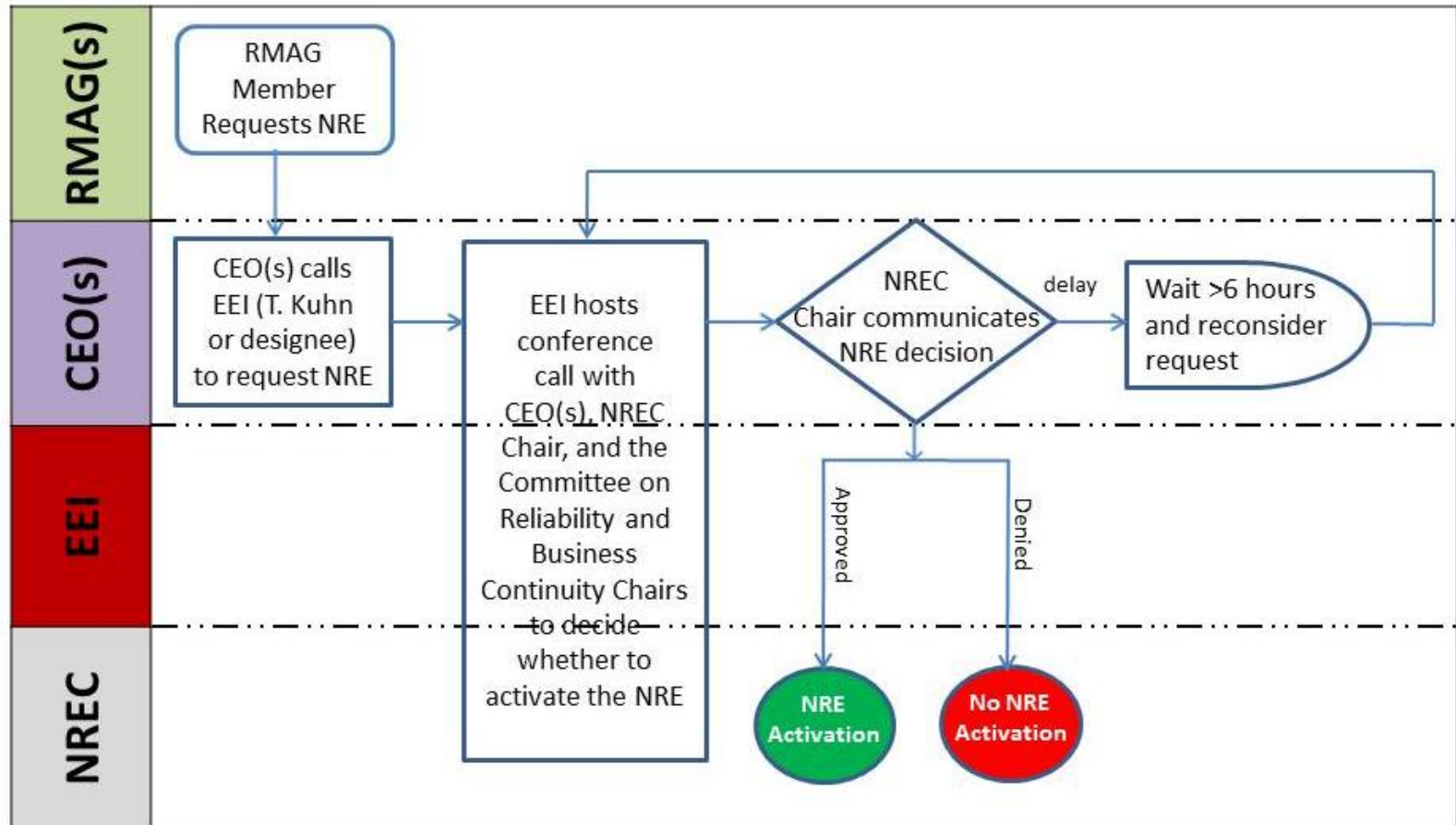
National Response Event Overview

- A NRE is an event that:
 - Is expected to or has impacted two or more RMAGs; or
 - The resource requirements are greater than what the impacted RMAGs can provide; or
 - Requires response from more than two RMAGs; or
 - There are multiple events that create a resource constraint or competition between RMAGs.
- When an NRE is activated, all available EEI member emergency restoration resources (including contractors) will be pooled and allocated to participating utilities in a safe, efficient, and equitable manner.

