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
State Clean Air Act Deadlines, 2016 - 2021

- **2016**
  - December 2015 Infrastructure Transport SIP Due
  - January 2016 Letter Identifying Air Source Due
  - April 2016 Designation Modification Info Due
  - October 2016 Moderate Attainment Plans and Demonstrations Due
- **2017**
  - July 2016 Initial State Plan or Extension Request Due
  - November 2016 SIP Revisions Due
  - June 2017 Description of Air Quality Approach Due
  - September 2017 Progress Update for States with Extensions
  - December 2017 Comprehensive Planning SIP Due
- **2018**
  - January 2018 Analysis of Modeled Sources Due
  - October 2018 Infrastructure and Transport SIP Revision Due
  - September 2018 Final State Plan Due for States with Extensions
  - July 2018 Moderate Area Attainment Due
  - October 2018 Emissions Inventory SIP Revision Due
- **2019**
  - April 2019 SIP Due
  - March 2020 Quality Assured Data Due
  - July 2019 Potential New Comprehensive Planning SIP Due Date
- **2020**
  - 2020-2021 Attainment Plans Due
- **2021**
  - July 2021 Milestone Status Report

*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.”*
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 720 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 the 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 this 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. Sue Ling Chiang (Data)
Documentation available in file
September 2003
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

<table>
<thead>
<tr>
<th>Year</th>
<th>No. Sales</th>
<th>Acres Leased</th>
<th>Tons Leased</th>
<th>Bonus Bid</th>
<th>Bonus Bid $/Ton</th>
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<td>3</td>
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<td>Total</td>
<td>39</td>
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<td>$3,626,492,690</td>
<td>$0.859</td>
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<td>Av./Year</td>
<td>4</td>
<td>7,436</td>
<td>422,355,147</td>
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Federal Coal Tons Leased and Mined
2005 - 2014

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</table>
Federal Coal Bonus Bids and Royalty Collected
2005 - 2014

Year

2005
2006
2007
2008
2009
2010
2011
2012
2013
2014

Bonus Bid

$814,207,23
$3,526,650
$39,021,420
$456,650,51
$48,650,024
$16,000
$701,100,19
$1,551,743,
$8,690,000
$2,887,200

Royalty Collected

$457,494,47
$508,130,98
$561,549,25
$673,981,24
$693,890,50
$742,693,85
$774,117,05
$799,306,82
$697,439,02
$699,641,72
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

Application & Review  →  NEPA & Fair Market Value  →  Lease Sale

Lease Sale

Issue Lease  ←  Post Bond

Sale Review

Mine permitting (OSM/states)  ←  Mining
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?
  - 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

<table>
<thead>
<tr>
<th><strong>State</strong></th>
<th><strong>Mine</strong></th>
<th><strong>Application Type</strong></th>
<th><strong>Acres</strong></th>
<th><strong>Tons (Millions)</strong></th>
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<td>0.67</td>
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<tr>
<td>CO</td>
<td>Foidel Creek</td>
<td>LMA</td>
<td>310</td>
<td>0.34</td>
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<tr>
<td>CO</td>
<td>Colowyo</td>
<td>LMA</td>
<td>28</td>
<td>0</td>
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<tr>
<td>CO</td>
<td>West Elk</td>
<td>LMAs</td>
<td>800 &amp; 921</td>
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<tr>
<td>ND</td>
<td>Falkirk Mine</td>
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<td>ND</td>
<td>Center Mine</td>
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<tr>
<td>MT</td>
<td>Rosebud</td>
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## Projects Potentially Subject to the Temporary Pause

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<th>Acres</th>
<th>Tons (Millions)</th>
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<td>Surface</td>
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Continued...
# Projects Potentially Subject to the Temporary Pause

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<th>Application Type</th>
<th>Acres</th>
<th>Tons (Millions)</th>
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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:

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?
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.”

