



Department of Energy

Washington, DC 20585

July 23, 2018

MEMORANDUM TO THE DEPARTMENT OF ENERGY

ELECTRICITY ADVISORY COMMITTEE

FROM: Bruce Walker, Assistant Secretary
Office of Electricity

A handwritten signature in black ink, appearing to be "B. Walker", written over a large, loopy scribble. A thin line extends from the bottom of the signature down towards the subject line.

SUBJECT: DOE Response to Electricity Advisory Committee Recommendations on
Regulatory Reform

I want to thank all members of the Department of Energy's (DOE) Electricity Advisory Committee (EAC) for your efforts developing recommendations pertaining to regulatory reform as requested by Secretary Perry in his memo to all Department Heads overseeing Federal Advisory Committees. In accordance with the Secretary's direction, your recommendations plus a copy of this response have been forwarded to George Fibbe, the Chair of DOE's Regulatory Reform Task Force.

I look forward to continued discussions on the path of our programs and am committed to ensuring a strong and fruitful working relationship between the Committee and this office. If you wish to discuss this matter further, my staff is available to meet with the Committee, as needed.

Thank you.



Recommendation #1: When and if appropriate, the DOE should advise Congress to eliminate or amend the requirement to conduct a Congestion Study.

OE will take this recommendation under advisement to determine if it will submit the proposed change into DOE's legislative proposal process. Planning for the next iteration of the triennial Congestion Study is currently underway. DOE will seek public comments on what types of data and analysis the Department should consider to identify and understand the significance and character of transmission congestion. In addition to the triennial study, for the past four years DOE has published an *Annual U.S. Transmission Data Review* that focuses on the following areas: transmission infrastructure, transmission reliability, transmission utilization, transmission constraints, transmission planning, and economic congestion.

Recommendation #2: Improve, coordinate, and streamline the DOE's issuance of Presidential Permits in the transmission siting and permitting process.

DOE appreciates the need for reforming the current rules governing the issuance of Presidential permits for the construction, operation, maintenance and interconnection of electric transmission facilities crossing the U.S. international border. The current regulations were last revised in 1981 and do not reflect how the industry operates and is regulated and does not reflect internal DOE reforms to how it conducts National Environmental Policy Act (NEPA) review. As such, the Department has already begun to examine these rules and intends to issue a Notice of Proposed Rulemaking (NPR) in the coming months seeking public comment on a new process that would make the Presidential permit process more efficient and predictable for both the applicant and affected stakeholders.

Recommendation #3: Take a proactive approach to Critical Electric Infrastructure Information (CEII) classification.

DOE understands the importance of protecting CEII, particularly when it comes to protecting our nation's electricity grid. With that in mind, the DOE developed a draft process to handle CEII while carrying out its mission. DOE's proposed process would take a proactive approach to CEII classification. The DOE recently submitted a draft NPR to the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget (OMB) for its review. Once OMB review is completed, the NPR will be released for public comment.

Recommendation #4: When and if appropriate, the DOE should advise Congress to eliminate or amend the requirement to produce an update on the status of Energy Storage every two years.

OE will take this recommendation under advisement to determine if it will submit the proposed change into DOE's legislative proposal process. A top OE priority is to pursue the advancement of Mega-Watt scale storage capable of providing reactive and real power control for bulk and distribution power systems. DOE agrees with the EAC that grid scale storage should be included in future EAC reports assessing DOE progress.

Recommendation #5: Issue “No Standard” Standards for the products that are at or near maximum technology efficiency levels and Reform EISA 2007 Section 305 (3)(B).

DOE is currently engaged in a public proceeding to consider the process by which it develops energy conservation standards. To that end, DOE recently published a Request for Information seeking comments and information from interested parties to assist DOE in identifying potential modifications to its Process Rule, as a way to achieve meaningful burden reduction while continuing to achieve the Department’s statutory obligations in the development of energy conservation standards and test procedures. DOE also held a public meeting to receive input from interested parties on potential improvements to the Process Rule. Numerous commenters provided suggestions for ways that DOE might consider how to determine if products have reached the point of maximum efficiency such that further updates to existing standards may not be justified under the law. DOE is currently reviewing the comments received, and will determine how best to proceed on this topic.