

**Quadrennial Energy Review:
Comment on the Public Meeting “Enhancing Infrastructure Resiliency”
April 11, 2014, Washington, DC**

Statement of the Large Public Power Council

The Large Public Power Council (LPPC) thanks the Department of Energy for its leadership in this QER process, and appreciates this opportunity to highlight LPPC's perspective on energy infrastructure challenges.

LPPC is comprised of 26 of the nation's largest public power systems. LPPC members are State or locally-controlled non-profit entities, governed by elected or appointed public officials. Public power's core mission is to provide the communities we serve with reliable electric power at affordable rates from a diverse portfolio of resources based on good environmental stewardship and economic principles. Cost-effective and predictable federal policies and regulations are essential to achieving our mission.

One of the special features of large public systems is that they are vertically integrated in whole or part – we own generation, transmission and (except for wholesale entities) distribution facilities. In fact, LPPC member utilities own and operate more than 86,000 megawatts of generation capacity and over 35,000 circuit miles of high voltage transmission lines. Together, LPPC members control 90 percent of the public agency-owned, but non-federal, transmission investment in the nation.

This means LPPC members have a reduced dependence on wholesale markets and merchant generators. This special feature also means that LPPC members have a great deal at stake in the outcome of EPA regulations as well as rules about tax exempt financing.

For example, proposals to modify or eliminate the availability of tax-exempt financing would actually undermine a vital and effective policy tool that enables public power to invest in the critical infrastructure necessary to deliver reliable and affordable electricity to our customers.

LPPC members are geographically diverse, but we face common challenges in making decisions about access to capital; generation mix; transmission expansion; energy efficiency; reliability; physical and cyber security; environmental regulations; and integration of new technologies.

In support of DOE's QER work and today's focus on Infrastructure Resilience and Vulnerabilities, LPPC would like to highlight the following issues that we believe should be addressed in the Year 1 transmission, storage and distribution report.

In order to ensure infrastructure resilience and reduce vulnerabilities, it is imperative to have a robust transmission grid. To that end, reasonable transmission policy requires:

- Planning protocols that allow for long-term contracts to support infrastructure development in centralized markets and bilateral markets.
- Improved FERC transmission policy that does not impose an unwieldy transmission planning process or subsidize uneconomic transmission facilities because doing so threatens public power's ability to plan and control costs of transmission upgrades and new facilities.
- That the "right people pay the right costs," which may mean using open seasons to test the willingness of market participants to enter into long-term contracts to determine whether an electric transmission project is economic (similar to FERC natural gas pipeline practice).

In addition to reasonable transmission policy to bolster grid resiliency, it is important to have a security framework that recognizes the need for:

- The federal government to provide support for enhanced physical and cyber security.
- Promotion of two-way voluntary, collaborative, and coordinated information sharing between the government and private sector.
- Appropriate protection from enforcement liability for entities that provides information in good faith.

LPPC appreciates your consideration of our comments, and we look forward to working closely with DOE and other QER participants to find ways to strengthen one of our economy's most valuable assets – the grid.