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

ARKANSAS CITIZENS AGAINST CLEAN LINE ENERGY
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
Overview of the National Response Event Process

Eastern Interconnection States Planning Council &
National Council on Electricity Policy Meeting
April 26, 2016
Tradition: A Regional Approach to Mutual Assistance
October 2011 – “Snowmeggeddon” – 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

June 2012 – Derecho – 4.7 million out, 7-10 days

Over 500 preliminary thunderstorm wind reports indicated by *
Peak wind gusts 80-100mph. Millions w/o power.
October 2012 – Superstorm Sandy – 8.2 million out, 14 days+
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

- **EEI Utility Member CEOs**
  - Provide general NRE oversight
  - Resolve issues identified by the NREC
  - Interface with industry and government partners

- **National Response Executive Committee (NREC)**
  - Initiates the NRE and resource allocation process
  - Manages the issue resolution process
  - Reports to the EEI CEOs
  - Chair co-locates with the NRE EEI Liaison during NRE

- **National Mutual Assistance Team (NMART)**
  - Conducts the resource allocation process
  - Lead co-locates with the NRE EEI Liaison and NREC Chair during NRE

- **Regional Mutual Assistance Groups (RMAGs)**
  - Maintains baseline resource availability information
  - Gathers and consolidates participating utility information in support of the allocation process
  - Matches allocated resources to specific requesting utilities
NRE Activation Process

RMAG(s)
- RMAG Member
  Requests NRE

CEO(s)
- CEO(s) calls
  EEI (T. Kuhn
  or designee)
  to request NRE

EEI
- EEI hosts
  conference
  call with
  CEO(s), NREC
  Chair, and the
  Committee on
  Reliability and
  Business
  Continuity Chairs
  to decide
  whether to
  activate the NRE

NREC
- NREC
  Chair communicates
  NRE decision
  delay
  Wait >6 hours
  and reconsider
  request

- Approve
- Deny

NRE Activation
No NRE Activation
NRE Resource Allocation Process

Utility CEO and NREC Chair Activate NRE

Utilities provide requests and offers through “Home” RMAGs

NMART assigns available resources to the RMAGs using the allocation methodology

RMAGs match assigned resources to individual utility

NMART informs NREC and the EEI Liaison of the allocation outcomes
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

<table>
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<tr>
<th>Date</th>
<th>Type</th>
<th>Scenario</th>
<th>Location</th>
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<tbody>
<tr>
<td>Sep. 26-27, 2013</td>
<td>Tabletop</td>
<td>Hurricane</td>
<td>VA</td>
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<tr>
<td>Oct. 22-23, 2013</td>
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<td>Hurricane</td>
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<td>Mar. 18-19, 2014</td>
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<td>Hurricane</td>
<td>DC</td>
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<td>DC</td>
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<td>Aug. 19, 2014</td>
<td>Limited</td>
<td>Hurricane/Storm</td>
<td>DC</td>
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<tr>
<td>Mar. 10-11, 2015</td>
<td>Tabletop</td>
<td>Earthquake</td>
<td>OR</td>
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<td>Functional</td>
<td>Earthquake/Derecho</td>
<td>TX</td>
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<tr>
<td>Mar. 30-31, 2016</td>
<td>Tabletop</td>
<td>Hurricane/Hurricane</td>
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<tr>
<td>May 25-26, 2016</td>
<td>Functional</td>
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The Electricity Subsector Coordinating Council (ESCC) serves as the liaison between the federal government and all segments of the electric power sector, with the mission of coordinating efforts on national-level threats to critical infrastructure. The ESCC is informed by industry operational, public affairs and information sharing entities and programs.
Contact Information

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The Edison Electric Institute (EEI) is the association that represents the U.S. investor-owned electric industry. Our members provide electricity for 220 million Americans, operate in all 50 states and the District of Columbia, and directly employ more than 500,000 workers. Reliable, affordable, and sustainable electricity powers the economy and enhances the lives of all Americans.

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.
Simultaneity Wrap-Up