

NARUC Winter Meetings 2006

Energy Policy Act of 2005:
Transmission Congestion Study
and National Interest Electric
Transmission Corridors

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Energy Policy Act of 2005

- **Requires DOE to issue a national transmission congestion study by August 2006 and every three years thereafter**
- **Congestion studies are to be done in consultation with affected states**
- **Based on the study and public comments, the Secretary of Energy may designate selected geographic areas as “National Interest Electric Transmission Corridors (NIETCS)”**
- **Projects proposed relative to designated corridors and not acted upon by state siting authorities within one year of application may request FERC to exercise federal “backstop” siting authority**



Objectives of Congestion Study

- **Highlight geographic areas with important existing or projected transmission-related needs, such as:**
 - **Need to relieve existing or emerging congestion**
 - **Need to address existing or emerging reliability problems**
 - **Need to enable delivery of electricity from important new generation capacity to distant load centers**
- **Establish a basis for sustained federal attention to high priority needs and projects that would address them**



DOE Perspective

- **The congestion study and designation of NIETCs can be shaped to add value to existing regional planning processes.**
- **Despite deadlines, DOE will move carefully to augment and build upon work done by others.**
- **DOE values open processes, with ample opportunity for input by stakeholders.**
- **New transmission lines are not the only solution to congestion and reliability concerns. Non-wires solutions (strategically sited central and distributed generation, demand side options) can also help alleviate such problems.**



Timeline

- **EPACT 2005:**
 - **Initial Congestion Study due by 8/8/06, then every 3 years**
 - **No dates specified for designation of NIETCs**

- **DOE Schedule:**
 - **Notice of Inquiry: Published February 2, 2006**
 - **30-day comment period closes March 6, 2006**
 - **Technical Conference on criteria: March 29, 2006**
 - **Congestion study to be published: August 8, 2006**
 - **Designation of NIETCs: TBD**



Key Concepts

- **Geographic areas with significant transmission-related needs will be identified in the congestion study.**
- **For purposes of this work we envision a corridor as a generalized electricity path between two (or more) locations, as opposed to a specific route for transmission facilities.**
- **A corridor will be designated as an NIETC only if the underlying need is clear, and designation would facilitate one or more projects to address the identified need.**



Congestion Study Scope

- **Congestion and congestion costs: Typical industry definitions will be used.**
- **The study will cover the Eastern and Western Interconnections. ERCOT is exempt, per EPACT.**
- **The study will build on existing transmission planning studies, load flow studies, etc.**
- **Data and information related to Canada's bulk power system and cross-border trade will be incorporated into the analysis.**



March 29 Conference on Criteria

- **DOE wishes to develop criteria for evaluating the suitability of specific geographic areas for designation as NIETCs.**
- **The NOI issued on Feb. 2 proposes criteria for comment.**
- **DOE will host a technical conference at Chicago's O'Hare Airport March 29 to explore major themes or concerns expressed in comments by stakeholders.**



Questions re NIETCs

- **When, in relation to the evolution of a major transmission project, should an NIETC be designated? Should specific preconditions be met, such as ...?**
- **Should an NIETC be project-specific? Would doing so give undue advantage to the proposed project, in relation to potentially competing projects? Or should an NIETC be framed to accommodate a range of potential projects? Are both approaches potentially appropriate, depending on circumstances?**
- **Should an NIETC have a fixed term? If so, how long? Renewable, under certain conditions? Revocable, under certain conditions?**



Western Congestion Assessment Task Force (WCATF)

- **WCATF is an ad hoc group led by the Western Electricity Coordination Council (WECC) and the Seams Steering Group – Western Interconnection (SSG-WI)**
- **WCATF was formed to coordinate western data and information for input to the Congestion Study**
- **For more information contact: Dean Perry, dean.perry@nwpp.org**
- **No comparable group exists as yet for the Eastern Interconnection**



Sec. 368: Energy Corridors on Federal Lands

EPACT requires Secretaries of Energy, Agriculture, Interior, Commerce and Defense to:

- **Designate energy corridors for oil, gas and hydrogen pipelines and electric transmission facilities on Federal lands in the eleven contiguous Western states; perform environmental reviews required for designation of such corridors; incorporate designated corridors into agency land use and resource management plans.**
- **Western corridors to be designated by 8/07**
- **Corridors in other states by 8/09**



Two Concepts of Corridors

Sec. 368:

“An energy corridor is a parcel of land either linear or areal in character that has been identified . . . through the land use planning process . . . as a preferred location for existing and future rights-of-way and suitable to accommodate 1 more or rights-of-way which are similar, identical or compatible.”

Sec. 1221:

DOE presently conceives an NIETC as a generalized electricity path between two (or more) locations, as opposed to a specific route for transmission facilities.

Coordination needed:

Areas with critical transmission needs identified through Congestion Study should be considered in designation of energy corridors under Sec. 368.



Questions? Contact:

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