

National Assn of Regulatory Utility
Commissioners
Electricity Committee
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Update on DOE's
Implementation of
Electricity Provisions of
the Energy Policy Act

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DOE's Three Major Transmission Responsibilities Under EPACT

- **Sec. 1221(a): Conduct a national transmission congestion study every three years, and designate National Interest Electric Transmission Corridors (where appropriate)**
- **Sec. 368: With USDA, Interior, Commerce, and Defense, designate energy corridors on federal lands in the West (8/2007) and elsewhere (8/2009)**
- **Sec. 1221 (h): Coordinate all needed federal permits/authorizations for transmission projects that cross federal lands**



Transmission Congestion Study & Designation of National Interest Electric Transmission Corridors

- **DOE will issue its first national transmission congestion study by Aug 8, 2006 deadline**
- **Identifies major congestion areas**
- **Uses existing studies of historical flows and existing t-expansion plans AND unprecedented interconnection-wide modeling (East & West)**
- **Based on the study and responses to it, the Secretary may designate selected geographic areas as National Interest Electric Transmission Corridors (“National Corridors”)**
- **Developers of transmission projects proposed in corridors and not acted upon in one year by state siting authorities may ask FERC to exercise federal “backstop” siting authority**



Transmission Congestion Study/Designation

- Study *will* identify areas where major transmission enhancements, or some functional equivalent, are either needed today or will be needed soon to meet future requirements
- For areas where improvements are urgent, DOE will request comments about where National Corridors should be designated and bounded
- Study will *not* propose National Corridors
- For all identified congestion areas, DOE will work with regional organizations and stakeholders and report on progress in how needs are being addressed
- DOE will seek comments on congestion study & info about possible national corridors in relation to severely congested areas

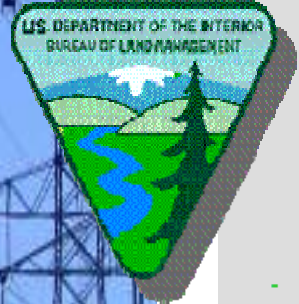


Principles re National Corridors

- 1. Initial round of corridor designations should focus on the most congested areas in the country, ie.: no surprises**
- 2. National Corridors must have clear and supportable boundaries**
- 3. Corridors must be defensible and demonstrate due diligence – *by both DOE and regional planning entities***
- 4. DOE should not issue a corridor designation until it has the information needed to bound corridor appropriate to the underlying problem**



EPACT Sec. 1221h: Coordination of Federal Permits for Transmission

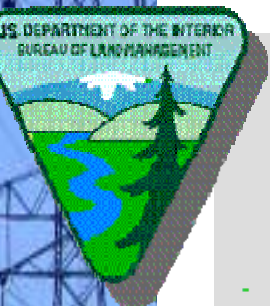


- **DOE is to coordinate all environmental reviews and federal permits/authorizations needed for transmission projects, including NEPA reviews**
- **Purpose is to streamline process and avoid duplication among federal agencies;**
- **An Inter-agency MOU is due by August 06 between DOE and eight other federal agencies to establish the coordination process**
- **DOE has delegated to FERC coordination of reviews for projects *in* National Corridors. DOE and FERC will seek to make their coordination processes as similar as possible**





Other DOE Electricity EPACT Reports Out in August 06



- **Sec. 139: State & Regional Policies for Utility Energy Efficiency – *tied to Nat'l Action Plan for Energy Efficiency***
- **Sec. 1815: Interagency Task Review of Wholesale & Retail Competition**
- **Sec. 1813: Just Compensation for Indian Land Energy Rights-of-Way (joint w/Interior)**
- **Sec. 1816: Benefits of Mobile Transformers**
- **Sec. 1101: Electric Industry Workforce Trends**
- **Sec. 1252: Benefits of Demand Response (Feb 2006 issued)**
- **Note: All of DOE has 42 EPACT items due Aug**



Questions? Contact:

Sec. 1221a:

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Sec. 368:

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Sec. 1221h:

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Transmission primer for state and local officials:

- http://www.electricity.doe.gov/emta_whatnew.cfm or
- www.ncouncil.org