

September 9, 2011

The Honorable Dr. Steven Chu, Secretary  
United States Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Sent via e-mail: [congestion09@anl.gov](mailto:congestion09@anl.gov); [david.meyer@hq.doe.gov](mailto:david.meyer@hq.doe.gov)

Re: Department Delegation of Certain Responsibilities under the Federal Power Act

Dear Secretary Chu:

Consolidated Edison, Long Island Power Authority and Central Hudson Gas & Electric submit these comments regarding the possible delegation to the Federal Energy Regulatory Commission (FERC) of the Department of Energy's (the "Department") authority to designate national interest electric transmission corridors (NIETC) pursuant to section 1221 of the Energy Policy Act of 2005. Section 1221 requires the Department to publish a study of electric transmission congestion for public comment every three years and provides the FERC with backstop siting authority for those corridors.

According to the Department, FERC and others have recently proposed that the Department should delegate to FERC its authority related to the conduct of congestion studies and the designation of NIETC. Under the described proposal posted on the Department's web site, FERC would: (1) conduct the congestion study; (2) consider applications from a developer to designate a corridor for a specific project; and (3) potentially conduct siting proceedings for an NIETC project concurrently with any state siting proceeding.

We offer a few comments on the conditions that could be attached to such delegation to make it more consistent with FERC approved planning processes and to avoid unnecessary conflicts with state siting processes:

1. The Department should condition the delegation on having FERC use a bottom-up planning approach where it would rely on regional planning processes resulting from its Orders 890 and 1000 to identify congestion corridors. Using a bottom-up approach would include consideration of inter-regional projects for corridors that would be implemented as part of Order 1000, as available. The ISOs and RTOs already conduct congestion studies pursuant to their economic planning processes that are subject to stakeholder review. A FERC congestion study process should not be substituted for the ISO/RTO economic planning process and should not unnecessarily duplicate the work that already goes into the ISO and RTO planning processes.
2. With respect to the proposal that project developers can request NIETC designation for specific projects to be eligible for backstop siting authority, and potentially avail themselves of a concurrent FERC siting proceeding, the Department should provide in the delegation that this process would apply only to multi-state proposals. Limiting the

delegation in this way for specific projects would avoid direct conflict with state siting processes for single state projects. Multi-state transmission projects would potentially benefit most from a backstop siting process at the FERC, and therefore the delegation should be limited to multi-state projects for a developer seeking a designation for a specific line and/or a concurrent siting process.

Finally, while not directly related to the designation of corridors, or backstop siting, the Department should recognize the role of states overall, including their siting processes and their role in reaching agreement among states. This is particularly important with respect to economic transmission projects, as state regulators are well situated to consider the costs and associated benefits of proposed projects, and the resulting impacts on retail customers.

Thank you for your consideration of these comments.

Respectfully submitted,

/s/ Stuart Nachmias

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