October 20, 2014

Attn: David Meyer
Office of Electricity Delivery and Energy Reliability
U.S. Department of Energy;
1000 Independence Avenue SW
Washington, DC 20585.

RE: Comments on Draft National Electric Transmission Congestion Study

Dear Mr. Meyer,

On behalf of the American Wind Energy Association ("AWEA"),[1] we are submitting comments in response to the draft National Electric Transmission Congestion Study published August 19, 2014 (Draft NIETC Study). For the reasons set forth below, AWEA recommends that the Department of Energy (DOE) utilize its authority to prioritize and promote renewable energy development, and designate one or more corridors in light of the findings of congestion in the Western Interconnection.

I. Background

Understanding the need for national intervention to maintain the reliability and balance of the electricity in the United States, the Energy Policy Act of 2005 (EPAct) directs the Secretary of Energy to "conduct a study of electricity transmission congestion" every three

[1] AWEA is the national trade association representing a broad range of entities with a common interest in encouraging the deployment and expansion of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, renewable energy supporters, utilities, marketers, customers, and their advocates.

years.[2] Based on the congestion study, and comments from states and stakeholders, the Secretary may designate any area experiencing transmission constraints or congestion that adversely affects consumers as a National Corridor.[3] The DOE submitted the Draft NIETC Study for public comment on August 19, 2014 as a means to garner input from stakeholders and the public as to what should be included in the study.

II. Recommendations

a. Congestion will present serious transmission issues for renewable energy without designation of a NIETC in the West.

There currently exists a significant barrier that prevents renewable energy development from entering the grid quickly: the time between project development and transmission availability. In recognition of this constraint, the Obama administration created a Rapid Response Team for Transmission "charged with identifying ways to close the timeline gap between renewable energy project development (typically 3-5 years) and transmission availability (7-10 years or even longer)."[4]

The Draft NIETC Study finds that demand from increased generation from renewables in remote locations, though generally beneficial, is increasing congestion in the West between prime resources and load centers due lack of transmission infrastructure.[5] For instance, the Draft Study details that this occurring from the North Dakota Export Limit (NDEX), a long

[2] Federal Power Act, 16 U.S.C. § 824p(a)(1).
[3] *Id*. at § 824p(a)(2).
[4] Carl Zichella, *President's Memorandum on Transmission Corridors Good for Siting, Review and Permitting that Significantly Reduces Delays*, NRDC SWITCHBOARD (June 11, 2013), http://switchboard.nrdc.org/blogs/czichella/presidents_memorandum_on_trans.html. For more information, *see* WHITEHOUSE.GOV, *Interagency Rapid Response Team for Transmission*, http://www.whitehouse.gov/administration/eop/ceq/initiatives/interagency-rapid-response-team-for-transmission.
[5] National Electric Transmission Congestion Study at xviii.

constraint that crosses parts of North Dakota, Minnesota, and South Dakota.[6] In other regions, the study further finds that congestion on the high-voltage transmission system is less of a concern for interconnection and operation of renewable resources.[7]

While current congestion in the West is relatively low, over the next few years more congestion is expected due to resource-driven transmission constraints relating to further development of renewable resources, lack of transmission build out, and upcoming generator retirements. Because many states adopted Renewable Portfolio Standards (RPSs) with requirements or goals to use more renewable-sourced electricity and much of the best utility-scale renewable resource potential is relatively remote from the load centers, authorization of new transmission construction is needed to enable the desired renewable-based electricity to reach the grid. EPA's Clean Power Plan, when finalized, will also serve to drive large amounts of renewable energy development and further transmission constraints.[8] In addition, given the Department of Energy's vision of 30% wind generation by 2050,[9] transmission upgrades will need to be made to accommodate the influx of future predicted renewable development. Congestion resulting from these constraints could be further exacerbated by demand growth, whether from high temperatures or economic recovery.

