

# Breaking the Deadlock: Expediting Interstate Transmission Siting

By: Levi Lyons





**Suddenly, knowing a lot about the U.S. power grid became  
sexy at cocktail parties.**

Since 2001, only 748 miles of interstate transmission have been put into service.

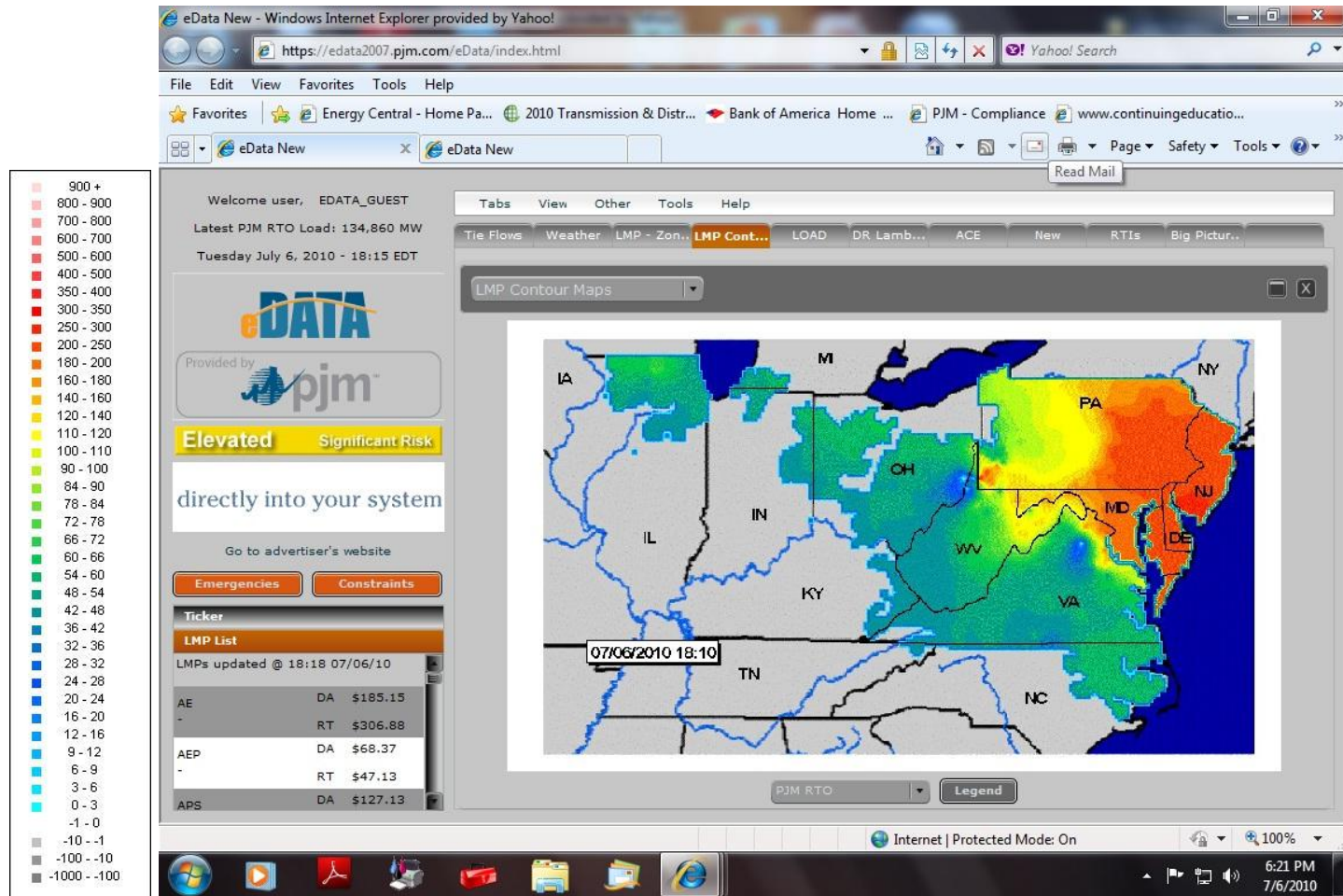
-Jon Wellinghoff, FERC Chairman

(Only 0.42% of the existing interstate transmission infrastructure)

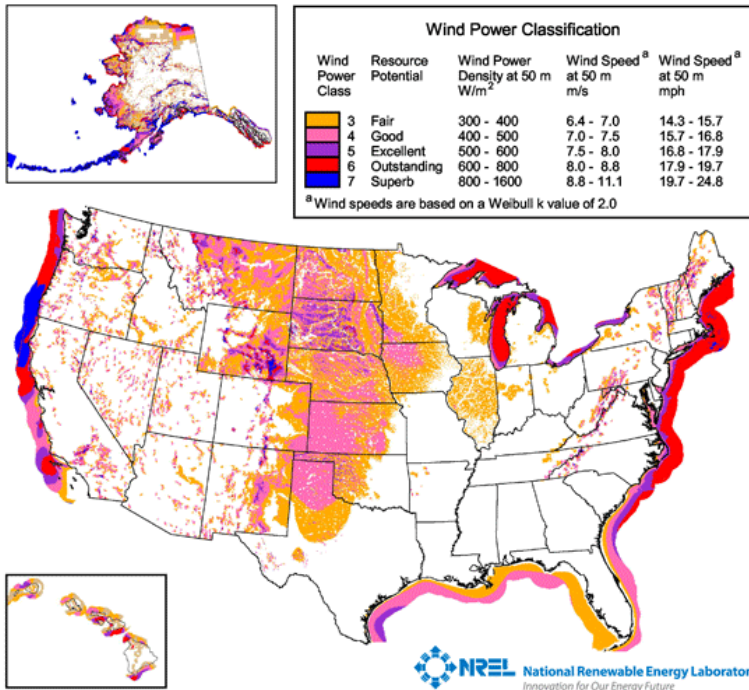
During this time, America's electric demand has increased by 8.1%.