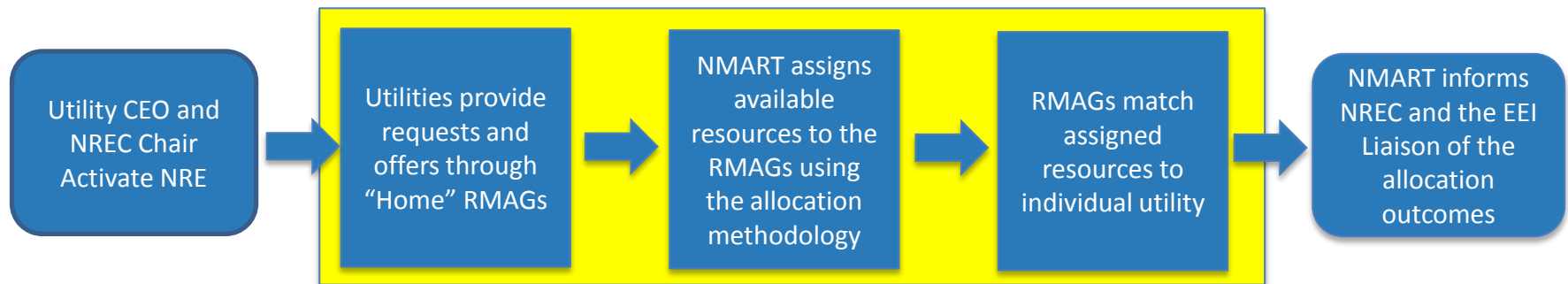
NRE Framework Structure and Functions



NRE Activation Process



NRE Resource Allocation Process



New NMART Resource Allocation Tool

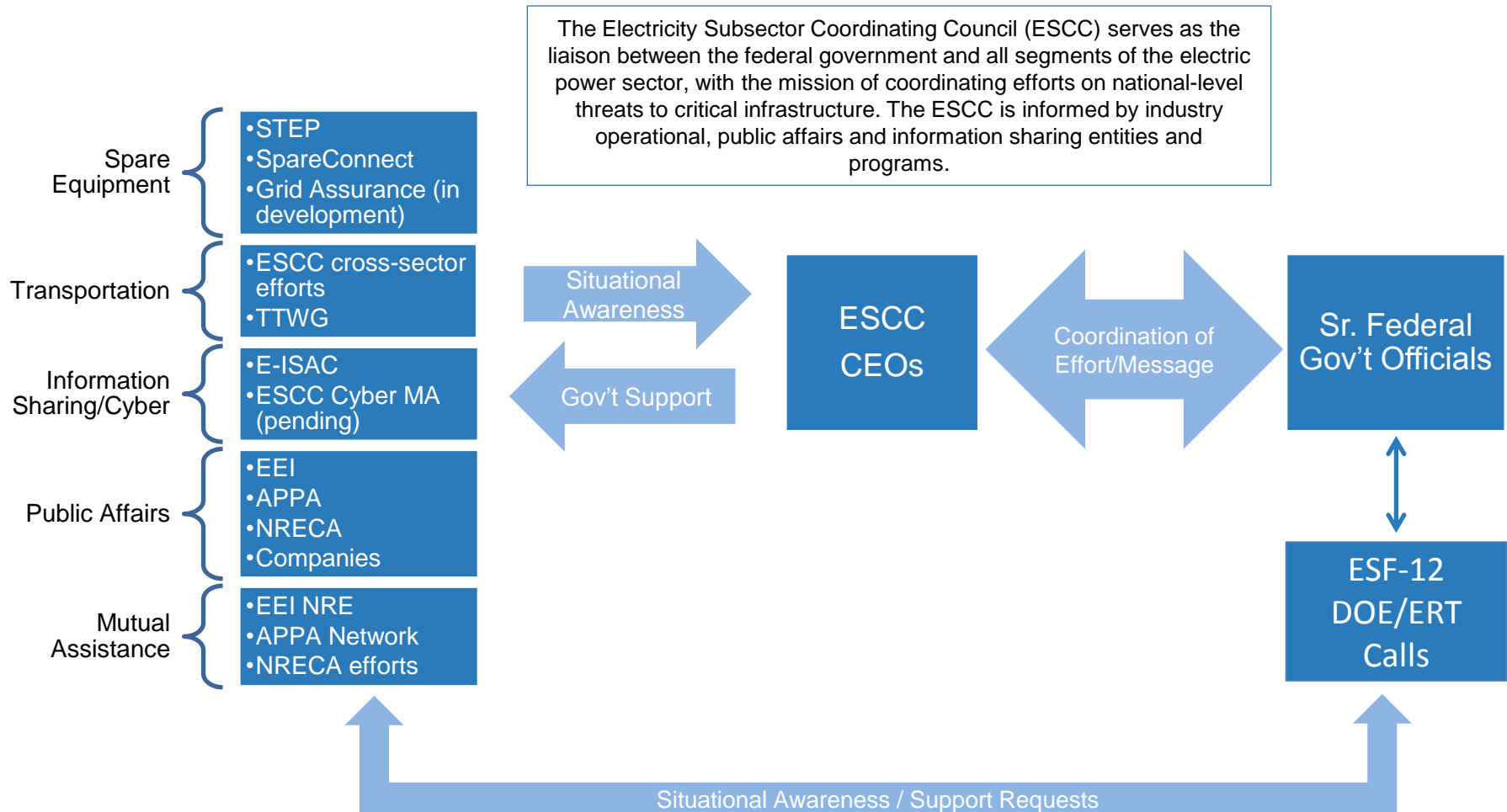


- Network-based, multi-user software application
- Support hundreds of concurrent users
- Significantly reduces the time required for data collection prior to and during calls for utility mutual assistance
- Facilitates the allocation of restoration resources, determines equitable shares of resources, matches requests with offers, produces standardized reports, and provides situational awareness
- Scalable for all incidents: RMAG → Multi-Region → NRE

NRE Exercises

<u>Date</u>	<u>Type</u>	<u>Scenario</u>	<u>Location</u>
Sep. 26-27, 2013	Tabletop	Hurricane	VA
Oct. 22-23, 2013	Functional	Hurricane	VA
Mar. 18-19, 2014	Tabletop	Hurricane	DC
May 20-21, 2014	Functional	Hurricane	DC
Aug. 19, 2014	Limited	Hurricane/Storm	DC
Mar. 10-11, 2015	Tabletop	Earthquake	OR
May 27-28, 2015	Functional	Earthquake/Derecho	TX
Mar. 30-31, 2016	Tabletop	Hurricane/Hurricane	TX
May 25-26, 2016	Functional		DC

Industry-Federal Government Crisis Management Coordination



Contact Information

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Edison Electric Institute

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(202) 508-5608

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The EEI membership also includes dozens of international electric company Affiliates, and hundreds of Associate organizations.

Since 1933, EEI has provided public policy leadership, strategic business intelligence, and essential conferences and forums for the energy industry.

For more information, visit our Web site at www.eei.org.



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Simultaneity Wrap-Up