This congestion and the lack of a transmission capacity to address it will drastically impact the potential for renewable energy to develop and for the states and the federal

[6] *Id.*
[7] *Id.*
[8] EPA predicts cumulative capacity additions of 17.8 GW of non-hydro renewable energy by 2020, 28.4 GW by 2025, and 32.7 GW by 2030. *See* Clean Power Plan Regulatory Impact Analysis, 3-35, available at http://www2.epa.gov/sites/production/files/2014-06/documents/20140602ria-clean-power-plan.pdf
[9] Wind Vision Presentation 2014, available at http://energy.gov/sites/prod/files/2014/05/f16/2014%20Wind%20Vision%20Presentation%20at%20AWEA%20WINDPOWER_3.pdf

government to fulfill their renewable goals and policies. Without sufficient transmission infrastructure, wind projects could suffer greatly and projects already in use may have to curtail to accommodate the congestion in the transmission system. To address these concerns, AWEA recommends that the DOE designate a NIETC within the Western Interconnection to alleviate future congestion and allow for broader renewable development, consistent with its statutory authority (as discussed below).

b. Designation of a "green corridor" NIETC is consistent with the statutory authority.

DOE has recognized the important policy goal of the development of renewable energy.[10] In fact, DOE expressly referred to such a goal in its National Electric Transmission Congestion Study.[11] DOE also recognized that one of the costs of transmission congestion is "difficulties achieving policy goals such as increased reliance on renewable generation resources"[12] and that one of the challenges to future electricity systems is the integration of increasing amounts of renewable generation.[13]

DOE has defined "congestion" to be the condition that occurs when transmission capacity is not sufficient to enable all scheduled or desired wholesale power transfers to occur.[14] With that definition, section 216(a) allows corridor designation wherever transmission capacity is constrained, insufficient to accommodate desired wholesale power transfers. The

[10] *See e.g.,* U.S. Dep't of Energy, *Renewable Energy*, http://energy.gov/science-innovation/energy-sources/renewable-energy ("Responsible development of all of America's rich energy resources . . . is an important part of President Obama's Climate Action Plan . . . the Energy Department will continue to drive strategic investments in the transition to a cleaner, domestic and more secure energy future.").
[11] National Electric Transmission Congestion Study at 7 (referring to a "renewable energy policy goal").
[12] *Id.* at 11.
[13] *Id.* at 13.
[14] Nat'l Elec. Transmission Congestion Report, 72 Fed. Reg. 56,992, 56,992 (Oct. 5, 2007) (2007 NIETC Report).

sufficiency of existing transmission capacity should be evaluated from the vantage of both end markets and generators seeking to develop location-constrained resources and make wholesale power sales, not just load.

The existence of current congestion, in fact, is not a necessary condition for corridor designation, or else Congress would have limited designation to geographic areas where there is "congestion", rather than "constraints or congestion."[15] DOE has recognized it has the authority to designate corridors in the absence of current congestion, so long as a constraint, including the absence of transmission capacity, is hindering the development of desirable generation[16] or denying some transmission users the benefit of their preferred transactions.[17] With respect to adverse effects on consumers under section 216(a)(2), DOE found this is not limited in form to price impacts, and adverse effects exist when constraints impede the ability of renewable energy developers to offer environmental benefits to consumers.[18] Consistent with its authority and policy goals, DOE should designate a "green corridor" designed to promote development of low-cost renewable energy resources in the West, in light of the findings in the Draft NIETC Report.

c. Request by Developers for Designation

DOE has adopted an inflexible schedule for conducting congestion studies and corridor designations. While the three-year schedule for congestion studies was required by the statute, DOE could have conducted studies on request by developers in between triennial studies or

[15] Federal Power Act § 216(a)(2); 2007 NIETC Report at 57,000
[16] Id. at 57,000.
[17] Id. at 57,004.
[18] Id.

allowed developers to perform their own studies. The three-year cycle has established an artificial window for corridor designation that has provided no flexibility to transmission developers, which contrasts with the gas pipeline siting process. Therefore, we encourage DOE to allow transmission developers to request for corridor designation.

III. Conclusion

In order to reduce congestion and facilitate the broader integration of renewable generation, AWEA recommends that the DOE designate an NIETC through the Western Interconnection as a means of expanding transmission capabilities for the area to meet renewable goals.

Sincerely,

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