# Meeting growing demand while maintaining reliability



# Developing Wind Energy

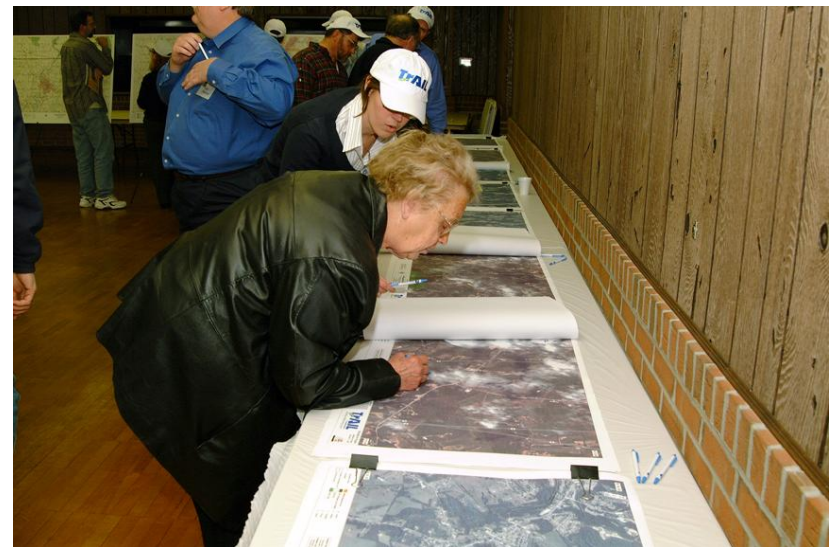


Supply



Demand

# State Transmission Siting



Public Comment

# The Balancing Act

## Environmental

- Endangered Species
- Wetlands/Forests
- View Sheds
- EMF

## Cultural

- Historic Sites
- Cemeteries
- Archeological Sites
- Traditionally Cultural Lands

## Socioeconomic

- Lost of Land
- Competing Uses of Land
- Property Values
- Economic Growth

## Regulatory Constraints

- National Parks and Monuments
- State and Local Parks
- National Wildlife Refuges
- Native American Reservations

Consider this for interstate transmission lines?

# The Evolving Federal Role

- Northeast Blackout of 2003
- The Energy Policy Act of 2005
- Backstop Authority
- National Interest Electric Transmission Corridor (“NIETC”)
- Focuses on maintaining reliability
- Grants FERC siting jurisdiction when a state commission has ‘withheld approval [of a permit application] for more than 1 year.’
- Authority to site if the applicant does not serve end-use customers in the State

# Weighing Policy Solutions

- **Maintaining Reliability**
  - Keeping the lights on
- **Renewable Energy Integration**
  - Energy Independence
  - Green House Gas Emissions
- **Balance of Power**
  - Federal v. State
- **Balance of Benefits**
  - Maintaining Reliability and Renewable Energy Integration v. Environmental, Socioeconomic, and Cultural Impacts
  - Local v. Regional v. National



# S. 539 – The Clean Renewable Energy and Devolvement Act

Author: Senator Harry Reid

- Eliminates “NIETC” while designating “renewable energy zones”
- Expands backstop to renewable development projects states block within renewable energy zones
- New transmission must be dedicated to 75% renewable energy capacity
- States that do not benefit from lines passing through are eligible for grants from the Department of Energy (Carbon Tax or ARRA funding)
- Permit State Regulatory agencies to identify siting constraints such as habitat protection, environmental considerations, and cultural site protection

# Reid Bill: Pro's and Con's

## Pro's

- Gives states one year to act
- Full development of nation renewable energy resources
- Compensation to States that do not benefit from the line
- State Regulatory agencies identify siting constraints considered in final issuance of permits

## Con's

- 75% transmission capacity dedicated to renewable power
- Focuses solely on renewable energy integration and neglects reliability
- No public comment



# S. 1462 – The American Clean Energy Act of 2009

Author: Senator Jeff Bingaman

- Adjusts FERC’s backstop authority in “NIETC” to siting authority in “high-priority national interest” projects
- “High-priority national interest” projects consist of transmission 345 kV AC, 400 kV DC, and 100 kV renewable feeder lines
- Continues triennial congestion study conducted by DOE
- High-priority national interest projects support renewable energy development, the reduction of emissions, reliability and other other important national goals
- Applicants must hold public hearings

# Bingaman Bill: Pro's and Con's

## Pro's

- Give states one year to act
- Encompasses projects that maintain reliability while integrating renewable energy
- Congestion studies still conducted every three years
- Applicants must hold public hearings for interested persons

## Con's

- No compensation to States not benefit by line



# Recommendations

- Expand FERC backstop from “NIETC” to “high-priority national interest”
- “High-priority national interest” transmission being defined as lines of 345 kV AC, 400 kV DC, or 100 kV renewable feeder lines
- Ensure high-priority national interest projects support renewable energy development, the reduction of emissions, reliability and other other important national goals
- Continue to conduct congestion studies every three years
- Applicants must conduct public hearings for interested parties
- States that do not benefit from lines passing through are eligible for a one-time ARRA grants, or possibly a one time compensation paid for by transmission developers to the community of the reduction in property value

# Conclusion

If we are to break the deadlock and expedite the interstate transmission process, the expansion of federal backstop authority must be considered, but done so carefully and based on the criteria established here.





Thank You!

Any Questions?