

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY**

RE: Preparation of the 2012 Congestion Study

Written Comments of Piedmont Environmental Council

The Piedmont Environmental Council (“PEC”) here comments on the Plan for Conduct of 2012 Electric Transmission Congestion Study (the “Notice”) that the U.S. Department of Energy (the “Department”) published in the Federal Register, Volume 76, No. 218 (November 10, 2011).

PEC was founded in 1972. PEC is a 501(c)3 organization that is active in comprehensive land use planning, land conservation, transportation, energy and environmental issues and has participated in national discussions of these concerns.

Over its 40 years of operations, siting of electric power generation facilities, transmission lines, and distribution lines has been an area of considerable attention. PEC has participated in multiple debates relating to transmission corridors, including the 2006 and 2009 Electric Transmission Congestion Study.

Summary of Comments

Section 216(a)(1) of the Federal Power Act requires the Department of Energy to complete a study of electric transmission congestion every three years. Using even publicly available data it appears that substantial changes have occurred, and will continue to occur, which will substantially impact the location, duration, frequency, magnitude and significance of transmission congestion. As used by the Department, congestion occurs when “actual or scheduled flows on a transmission line are restricted below desired levels”.¹ This is most frequently considered in economic terms and is not necessarily a measure of reliability.

As the Department plans its 2012 Congestion Study PEC urges the Department consider that the levels “desired” by the various stakeholders are likely to differ substantially. Likewise the Department should bear in mind that there are remedies available to alleviate congestion other than constructing new transmission lines.

Both the 2006 and the 2009 Congestion Studies relied heavily on input from utilities, regional transmission organizations and reliabilities councils and much less on that from state, environmental and citizens groups. Perhaps as a consequence, those Congestion Studies paid inadequate attention to non-transmission alternatives. The results from those alternatives, as well as their significant potential to solve or avoid future congestion have not been adequately considered. Because the Department is in the best position to consider a wide variety of solutions to congestion, it should take into consideration all possible methods of addressing the problem and should take the lead in proposing alternatives to constructing new transmission

¹ Page 3, Section 1.2 Definition of Key Terms and Concepts, 2006 National Electric Transmission Study.

lines. Since the preparation of the 2006 and 2009 Congestion Studies major changes have occurred in energy usage projections, the penetration of energy efficiency and demand reduction programs and the growth of distributed generation.

Growth Continues to Lag

The original congestion study from 2006 relied upon data that projected continued explosive growth in the demand for electricity. Since 2006 that demand has not appeared. The Department is well aware of the availability of usage projections through the Energy Information Agency and the various regional transmission organizations. The list of publicly available data, analyses and information contained in the Notice provide ample evidence from which the Department can determine the change in the congestion in the grid. Decreased demand projections continue even after taking into account the continuing effects of the economic downturn.

State and Federal Policies Continue to Favor Energy Efficiency and Demand Reduction

In his 2012 State of the Union Address President Obama took the lead in urging Americans to waste less money. This direction from the top is representative of how the Federal government is leading the way on energy efficiency:

Of course, the easiest way to save money is to waste less energy. So here's a proposal: Help manufacturers eliminate energy waste in their factories and give businesses incentives to upgrade their buildings. Their energy bills will be \$100 billion lower over the next decade, and America will have less pollution, more manufacturing, more jobs for construction workers who need them. Send me a bill that creates these jobs².

Publicly available information regarding state energy efficiency and demand reduction targets should help to inform the Congestion Study. Those state mandated policies, together with the proliferation of private load reducing entities, should be considered in the 2012 Congestion Study. Energy efficiency, demand reduction and the increasing penetration of advanced metering technology will all contribute to decreased congestion. Those advances should be considered in the 2012 Congestion Study.

Other Analysis That the Department Should Consider

Together with efforts to reduce demand policies enacted by states such as New Jersey are seeking to expand generation close to load. Forty eight states have adopted net metering requirements, distributed generation requirements, or both³. Once implemented, those programs will help to reduce any future congestion. The Department should take into consideration the impact of those policies when assessing the potential for future congestion.

² <http://www.whitehouse.gov/the-press-office/2012/01/24/remarks-president-state-union-address>

³ http://www.eia.gov/analysis/studies/electricity/pdf/sreg_policies.pdf

The Department should also consider other alternatives which might be suitable for consideration as part of the Congestion Study. Congestion could be alleviated by rebuilding and upgrading old lines in existing rights-of-way, implementing lower voltage solutions or substation improvements as well as the wide range of non-transmission alternatives. While the Department is not in the business of proposing or supporting individual lines, the Department can exert leadership which will highlight the potential for these alternatives.

Conclusion

If the Department is intending to use the 2012 Congestion Study as anything other than an academic exercise then it must anticipate including an Environmental Impact Statement as a part of its designation of any National Interest Electric Transmission Corridor (“NIETC”). As made clear in *California Wilderness v. U.S. Department of Energy*, 631 F.3d 1072 (9th Cir. 2011), any designation of a NIETC must include an assessment of its impact on the environment and on historic resources. If the Department should find that there is congestion and that the congestion merits the designation of NIETC on a specific geographic area that major Federal action will trigger a “hard look” at the environmental impacts. At such time it will be incumbent on the Department to solicit further input as to what information it should consider.

Dated this 31st day of January, 2012.

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