

Announcement

ITCS Part 1 Reveals Wide Range of Transfer Capabilities; Provides Critical Input to Recommended Prudent Additions August 27, 2024

WASHINGTON, D.C. - Today, NERC published the second in a series of three draft documents that will be merged into the final Interregional Transfer Capability Study (ITCS), which is being produced in response to the congressional directive in the Fiscal Responsibility Act of 2023. The study will be filed with the Federal Energy Regulatory Commission (FERC) by December 2, 2024, and will be followed by a FERC public comment period.

The Transfer Capability Analysis (Part 1) provides current total transfer capability analysis between pairs of neighboring Transmission Planning Regions in North America. The analysis focuses on 2024 Summer and 2024/25 Winter conditions and will provide critical input to Part 2 of the ITCS, which will recommend technically prudent additions to transfer capability between neighboring areas.

As NERC's primary focus is reliability, the ITCS is focused on potential energy deficits under extreme conditions and technically prudent additions to transfer capability that strengthen reliability.

Adequate transfer capability is fundamental to the operation of the bulk power system for meeting reliability, economic and policy objectives. The primary goal of the ITCS is to identify locations where increased transfer capability would strengthen grid reliability under extreme conditions.

Key observations discussed in Part 1 include:

- Transfer capability varies seasonally and under different system conditions that limit transmission loading — it cannot be represented by a single number.
- Transfer capability varies widely across North America, with total import capability varying between 1% and 92% of peak load.



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- Observed transfer capabilities are generally higher in the West Coast, Great Lakes and Mid-Atlantic
 areas, but relatively lower in the Mountain states, Great Plains, Southeast and Northeast. There is
 limited transfer capability between Interconnections.
- The magnitude of transfer capability is not itself a measure of energy adequacy. This will be evaluated in Part 2 of the study, which will recommend prudent additions, where needed, based on a holistic view of transmission and resource availability.

The results from the Part 1 analysis will be applied to Part 2, which will evaluate the adequacy of total transfer capability based on the future resource mix and 12 weather years. Part 2 will also identify and recommend technically prudent additions to transfer capability between neighboring areas. Part 3 will make recommendations to meet and maintain transfer capability and provide several practical approaches covering multiple time horizons. A fourth document, a study of transfer capabilities from the United States to Canada and between Canadian provinces, will be published in the first quarter of 2025.

The ITCS is being conducted in consultation with NERC's six Regional Entities and each transmitting utility across North America, and includes significant collaboration with Transmission Planners, Planning Coordinators, Transmission Operators, Transmission Owners, state/provincial/federal partners, utilities and trade groups. To ensure diverse expertise from across North America's regional transmission areas, an Advisory Group was established to provide input on study design and execution, recommendations and the draft reports.

More information about the *Transfer Capability Analysis (Part 1)* is available <u>HERE</u> and on the <u>ITCS Project</u> <u>page</u>.

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Electricity is a key component of the fabric of modern society and NERC, as the Electric Reliability Organization, serves to strengthen that fabric. The vision for the ERO Enterprise, which is comprised of NERC and the six Regional Entities, is a highly reliable and secure North American bulk power system. Our mission is to assure the effective and efficient reduction of risks to the reliability and security of the grid.