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DOE Designates Southwest Area and Mid-Atlantic Area National Interest Electric Transmission Corridors

WASHINGTON, DC – U.S. Department of Energy (DOE) Assistant Secretary for Electricity Delivery and Energy Reliability Kevin M. Kolevar today announced the Department's designation of two National Interest Electric Transmission Corridors (National Corridors) -- the Mid-Atlantic Area National Interest Electric Transmission Corridor, and the Southwest Area National Interest Electric Transmission Corridor. These corridors include areas in two of the Nation's most populous regions with growing electricity congestion problems. The Department based its designations on data and analysis showing that persistent transmission congestion exists in these two areas.

In issuing these designations, DOE is carrying out its responsibilities under Federal Power Act section 216, as enacted in the Energy Policy Act of 2005 (EPAAct). That law authorized the Secretary of Energy to conduct periodic national electric transmission congestion studies (Congestion Study), and to designate National Corridors if the Secretary determines appropriate.

"These National Corridors serve as an important indication by the federal government that significant transmission constraint or congestion problems exist," Secretary of Energy Samuel W. Bodman said. "The goal is simple – to keep reliable supplies of electric energy flowing to all Americans. By designating these National Corridors, we are encouraging stakeholders in these regions to identify solutions and take prompt action."

The National Corridors are comprised of two geographic areas where consumers are adversely affected by transmission capacity constraints or congestion. DOE has made each National Corridor designation effective for twelve years. The Mid-Atlantic Area National Corridor includes certain counties in Ohio, West Virginia, Pennsylvania, New York, Maryland, Virginia, and all of New Jersey, Delaware, and the District of Columbia. The Southwest Area National Corridor includes certain counties in California and Arizona.

The Mid-Atlantic Area National Corridor remains unchanged from the draft National Corridor that the Department published in May of this year; the Southwest Area National Corridor also is the same, except that it no longer includes Clark County, Nevada (see attached maps). After evaluating comments on the draft National Corridors, Clark County, Nevada, was omitted from the designation of the final Southwest Area National Corridor because the county is not a major source of potential generation for the area in the Southwest experiencing critical congestion, nor is it an area with a transmission constraint that would separate the critical area from an identified potential generation source.

The boundaries of the National Corridors extend beyond the immediate areas experiencing electric transmission congestion and also include areas of the country with a wide range of potential sources of electricity generation. State authorities will continue to have primary responsibility for deciding how to resolve transmission congestion problems, evaluating transmission projects, and the siting of transmission facilities.

“Designation of National Corridors confirms that we must tackle our nation’s energy issues on multiple fronts, with multiple pathways,” Assistant Secretary Kolevar said. “To help meet growing demand for electricity with the affordability and reliability we’re all accustomed to, now, more than ever, we must look at electricity generation from a regional and national perspective. Not only must we continue to increase energy efficiency wherever possible and maximize each State’s resources, we must also maintain a consistent supply of electricity because it is integral to our livelihood and our economy as well as our national security.”

After issuing the draft National Corridors earlier this year, DOE consulted extensively with state and local agencies, regional entities, and the public. The Department also opened a 60-day public comment period, held over 60 hours of public meetings across the country, and received and evaluated over 2,000 public comments. The Department’s Report and Order being issued today that designates the two National Corridors discusses and responds to those comments.

Today’s designation builds on DOE’s Congestion Study, issued in August of 2006, which provided analysis of generation and transmission capacity across the U.S. and identified critical areas that need attention to meet growing demand. The most severely congested areas – “Critical Congestion Areas” – were the Southwest and Mid-Atlantic regions, which were identified as having critical congestion problems that have adverse effects on consumers and local economies. However, today’s designations do not direct the construction of any new transmission facilities, they do not decide whether or where any new electric transmission facilities should be built, and they do not approve or disapprove the construction of any particular proposed new facilities.

The Energy Policy Act of 2005 authorizes the Federal Energy Regulatory Commission (FERC) to issue, under certain circumstances, permits for new transmission facilities within a National Corridor. Generally, if an applicant does not receive approval from a State to site a proposed new transmission project within a National Corridor within a year, FERC may consider whether to issue a permit and to authorize construction of the project.

In 2006, FERC issued regulations that stipulate that only those transmission projects within a National Corridor that would significantly reduce congestion into or within the congestion area would be eligible for a FERC permit. FERC also does not have the ability to authorize or order construction of transmission lines over State or federal property within the National Corridors without the consent of the relevant land management agency.

The two new National Corridors will focus attention on the need for action to keep pace with the changing needs of American consumers, and will advance the President’s goal of ensuring a reliable supply of electric energy for all Americans. In addition to this designation, DOE pursues and encourages a number of solutions for meeting future electricity demand, including: implementing energy efficiency measures across the country; developing and encouraging the increased use of clean, renewable energy technologies; developing more local generation; and researching, developing and deploying technologies that optimize operation of the electricity grid.

DOE’s designation of the two National Corridors announced today will be effective on the publication of today’s Report and Order in the Federal Register. For information on FERC’s transmission siting policy, visit: <http://www.ferc.gov/industries/electric/indus-act/siting.asp>.

To view what will be published in the *Federal Register* and for additional information on National Corridors, visit: <http://nietc.anl.gov>.

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