

Mr. David Meyer
Office of Electricity Delivery and Energy Reliability, OE-20
U.S. Department of Energy
1000 Independence Avenue SW.
Washington, DC 20585

TRANSMITTED VIA E-MAIL

RE: PLAN FOR CONDUCT OF 2012 ELECTRIC TRANSMISSION CONGESTION STUDY: FEDERAL REGISTER VOL 76 NO. 218

The Solar Energy Industries Association (SEIA) appreciates the opportunity to submit comments to the Department of Energy (DOE) for consideration in its 2012 National Electric Transmission Congestion Study. SEIA strongly supports DOE's efforts to maximize stakeholder involvement in this process. SEIA recommends that DOE designate additional Critical Congestion Areas in the 2012 Congestion Study. Based on the Critical Congestion Area findings, DOE should subsequently extend the Southwest National Corridor to highlight transmission siting essential to the long-term development of solar energy resources located in remote areas distant from load as a significant share of the national energy portfolio.

I. About SEIA and the Solar Industry

Established in 1974, SEIA is the national trade association of the U.S. solar energy industry. Through advocacy and education, SEIA is building a strong solar industry to power America. As the voice of the industry, SEIA works with its 1,100 member companies to make solar a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry and educating the public on the benefits of solar energy.

Today, the solar energy industry is one of the fastest growing sectors in the U.S. economy, growing 109% in 2011 over the previous year, with eight states installing over 50 MW each.¹ Within the solar energy industry, utility-scale solar is thriving with 1,324 MW in operation and a further 4,611 MW under construction, mostly in the U.S. southwest.² In fact, in the past two

Solar Energy Industries Association and GTM Research, "U.S. Solar Market Insight: 2011 Year-in-Review" at p. 3 (http://www.seia.org/galleries/pdf/SMI-YIR-2011-ES.pdf).

[&]quot;Utility-Scale Solar Power Projects in the United States Operating, Under Construction, or Under Development," Solar Energy Industries Association, updated Jan. 17, 2012 (http://www.seia.org/galleries/pdf/Major Solar Projects.pdf).

years, BLM has approved 25 major renewable energy projects, including 15 utility-scale solar power projects on public lands. Together, these projects comprise 6,200 MW of new generation capacity, enough to power 2.2 million American homes, and will create nearly 12,000 construction and operational jobs. More recently, President Obama, in his State of the Union address, directed his Administration to permit enough clean energy generation or projects on public land to power three million homes. Achieving the President's goal depends in large part on the availability of adequate transmission to bring remote solar energy resources to load in states like California, Nevada, Arizona, New Mexico, and Utah.

II. Background

In accordance with the Energy Policy Act of 2005 (EPAct 2005), DOE is preparing to move forward with its 2012 National Electric Transmission Congestion Study (Congestion Study). The first Congestion Study, prepared in 2006, identified southern California and the mid-Atlantic region as Critical Congestion Areas. In 2007, DOE subsequently designated two National Interest Electric Transmission Corridors (National Corridor)—The Mid-Atlantic Area National Corridor and The Southwest Area National Corridor.

Building on the 2006 Congestion Study, the 2009 Congestion Study further examined the relationship between electric transmission and renewable energy development. The 2009 Congestion Study noted the increased national importance of renewable energy generation and related transmission policy developments since the previous Congestion Study. Although the 2009 Congestion Study identified areas where "the development of significant additional generation [from renewable resources] . . . is limited primarily by the availability of transmission capacity," these areas were not designated Critical Congestion Areas. ⁵ Instead, DOE designated vague, non-resource-specific regions of high renewable generation potential as Conditional Constraint Areas. ⁶ Unlike Critical Congestion designations, Conditional Constraint designations are not likely to lead to National Corridor designations by the Secretary of Energy.

When determining whether to designate a National Corridor, under FPA Section 261(a)(4) "the Secretary may consider whether (A) the economic vitality and development of the corridor, or the end markets served by the corridor, may be constrained by lack of adequate or reasonably priced electricity; (B)(i) economic growth in the corridor, or the end markets served by the

[&]quot;Salazar Continues to Advance Renewable Energy Development on Public Lands," BLM Press Release, Dec. 20, 2011 (http://www.blm.gov/wo/st/en/info/newsroom/2011/december/NR 12 20 2011.html).

President Barack Obama, State of the Union Address (Jan. 24, 2012).

DOE, National Electric Transmission Congestion Study. 2009. p. 22.

[°] Id. at p. 23.

corridor, may be jeopardized by reliance on limited sources of energy; and (ii) a diversification of supply is warranted; . . . (D) the designation would be in the interest of national energy policy." Expanding transmission access to the Southwest's solar resources meets these criteria.

