



EDISON ELECTRIC INSTITUTE

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July 7, 2010

Mssrs. David Meyer and Lot Cooke
Office of Electricity Delivery and Energy Reliability, OE-10
Attention: 1221 Comments
U.S. Department of Energy
Forrestal Building, Room 6H050
1000 Independence Avenue, SW
Washington, DC 20585

Submitted by e-mail to congestion09@anl.gov

Re: 2009 National Electric Transmission Congestion Study

Dear Mssrs. Meyer and Cooke:

The Edison Electric Institute (EEI) is submitting these comments to the U.S. Department of Energy (DOE) on DOE's 2009 National Electric Transmission Congestion Study. In a notice published at 75 Fed. Reg. 22770 (Apr. 30, 2010), DOE invited comments on the study by June 29, 2010. We understand that comments received within a reasonable time after that deadline will still be helpful and taken into account.

EEI is the association of U.S. shareholder-owned electric companies, international affiliates, and industry associates. Our members represent approximately 70% of the U.S. electric power industry. They own and operate large portions of the U.S. electric transmission grid and depend on the grid for economic and reliable delivery of electricity to their wholesale and retail customers.

EEI supports and appreciates the important role that DOE is playing by undertaking the 2009 congestion study. EEI was a strong proponent of the electric transmission provisions in the Energy Policy Act of 2005, including section 1221 of the Act, which added section 216 to the Federal Power Act.

Section 216 directs DOE to undertake a transmission congestion study every three years and to prepare a report based on the study. In addition, based on the study, section 216 authorizes DOE to designate National Interest Electric Transmission Corridors (NIETCs), and in turn authorizes the Federal Energy Regulatory Commission (FERC) to approve siting of transmission facilities in such corridors. Section 216 also designates DOE as the lead agency for any permitting under federal law related to all transmission facilities. The 2009 study is the second such study DOE has conducted.

EEl believes that DOE has done a good job in the 2009 congestion study of evaluating transmission congestion across the United States and highlighting critical congestion areas (CCAs) and congestion areas of concern (CACs). The primary and most important function of the congestion study is to spotlight areas of the country where persistent congestion is significantly increasing the cost to deliver electricity or posing a potential threat to system reliability, thus causing adverse effects on consumers. By identifying CCAs and CACs, DOE has performed this important function.

We support DOE's reliance on analyses of transmission congestion performed by electric utilities, regional transmission organizations (RTOs), independent system operators (ISOs), the North American Electric Reliability Corporation (NERC), and others who have performed expert analyses of portions of the U.S. electric transmission grid. Under FERC and state utility commission requirements, utilities, RTOs, ISOs, NERC, and others perform such analyses and related planning for new facilities to ensure that the U.S. transmission grid remains sufficiently well developed to deliver the volumes of electricity needed to meet load reliably and economically. It is appropriate for DOE to rely on these studies rather than performing such studies anew.

In addition, we support DOE's focus on areas of persistent and high-level congestion, as indications that the congestion is of sufficient significance to warrant national attention. Congestion is a component of running any integrated network.

We agree with DOE that the purpose of the congestion study is not to dictate specific solutions but to leave the decisions on such matters to the utilities, RTOs, ISOs, and others who plan, build, and operate the electric grid.

EEl encourages DOE to proceed to prepare its report based on the 2009 study, summarizing the basic elements of the study and its findings.

In addition, EEl encourages DOE to retain its current two NIETCs, the Mid-Atlantic NIETC and the Southwest NIETC. The 2009 congestion study concludes that the mid-Atlantic region from New York to Virginia and southern California remain CCAs, where congestion is of such magnitude and persistence it warrants continued attention to address significant adverse effects on consumers. As a result, these two areas merit NIETC designation, which will ensure that states, FERC, utilities, and other stakeholders continue to focus attention on the two areas.

Furthermore, EEl supports the approach that DOE has taken in designating the two existing NIETCs and encourages DOE to preserve them in their current form, barring new technical information that may warrant some fine tuning. We agree with DOE's use of broad geographic areas that encompass generation sources and loads to provide flexibility in the subsequent search for solutions. We also agree with DOE's conclusion that detailed environmental review is not warranted as part of the designation process, because designation alone does not entail concrete action on a specific proposal and therefore there simply are no environmental effects to analyze.

In fact, EEl has intervened in litigation in the U.S. Court of Appeals for the Ninth Circuit fully in support of the two NIETCs and the process that DOE used to designate them. DOE did the job

right in designating the two corridors, and until the congestion that led to designation is addressed, DOE is correct to retain the corridors.

In addition, DOE should be diligent and forward looking in its approach to designating additional corridors. DOE has broader authority to designate corridors than exercised to date. In our view, DOE has authority under section 216(a) to designate additional corridors, such as the Type I Conditional Constraint Areas identified in the 2009 study. Twenty-nine states and the District of Columbia have renewable portfolio requirements to drive the development and delivery of renewable resources to electricity consumers. These requirements, together with EPA rules that are likely to spur the near term closure of major baseload generating plants, may well force a reconfiguration of parts of the nation's grid infrastructure. In its subsequent report, DOE should consider whether the Type I Conditional Constraint Areas meet the criteria in section 216(a)(4) governing corridor designation.

As EEI has suggested in the past, DOE should supplement its own corridor designation initiative by also explicitly allowing project developers to submit a study, consistent with DOE rules, and a request for corridor designation. If, upon review, DOE finds the request is consistent with the statutory factors in section 216(a), DOE could then proceed forward with the designation.

In conclusion, EEI supports the work that DOE has done in the 2009 congestion study. The study is an important analysis to help ensure persistent, significant electric transmission congestion across the U.S. is noted and addressed.

We appreciate the opportunity to submit these comments. If you need additional information, please contact me or any of the following EEI staff: Zolaikha Strong at zstrong@eei.org, Meg Hunt at mhunt@eei.org, Rick Loughery at rloughery@eei.org, or Henri Bartholomot at hbartholomot@eei.org. Thank you.

Respectfully submitted,

A handwritten signature in black ink that reads "David K. Owens". The signature is written in a cursive, flowing style.

David K. Owens