

Introduction

NRG submits these comments in response to the Entergy 2014-2018 Construction Plan as well as the MISO ICT Base Plan 2014-2018. Throughout the stakeholder process, NRG has raised concerns with the development of both the construction and the Base Plan. While NRG respects the work that MISO has done to quickly educate itself on the Entergy transmission footprint, NRG (i) has identified certain inconsistencies in the planning process (ii) has concerns about the Base Plan's failure to address, and the construction plan delays addressing, a top congested flowgate in MISO South, and (iii) has been unable to secure answers to certain data requests.

The Entergy stakeholders as well as the Entergy Regional State Committee are very familiar with the problems associated with the Nelson Flowgate located in Louisiana. While consistently ranking as one of the top congested flowgates for TLRs, the MISO South integration has also identified the Nelson Flowgate repeatedly as a significant risk for congestion costs. Yet, Entergy fails to address the problem in its construction plan until 2017 and MISO fails to address it at all in the Base Plan.

Modeling Issues

NRG has identified the following issues in the planning process:

1. The dispatch of critical Entergy owned generation is highly inconsistent between the models posted by MISO to support the Base Plan and Entergy's seasonal planning models, showing differences by as much as 90% between the two models over the same time period for the same plants that impact this Flowgate. The results of the Base Plan largely depend on how generation is dispatched in the base case. MISO should develop a specific methodology for setting the base case dispatch.
2. The dispatch assumed for certain generation is inconsistent with the historic dispatch of those units. Units which run very little and produce little counterflow in real time are shown as running at full load in the models, and units which often run long hours at low loads (thereby being available for redispatch) are completely offline. The result is that

some upgrades such as Nelson Auto get delayed or masked, and others (such as the Willow Glen auto) get accelerated.

3. Specific review needs to be done on the Willow Glen auto project. The dispatch of the key unit is critical for each project identified in the Base Plan. Entergy took the opposite approach for this upgrade and submitted generation amounts that make this upgrade more constrained by taking the Willow Glen units offline in the base case. It is interesting to note that all of the generation at Willow Glen (which is counterflow to the upgrade) is offline (as compared to generating in excess of 500 MW in the AFC model for the same period), which makes it presumably ineligible for redispatch. Yet, when comparing dispatch at Nelson, Entergy has submitted a dispatch that at times is 1,200 MW higher than what Entergy provides to the AFC model for transmission service. To an outsider, it looks like Entergy is modifying its base generation to be able to determine that the upgrades it wants built will be included in the Base Plan. Additional concern is raised by the inconsistent use of planning criteria in the Willow Glen location to accelerate a need in an area that has not shown repeated congestion problems, yet has been identified as the potential location of new large load for Entergy. The development of the base dispatch of Entergy generation should be reviewed.
4. Entergy's use, and MISO's allowance of the use of redispatch, as a viable alternative to the physical upgrade for the Nelson Flowgate is of significant concern. Historical experience has shown that such a redispatch capability largely exists on paper only. A review of the TLR 5 Event Analysis reports for the numerous TLR5 events associated with this Flowgate identified the lack of redispatch options by the Entergy Shift Supervisor for the System Operations Center when asked by the then-Reliability Coordinator, SPP, for Redispatch options to resolve the TLR. Thus, actual operational data show that redispatch options are regularly unavailable.
5. Requests for the redispatch criteria to be made available have been unanswered making it impossible to review and validate the planning assumptions. Again, the criteria under which Entergy is allowed to use redispatch to mitigate overloads in lieu of upgrades has not been presented nor discussed with stakeholders. Furthermore, the extent of redispatch used by Entergy to avoid building upgrades is unknown. This raises serious

NRG Comments to MISO on ICT Base Plan 2014 – 2018

concerns about the transparency of the ICT planning process that we will ask MISO to address in a public forum.

6. It is unclear as to whether or not MISO applied the redispatch criteria to all flowgates in the Base Plan, or just certain flowgates to delay or eliminate physical upgrades.

Economic Impact to the Rate Payers

MISO identified the Nelson Auto Flowgate as the preliminary top congested flowgate candidate in their presentation made at the August 13, 2013 Entergy Regional States Committee (E RSC) Meeting. The E RSC then requested that MISO perform further studies on the Nelson Auto Flowgate for inclusion in the 2014-2018 ICT Base Plan.

