

The Consumer Energy Council of America

Keeping the Power Flowing

*A Report by the
CECA*

Transmission Infrastructure Forum

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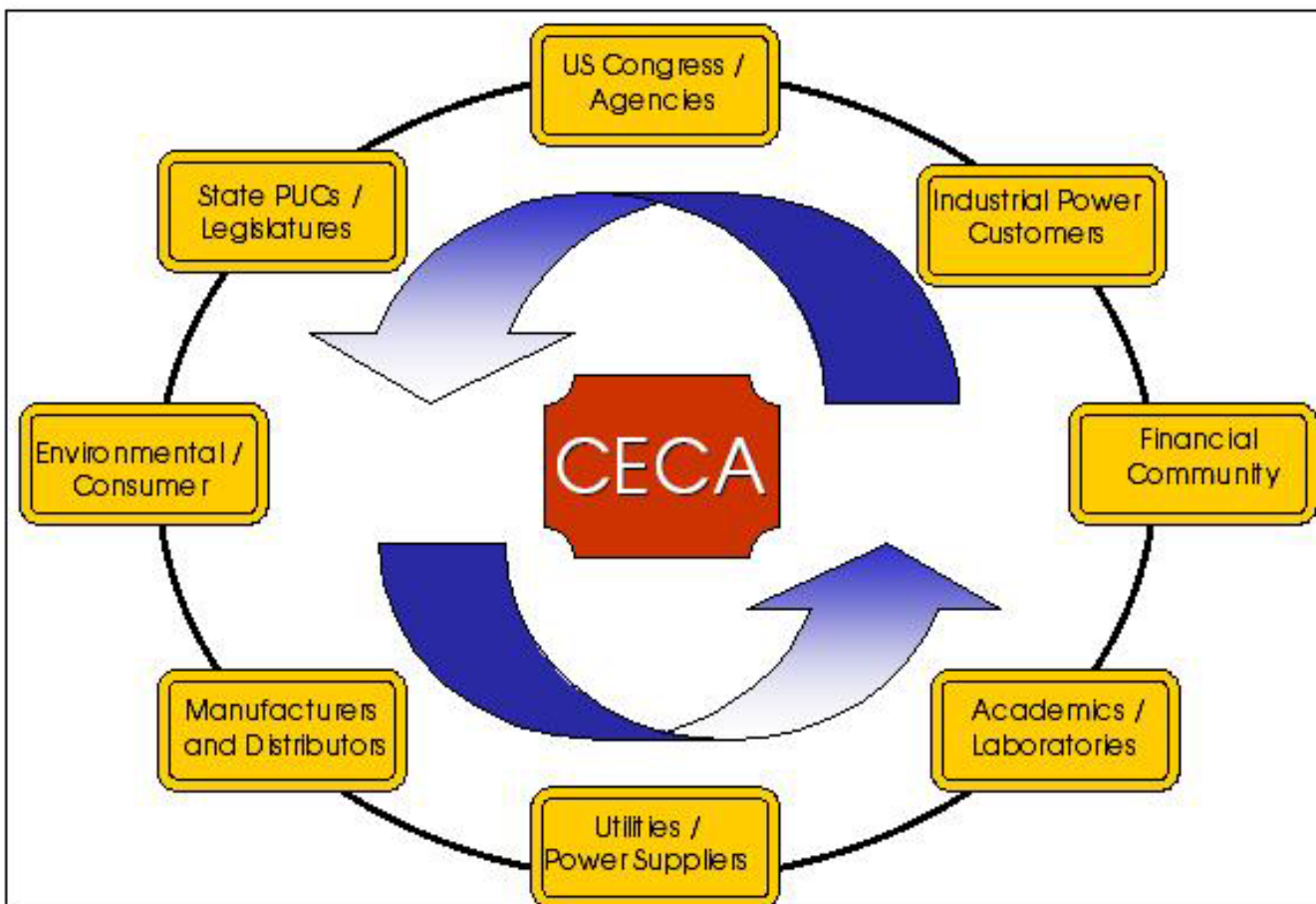
Consumer Energy Council of America

Who CECA is:

- Public policy research organization that serves as a bridge between consumers, industry, government, and public interest groups
- Builds consensus on energy policies, focusing on bottom-line costs and benefits to consumers
- Recommends consensus-based policy options
- Develops resource tools for policymakers



