

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

Public Service Commission

September 9, 2011

The Honorable Steven Chu
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

Re: Department of Energy Delegation of National Interest Electric Transmission Corridor Authority to the Federal Energy Regulatory Commission

Dear Secretary Chu:

The U.S. Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC) have proposed that the DOE delegate its authority to designate National Interest Electric Transmission Corridors (NIETC) to the FERC. The Florida Public Service Commission (Florida Commission) urges the DOE to not make this delegation at this time. The Florida Commission is concerned this proposal may violate the defined boundaries of Federal jurisdiction in this area, and may result in the addition of transmission that unnecessarily adds to the cost of electric service for Florida customers without reliability benefits.

The proposed delegation, in conjunction with other recent action undertaken by the FERC, represents an additional incremental, systematic Federal intrusion on state jurisdiction in this area. If transmission developers can directly petition the FERC for approval of a project as an NIETC without any prior designation of a region as an NIETC, state authority over transmission siting would be eroded and potential transmission owners could "forum-shop" the FERC to circumvent state authority.

The Florida Commission is also concerned that aspects of the proposed delegation may not comport with the provisions of the Energy Policy Act of 2005 (EPAct 2005). Section 216 of EPAct 2005 states that NIETC designations are limited to geographic areas. By allowing projects to receive NIETC designations, the proposed delegation appears to violate this provision. Furthermore, the DOE and the FERC proposal may violate the intentions of EPAct 2005, which divides responsibilities between the DOE and the FERC.

The Florida Commission is concerned that the proposed delegation would conflict with Florida's transmission siting process from its current focus on maintaining adequate, reliable service at a reasonable cost to consumers. It appears that the proposed delegation could promote

The Honorable Steven Chu

September 9, 2011

Page 2

a generation-driven process that results in overbuilt transmission and unnecessary costs for ratepayers.

The Florida Commission urges the DOE and the FERC to consider input from state regulators, utility planners, and other stakeholders regarding the potential implications of the proposed delegation before taking further action. Considering that the effects of FERC Order No. 890 have not yet reached full maturity, and that FERC Order No. 1000 is not yet effective, more time is needed to evaluate the current processes prior to further action in this area.

Thank you for your attention to this matter. The staff contacts on this filing are Benjamin Crawford at (850) 413-6598, Mark Futrell at (850) 413-6692, and Cynthia B. Miller at (850) 413-6082.

Sincerely,

A handwritten signature in black ink, appearing to read 'Art Graham', written in a cursive style.

Art Graham, Chairman
Florida Public Service Commission

AG:bcl

cc: Mr. Jon Wellinohoff, Chairman
Federal Energy Regulatory Commission