III. DOE Should Designate Additional Critical Congestion Areas in the U.S. Southwest

SEIA supports DOE's efforts to focus national attention on reducing electric transmission capacity constraints. However, SEIA recommends that DOE designate additional Critical Congestion Areas in the 2012 Congestion Study. Based on the Critical Congestion Area findings DOE should subsequently extend the Southwest National Corridor to highlight transmission siting essential to the long-term development of solar energy resources located in remote areas distant from load as a significant share of the national energy portfolio.

DOE should designate additional Critical Congestion Areas now because transmission planning requires significant lead time. As noted by California ISO at the December 15, 2011 Congestion Study Workshop, transmission conditions should be analyzed for future congestion, as well as current congestion. According to California ISO staff, "there is more than 60,000 MW of active renewable projects in the ISO Generator Interconnection Queue," more than three-fold the capacity needed to meet California's renewable portfolio standard (RPS) goal. "Beyond the 33% RPS capacity requirements," says California ISO, "there could be significant conditional congestion with current transmission development plans." If California is to exceed its RPS goal, as suggested by California ISO, then regional transmission planning efforts must accelerate to ensure operational transmission capacity is available to connect future supply to load.

DOE should also subsequently expand the Southwest National Corridor as the current Southwest National Corridor is not large enough to meet current and future solar resources' transmission needs. As DOE noted in the October 2007 National Corridor Designation Orders, its "approach to delineating the draft Southwest Area National Corridor was designed to connect the sink area containing consumers adversely affected by congestion [i.e., the southern California Critical Congestion Area] with a range of source areas separated from the identified sink area." However, despite this aim, the final Southwest Area National Corridor designated by DOE includes only seven counties in southern California and three counties in western

See the January 27, 2012 comments from SEIA to the U.S. Bureau of Land Management on the Draft Solar PEIS for more analysis on potential solar resources constrained by inadequate transmission.

(http://www.seia.org/galleries/pdf/Final_SEIA-LSA_SD_PEIS_Letter.pdf)

⁸ 72 FR 57017 (Oct. 5, 2007).

Arizona. Moreover, while DOE's draft of the Southwest National Corridor included part of southern Nevada, an area of significant solar energy development the final version of the Corridor did not include Nevada at all. 10

Notwithstanding the ruling by the U.S. Court of Appeals for the Fourth Circuit, National Corridors remain an important tool for the federal government to highlight national priorities and signal regional transmission planning entities to respond with the appropriate urgency. ¹¹ Indeed, several such entities have taken steps to manage transmission challenges. ¹² However, to sufficiently address the growing need for new generation with greater geographic and resource diversity, avoid future inter-state transmission constraints, and fulfill its responsibilities under the Federal Power Act, DOE should expand the Southwest Area National Corridor to include additional solar-rich counties across southern Nevada, California, and Arizona. The 2012 Congestion Study, therefore, needs to extend Critical Congestion designation through this region to appropriately guide the Secretary's future National Corridor designations.

IV. Conclusion

In conclusion, SEIA is supportive of DOE's efforts to identify and assess critical electrical transmission congestion issues in its 2012 Congestion Study. However, DOE must designate additional Critical Congestion Areas in the U.S. Southwest and subsequently designate corresponding National Interest Electric Transmission Corridors. DOE must expeditiously complete the 2012 Congestion Study to ensure that steps are taken to provide adequate transmission of solar energy to load, particularly in the U.S. Southwest where the solar resource is greatest.

Thank you for your consideration of these comments.

Southwest Area National Corridor counties included in Docket No. 2007-OE-02 (72 FR 57017) include: California: Imperial County, Kern County, Los Angeles County, Orange County, Riverside County, San Bernardino County, San Diego County; Arizona: La Paz County, Maricopa County, Yuma County

Approximately 4,000 MW of utility-scale solar projects are in service or under development in Nevada. See: "Utility-Scale Solar Projects in the United States Operating, Under Construction, or Under Development," Solar Energy Industries Association, updated Jan. 17, 2012 (http://www.seia.org/galleries/pdf/Major Solar Projects.pdf).

In Piedmont Environmental v. Federal Energy Regulatory Commission, U.S. Court of Appeals, Fourth Circuit, Case Nos. 07-1651, 07-1864, 07-1865, and 07-1866 (Feb 18, 2009), the Court curbed FERC's backstop siting authority within National Corridors designated by the Department of Energy.

See California Renewable Energy Transmission Initiative (RETI), Southwest Area Transmission (SWAT) Renewable Transmission Task Force, Western Governors' Association Western Renewable Energy Zones (WREZ), among others

Respectfully submitted,

Daniel M. Adamson

VP, Regulatory Affairs & Counsel Solar Energy Industries Association 575 7th Street NW, Suite 400 Washington, DC 20004

(202) 556-2892

dadamson@seia.org