

Before the Illinois Pollution Control Board
August 24,2000

Testimony by
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Mid-America Interconnected Network, Inc. (MAIN)

IN THE MATTER OF:)
)
NATURAL GAS-FIRED, PEAK LOAD) R01-10
ELECTRICAL POWER GENERATING)
FACILITIES (PEAKER PLANTS))

My name is Richard A. Bulley and I am Executive Director of Mid-America Interconnected Network, Inc. (MAIN). I have held this position for 8 years and I have spent over 40 years in the electric utility industry mostly in power systems planning and operations. I have a BSEE degree from Illinois Institute of Technology.

MAIN is one of ten regional reliability councils which comprise the North American Electric Reliability Council (NERC). Collectively they coordinate the planning and operation of the North American bulk electric system (generation and high voltage transmission). MAIN covers Illinois, Eastern Wisconsin, Eastern Missouri, Eastern Iowa, and a portion of Minnesota. MAIN was established in 1964 and NERC was established in 1968.

Illinois or even MAIN cannot be evaluated individually because they are all part of an interconnected system of transmission and generation which stretches from the Rocky Mountains to the Atlantic Ocean. For this reason, NERC and its ten reliability councils work together to develop standards for the planning and operation of the North American electric system.

One area of this activity is evaluation of resource adequacy. MAIN performs detailed annual studies to determine the amount of reserve required to meet a one-day-in-ten-years loss of load probability criterion which is a widely used standard in the industry. For the past several years, the minimum standard reserve requirement in MAIN using this method is in the 17 to 20 percent range. Based on these studies the MAIN board of directors has approved 17 to 20 percent as the minimum reserve requirement for MAIN as a whole. MAIN then compiles a summary of projected loads and capacity from its members. From this the reserves are calculated and compared against the standard.

The industry has come to depend upon IPP's to meet electrical needs. For the summer of 2000, MAIN's projected reserve margin was 18 percent. If there had been no IPP's that margin would have been only 7.4 percent.

Given today's capacity including existing IPP's but excluding IPP's which are planned for the future, projected reserve margins for the years 2001, 2002, and 2003 would be 13 percent, 11 percent, and 10 percent respectively. These values are substantially below the 17 percent minimum requirement.