

Comments of the Piedmont Environmental Council  
On the December 2009  
National Electric Transmission Congestion Study

Pursuant to the Federal Register Notice issued April 30, 2010, the Piedmont Environmental Council submits these written comments for consideration by the Department of Energy (“DOE”).

The Piedmont Environmental Council (“PEC”) was founded in 1972. PEC is a 501(c)3 organization that is active in comprehensive land use planning, land conservation, transportation, energy and environmental issues and has participated in national discussions of these concerns.

Over its 38 years of operations, the siting of electric power generation facilities, transmission lines, and distribution lines has been an area of considerable attention. PEC has participated in multiple debates relating to transmission corridors, including the 2006 Electric Transmission Congestion Study. PEC has presented testimony before local, state and national decision-makers.

OVERVIEW

PEC is disappointed that the National Electric Transmission Study dated December 2009 (the “2009 Congestion Study”) relied upon stale data. In particular, by relying exclusively on historic data from 2007 in the Eastern Interconnection, the 2009 Congestion Study fails to account for the impact of the economic downturn that has been felt across the nation, and fails to take into account the long term effect of changes brought about by the recession. As PEC pointed out in its initial comments in this study, growth in demand for electricity is decreasing. This fundamental change offered the DOE an opportunity to refocus its 2009 Congestion Study into a document that could have taken a leadership role in addressing congestion with a holistic approach, rather than simply repeating the conclusions of the flawed 2006 Congestion Study.

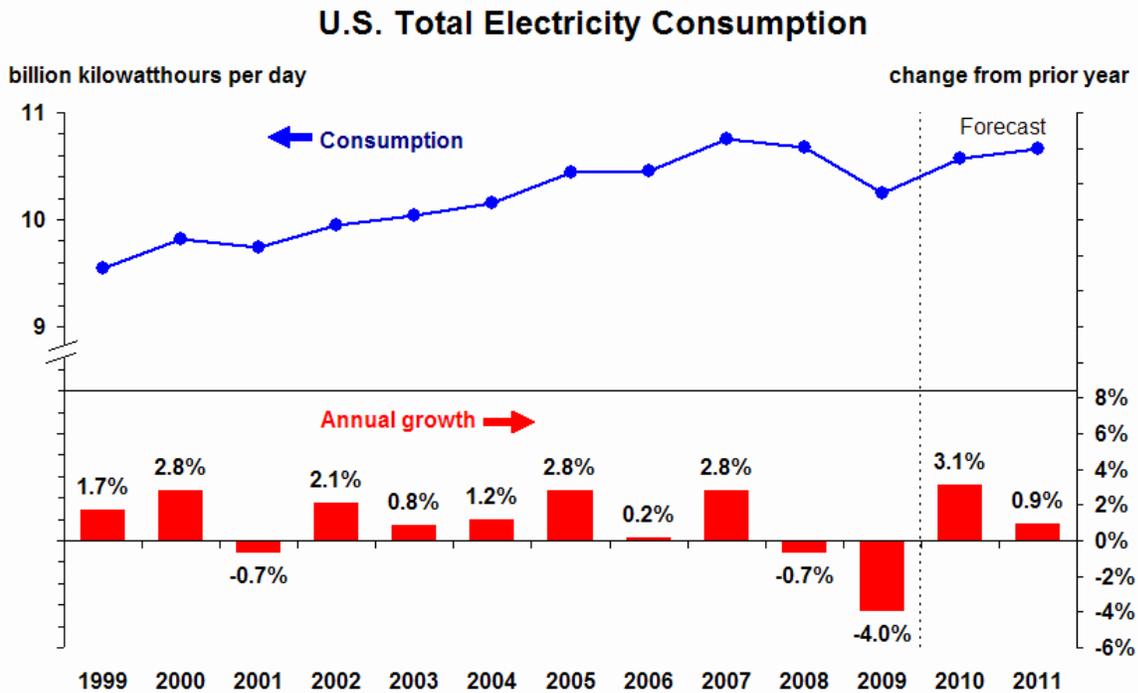
COMMENTS

PEC wishes to reiterate its comments filed prior to release of this study. As set forth in those comments, all of the available evidence indicates that increases in energy efficiency and demand reduction, both intentional and as a consequence of the recession have dramatically slowed the rate of increase in electricity consumption in the Eastern Interconnection. In fact, as illustrated by the following graph, the annual growth rate for the United States was negative for both 2008 and 2009, and is projected to increase at 3.1% in 2010, then fall below 1% in 2011. While it is quite possible that even this projected rate of growth is inflated<sup>1</sup>, significantly, the total projected consumption for 2011 is no higher than the consumption in

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<sup>1</sup> <http://www.federalreserve.gov/newsevents/press/monetary/20100623a.htm>

2006.



Source: Short-Term Energy Outlook, June 2010

As the 2009 Congestion Study recognizes, “[e]ven if a transmission path is congested...this does not necessarily mean that transmission expansion is warranted to reduce congestion...”<sup>2</sup> It is unfortunate that the DOE did not take this opportunity to take leadership in proposing viable alternatives to building more transmission to address congestion. As the 2009 Congestion Study pointed out:

There are a number of ways to mitigate transmission congestion, including adding large and small generation, developing demand side resources, and building additional transmission; these options should be regarded as a portfolio from which planners should make appropriate use of every tool available<sup>3</sup>.

<sup>2</sup> National Electric Transmission Congestion Study at page 8

<sup>3</sup> *Ibid* at page 40.

The latest PJM Reliability Pricing Model Base Residual Auction produced a 32% increase in demand response over last year<sup>4</sup>. Federal leadership on demand response and energy efficiency, rather than continuing the designation of national interest electric transmission corridors could alleviate the need for additional transmission expansion.

The DOE should not wait for “analytic entities in each of the Nation’s Interconnections” to measure the extent to which energy efficiency programs can reduce or forestall the need for additional transmission capacity<sup>5</sup>. The effectiveness of energy efficiency and demand reduction has been studied and proven for decades. To the extent that congestion is a real reliability concern it should be addressed with appropriate tools that do not further degrade the environment, reduce the forest cover and adversely impact people’s lives and homes.

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<sup>4</sup> <http://www.pjm.com/~media/about-pjm/newsroom/2010-releases/20100514-rpm-auction-results-2013-2014.ashx>

<sup>5</sup> National Electric Transmission Congestion Study at 101