According to MISO and Entergy, the cost of a second Nelson Auto ranges from \$10 to \$25 million, yet MISO's hourly LMP analysis shows that the cost of congestion related to this Flowgate to be range from a minimum of \$26 million to as much as **\$82 million annually**, as presented at the August 29, 2013 MISO South Market Efficiency Planning Study Workshop.

The Nelson Auto Flowgate also showed up as a limit for N-1/G-1 conditions in previous MISO analysis, presented by MISO in the first Southern Planning Meeting. As such, under N-1/G-1 conditions, the Nelson Auto Flowgate falls into the category of a reliability project. Since MISO published the ICT Base Plan on August 21st, MISO has acknowledged to NRG that they saw some overloads on the Nelson transformer under N-1/G-1 contingencies when Nelson 4 is not dispatched (Entergy uses N-1/G-1 contingencies to identify reliability upgrades for inclusion in its Construction Plan). Yet, the Nelson project is not in the Base Plan because Entergy has provided a paper dispatch which shows it can "redispatch" around this constraint. As noted above, NRG believes that the planning process used calls into the question the validity of the use of redispatch as a viable option

Procedural Delay

NRG has asked MISO the following questions:¹

¹ Roberto Paliza. (Personal Communication, Aug 23, 2013)

1. At the Planning Summit, MISO took an action item to evaluate historical dispatch of Nelson 4 unit and accordingly, use a realistic dispatch for this unit in the ICT Reliability Assessment (RA). Did MISO complete this action item? Is this the reason why Nelson 4 was set off-line in the RA?
2. What is the Entergy redispatch criteria? Could you post or send documentation on this criteria?
3. Can you share the specific redispatch solution that MISO found to mitigate the Nelson Auto Flowgate overloads?
4. Typically, redispatch solutions are heavily dependent on the Base Case conditions in the power flow model used in the analysis.
 - a. Could you send or post the Base power flow model used in the analysis (pre-redispatch condition)?
 - b. Could you send or post the power flow model with the redispatch used to mitigate Nelson Auto Flowgate overload (post-redispatch condition)?
5. Is the Entergy re-dispatch criteria consistent with the MISO Reliability re-dispatch criteria? Please identify the differences.
6. Was Entergy redispatch tested as potential mitigation for other constraints (in addition to Nelson Auto Flowgate) in lieu of including upgrades in the Base Plan?

MISO planning staff asked if NRG's questions could be posted to the Entergy OASIS and used in a presentation as part of the next Transmission Planning Summit, on September 11th. This is normal process for MISO in that they post all comments received along with responses to the comments. Additionally, MISO scheduled a teleconference with NRG to go over their processes when they receive comments or data requests. However, MISO has not yet provided responses to NRG's concerns. The very short deadline for stakeholders to comment on the Base Plan does not provide sufficient time for MISO to wait and post and then have stakeholders comment. This limited comment time was discussed at the August ERSC meeting where MISO assured the Commissioners and stakeholders that sufficient time and information would be provided to properly comment. NRG does not believe that stakeholders have been provided the proper information or time to sufficiently comment on the Base Plan.

Conclusion

NRG believes that the latest version of the ICT Base Plan continues the status quo of favoring Entergy at the expense of the stakeholders. Unlike previous Base Plan releases, this Base Plan will be one of the primary foundation stones for many of the elements associated with the MISO Day 2 market for which the Entergy region is going to join in December. As such, NRG has grave concerns with the information it has to date that points to significant flaws of the planning process. NRG believes that nothing highlights this failure more than the lack of inclusion of the Nelson Autotransformer in the Base Plan.

Before concluding, NRG would like to point to the deposition of Mr. Rick Riley (Entergy) in Louisiana PSC Docket No. U-32538 from June 21, 2013, Mr. Riley responded to Mr. Paul Zimmering's line of questioning about planning for projects:

“A good third of our TLRs that we call on the system are due to the Nelson autotransformer. Nelson is in Lake Charles. You could fix that if you put another autotransformer there. And the reason why we have TLRs on that, under our planning models, no problems every show up because we look at long-term service from network resources to network close and also long-term firm point to point service to plan our long-term outage. Well, then when you get closer to the real time, people say: Oh, it's cheaper to buy from this IPP or this person, so they transact in a weekly to daily, the hourly market and so the flows are different. And when the flows are different, we have to redispatch because we'll overload something in this case, the Nelson auto.”²

In response to a question about the cost to remedy the problem at the Nelson autotransformer, Mr. Riley estimated it would be “less than 10 million.”³

² Riley Dep. 85:16-86:9, June 21, 2013.

³ Riley Dep. 90:1, June 21, 2013.

