



Workshop on DOE's 2012 National Electric Transmission Congestion Study

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Background - 1

- **Section 216(a)(1) of the Federal Power Act requires DOE to conduct and issue transmission congestion studies every three years.**
- **DOE conducted studies in 2006 and 2009, and is now initiating the 2012 study.**
- **Transmission congestion occurs when actual or scheduled electric flows over a line or other equipment are constrained below desired levels.**
- **Congestion is common, but often it is not severe enough to make remedial measures economic. High levels of congestion, however, can affect consumers adversely by increasing electricity supply costs or by reducing electric reliability.**



Background - 2

- Where economic, congestion can be mitigated in three ways (or some combination of them):
 - Reduce demand in the load center
 - Build more generation close to the load center
 - Build more transmission to enable distant generation to serve the load.
- The Federal Power Act directs DOE to show *where* congestion is occurring or likely to grow worse – *but it does not direct us to prescribe solutions or undertake mitigation.*



Types of Congestion Areas

The 2006 and 2009 studies identified three types of congestion areas:

- **Critical Congestion Areas:** severe, chronic congestion.
- **Congestion Areas of Concern:** significant congestion, but not severe.
- **Conditional Congestion Areas:** rich in potential generation resources, but existing transmission is not adequate to support development of substantial additional generation.



National Corridors - 1

- The Federal Power Act also authorizes (but does not require) the Secretary of Energy to designate geographic areas as National [interest electric transmission] Corridors.
- A National Corridor may be designated only *after* issuance of a congestion study and the review and consideration of public comments on the study.
- Identification of a Congestion Area does not necessarily lead to designation of a National Corridor.



National Corridors - 2

Designation of a National Corridor has these effects:

- It emphasizes that the Federal Government believes that it is very important to mitigate the associated congestion.
- It enables the Federal Energy Regulatory Commission (FERC) to approve the siting of transmission facilities within the Corridor, under certain limited conditions – in particular, if a state has “withheld approval“ of a proposed transmission facility for more than one year.
- If a proposed facility in a National Corridor is also within the footprint of the Western Area Power Administration or the Southwestern Area Power Administration, those entities may exercise their third-party finance authority (FPA sec. 1222) with respect to the proposed facility.



Proposed Process for 2012 Congestion Study

- We will hold four regional workshops (2 east, 2 west) to explain our study process and obtain data, information, and perspectives as input.
- We plan to examine historic and projected analyses of electricity flows, market activity and prices, generation and transmission construction and retirements, energy efficiency and demand response programs, regional system plans, and the implications of federal and state environmental regulations and renewable resource development policies.
- We intend to use only publicly available source material.
- *We will issue a draft report for public comment for 60 days, and issue a final report after considering the comments.*
- We welcome comments on this proposed process.



Focus of Today's Workshop

- **We are looking for fresh information and analysis about congestion-related conditions in this region.**
- **There will be two panels. First we will hear from state officials (mostly regulators); then we will hear from an industry panel.**
- **After the panels, there will be an opportunity for others to comment. Please sign up if you wish to speak.**
- **We look forward to a wide-ranging discussion. We are having a transcript made so that we don't miss or misinterpret any of your comments.**
- **Please show us the facts!**