CECA as Consensus-BUILDER



The Need for a Transmission Infrastructure Forum

- U.S. transmission system is the backbone of the economy
- Challenges are immediate and consequential
- To keep the power flowing reliably, a broad spectrum of actions by government and industry is needed
- *Consumers have a stake in decisions*

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Transmission Infrastructure Forum

- Launched in November 2003/met during 2004/released report in January 2005
- 70 participants from all stakeholder viewpoints
- **13 NARUC Members participated**
- Provided 30 consensus-based recommendations for Congress, the Administration, State regulators, and the electric industry

A Broad Call to Action



Congress



FERC



Department
of Energy



States/Regions



Industry



✓ = in Energy Legislation

CECA Call for FERC Action

FERC Should:

- Require state and regional plans to include consumer input
- Work with states on cost issues
- ✓ Encourage effective regional entities
- ✓ Encourage regional & cross-border transmission planning
- ✓ Support advanced technologies



CECA Call for Congressional Action

On Jurisdiction and Roles, Congress Should:

- ✓ Clarify roles of FERC and States
- ✓ Direct Federal land managers to simplify siting on Federal lands
- Recognize roles may vary across regions



CECA Call for Congressional Action

On Reliability, Congress Should:

- ✓ Pass mandatory reliability standards in comprehensive or stand-alone legislation this year
- ✓ Establish Electric Reliability Organization (ERO) with enforcement abilities and FERC oversight
- ✓ Fund ERO by all users of bulk power system

CECA Call for Congressional Action

On Transmission Technologies, Congress Should:

- ✓ Authorize multi-year funding for R&D
- ✓ Clarify tax policies that address investment in transmission and energy technologies
- ✓ Support “non-wires” technologies

Transmission Infrastructure Forum

Major Recommendations

for the Energy Policy Act of 2005

Subject	CECA Recommendation	Legislation
Reliability Standards	<ul style="list-style-type: none"> • Establish mandatory reliability standards that apply to all of North America and establish an Electric Reliability Organization (ERO) with enforcement abilities and FERC oversight 	<ul style="list-style-type: none"> • Included in Conference Committee
Transmission Infrastructure Modernization	<ul style="list-style-type: none"> • Streamline siting on Federal lands • Fund advanced transmission technologies • Mandate DOE to conduct a National Power Survey to assess national transmission needs 	<ul style="list-style-type: none"> • Included in Conference Committee • Included in Conference Committee • Conference Committee mandates Survey on transmission congestion.
Transmission Operation Improvements	<ul style="list-style-type: none"> • Coordinate regional, interregional and cross-border transmission planning by encouraging effective regional entities • Require plans to include meaningful consumer input, including ensuring adequate funding of state consumer advocate offices 	<ul style="list-style-type: none"> • Conference Committee does not mandate membership in RTOs The CECA forum did not support mandated RTOs. • Conference Committee does not discuss consumer input into transmission plans or funding of state consumer advocate offices.
Transmission Rate Reform	<ul style="list-style-type: none"> • Establish cost recovery policies based on durable regulatory framework that provide reasonable <i>opportunity</i> to recover prudently incurred costs • Do not mandate a specific cost allocation policy, recognizing regional differences 	<ul style="list-style-type: none"> • Included in Conference Committee • Conference Committee authorizes FERC to allow participant funding

CECA Call for State and Regional Action

States/Regions Should:

- Create more opportunities for consumer input
- Establish default cost-recovery and cost-allocation procedures
- Determine if performance-based regulatory incentives are appropriate
- Regulators should participate in early-stage regional transmission planning to avoid problems at back end



CECA Call for DOE Action

DOE Should:

- Facilitate consumer understanding on issues
- Seek industry input into R&D decisions
- Clarify, expedite, and coordinate national security planning
- ✓ Streamline process for siting on Federal Lands
- ✓ Conduct National Power Survey



CECA Call for Electric Power Industry Action

Industry Should:

- Take leadership on consumer education
- Adhere to operational best practices
- **Incorporate “non-wires” options in transmission planning**
- Ensure consumers understand the impact of other factors:
 - Fuel price/availability
 - Generation retirements/additions
 - Environmental impacts
- Keep focus on transmission infrastructure improvements



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Transmission Infrastructure Forum

Keeping the Power Flowing: Ensuring a Strong Transmission System to Support Consumer Needs for Cost-Effectiveness, Security and Reliability

To Order Copies:

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