

March 28, 2012

Mr. Lamont Jackson
Office of Electricity Delivery and Energy Reliability
U.S. Department of Energy
Mail Code: OE–20
1000 Independence Avenue SW
Washington, DC 20585

Re: Department of Energy [OE Docket No. RRTT-IR-001]

Request for Information: Rapid Response Team for Transmission

Dear Mr. Jackson:

ISO New England appreciates the opportunity to provide comments on the Department of Energy's (DOE) Request for Information (RFI) on a Rapid Response Team for Transmission.<sup>1</sup> The agency has requested comments on development timelines for renewable generation and attendant transmission and possible strategies to decrease the time that federal permitting agencies require for transmission projects. While transmission projects in the New England region do not have substantial federal permitting requirements, ISO New England Inc. is providing general comments on transmission planning and siting to assist the DOE in its review.

The New England region has successfully sited approximately \$5 billion in transmission needed to meet reliability standards since 2002 and significant transmission projects are planned for the next several years.<sup>2</sup> Contributing to this success has been the open and transparent regional planning process and a cost allocation mechanism that is understood and accepted by a majority of New England stakeholders. Nevertheless, this success has not been without some difficulties and delays. There is no doubt that it can be very difficult to site transmission lines, however, our experience is that once the reliability need has been accepted by state and federal policymakers, it is possible to make it happen. Transmission to interconnect renewable resources has presented additional challenges given the lack of a clear and present need and a settled cost allocation mechanism.

The DOE's RFI seeks information related to transmission for renewables and specifically seeks comments on the "Incongruent Development Times" between generation and transmission projects. In our opinion, this is not the primary driver of challenges to building transmission for renewables. When it comes to proposed renewable projects, which are often located in remote areas away from load centers and the bulk power system, there is often a "chicken and egg" problem. Proposed renewable generation projects cannot finalize interconnection agreements until additional

<sup>&</sup>lt;sup>1</sup> Rapid Response Team for Transmission, U.S. Department of Energy, 77 Fed. Reg. 11517 (February 27, 2012).

<sup>&</sup>lt;sup>2</sup> ISO New England Inc., 2011 Regional System Plan, at 90 (October 21, 2011) (2011 RSP), available at: http://www.iso-ne.com/trans/rsp/2011/index.html.

transmission is developed. Transmission for renewables will not be developed without some certainty around the development of renewable generation projects.

In New England, the ISO, states and stakeholders have been considering means to resolve this issue for the last several years. At present, the New England power system has a limited ability to accommodate the interconnection of utility scale renewable energy projects, in most part due to the fact that the proposed renewable energy projects are located at some of the weakest parts of the transmission system. In addition, ISO New England has conducted a number of economic studies for the region that indicate that it is highly unlikely that significant transmission investments to integrate renewable resources will be economically justified, particularly when considering current wholesale market conditions and prices.<sup>3</sup>

Acknowledging these challenges, the New England states are now exploring a coordinated procurement process for renewables.<sup>4</sup> The states are examining how they could use joint or separate, but coordinated, competitive processes to identify which resources and transmission projects have the greatest potential to help meet the region's renewable energy goals at the lowest all-in delivered cost to consumers. Recognizing the additional transmission likely to be developed in the region to meet reliability needs and the potential transmission for renewables, the states have also established a New England Interstate Transmission Siting Collaborative to increase coordination of the states' siting processes.<sup>5</sup> The ISO, the states and stakeholders are also discussing compliance with the Federal Energy Regulatory Commission's Order 1000, which will provide a mechanism to plan transmission for renewables.

All of these efforts could achieve clarity on the states' renewable energy goals and the economics of renewable generation projects and transmission. A coordinated procurement for renewable energy has the potential to allow some or all of the six New England states to achieve sufficient economies of scale to justify a robust investment in transmission, which in turn will enable a more rapid development in renewable resources.

The DOE's RFI also seeks information on potential strategies federal agencies can take to expedite the processes for evaluating permits for transmission projects. Given that each transmission project presents a different set of challenges, it is difficult to conceive of a "one size fits all" approach to the review process. However, assigning an "ombudsman" (or similar representative) to a transmission project that has languished for a certain period of time could ease the process of working through the various federal agencies and help streamline the permitting process. Furthermore, as the New England states are doing, permitting agencies can assess the feasibility of joint proceedings and public hearings to shorten the timeframes and reduce redundancies in the permitting process.

ISO New England appreciates the opportunity to provide these comments.

Sincerely.

Anne C. George

ne.com/committees/comm wkgrps/prtcpnts comm/pac/reports/2010/economicstudyreportfinal 022610.pdf

<sup>&</sup>lt;sup>3</sup> See, e.g., http://www.iso-

<sup>&</sup>lt;sup>4</sup> For more information on Coordinated Renewable Power Procurement, see http://www.nescoe.com/Coordinated Procurement.html.

<sup>&</sup>lt;sup>5</sup> http://www.nescoe.com/uploads/Interstate Siting Collaborative.pdf.