



U.S. DEPARTMENT OF
ENERGY

Report

Concerning

**Designation of National
Interest Electric
Transmission Corridors**

September 2015

**United States Department of Energy
Washington, DC 20585**

1. Introduction

The Energy Policy Act of 2005 (EPA) added section 216(a) to the Federal Power Act (FPA), directing the Secretary of Energy to “conduct a study of electric transmission congestion” by August 2006 and every three years thereafter. These studies are to identify transmission congestion in the Eastern and Western Interconnections. The FPA specifically excludes the geographic area covered by the Electric Reliability Council of Texas (ERCOT) from the studies.¹

Further, the FPA specifies that, based on the congestion study, and comments from the states and other stakeholders, the Secretary:

...shall issue a report..., which may designate any geographic area experiencing electricity transmission capacity constraints or congestion that adversely affects consumers as a national interest electric transmission corridor” (National Corridor).²

After reviewing and considering public comments on a draft congestion study, the Department of Energy (Department, or DOE) recently issued its third *National Electric Transmission Congestion Study* (September 2015).

This document is the “report” concerning designation of one or more National Corridors.

Beyond this introductory section, this report consists of two sections:

- (1) A summary of the public comments concerning National Corridors that were received during the public comment period for the draft of the third *National Electric Transmission Congestion Study*, and the Department’s responses to those comments.
- (2) The Secretary’s determination concerning the possible designation of one or more National Corridors on the basis of the third congestion study.

¹ *ibid* § 824p(k).

² *ibid* § 824p(a)(2).

2. Public Comments concerning National Corridors

The Department received many comments concerning National Corridors as part of the commentary it received on the draft of its recently released third *National Electric Transmission Congestion Study*.

Southern Company, Alabama Public Service Commission (PSC), and one individual commented that the findings in the report did not support designating corridors in specific regions. The New York Independent System Operator (NYISO), ISO New England (ISO-NE), New York Public Service Commission (NYPSC), National Association of Regulatory Utility Commissioners (NARUC), and New England States Committee on Electricity (NESCOE) commented that broader trends (including recent increased transmission construction and existence of robust planning processes) indicated there is no congestion or need to designate corridors in certain areas. Eighty-one individuals commented that they opposed corridor designation for a variety of reasons; typically, however, these reasons were not related to the findings in the draft study.

The American Wind Energy Association (AWEA) and Clean Line commented that corridors were justified. AWEA further commented that a corridor should be designated in the Western Interconnection, but did not identify either a specific geographic region or proposed line. Neither AWEA nor Clean Line referred to specific findings in the draft study in support of their recommendations.

NextEra Energy and AWEA commented that the Department should shift responsibility for the production of congestion studies to developers seeking designation of a transmission corridor. Such a congestion study would focus on congestion in a particular area that could be alleviated by a project in a National Corridor in that area. NextEra Energy also commented that the Department could require a proponent of a corridor to submit a draft congestion study, which could be shared with affected states for consultation.

Edison Electric Institute (EEI) commented that the congestion studies should be based on more DOE outreach to states and the Federal Energy Regulatory Commission (FERC) Order 1000 planning regions and stakeholders, rather than on improved or more uniform data collection. NYPSC commented that the Department should base future congestion studies on collaboration with states similar to existing planning processes.

NARUC commented that National Corridors should only be designated on the basis of strict adherence to the terms and processes cited in the statute. NYPSC commented that the draft study did not consider costs of congestion or potential costs of relieving the congestion, or alternatives to transmission for relieving congestion. It contended that these concepts are important in the decision to designate a National Corridor, and that a congestion study should contain all information needed to make a decision about corridor designation.

Southern Company, EEI, and Alabama PSC commented that thus far designation of National Corridors has not been “proven necessary.” Therefore, any determination about whether

National Corridors are relevant to ensuring transmission adequacy would be speculative. ReliabilityFirst and NESCOE commented that designation of National Corridors alone would not ensure that adequate and appropriate infrastructure is built, and that existing planning processes are intended to ensure transmission adequacy. ReliabilityFirst also commented that corridor designation may be helpful in expediting regulatory siting processes. Pennsylvania Public Utilities Commission (PUC) commented that the language of the statute has little impact on whether adequate and appropriate transmission infrastructure is built in a timely manner, and that National Corridors are no longer necessary.

Several parties commented on alternative processes for the designation of National Corridors. ISO-NE commented that designations should be based on analysis of transmission needs as produced by regional system planning processes and review of NERC violations. As noted above, NextEra commented that developers should be allowed to propose narrow, project-specific corridors, and to submit a draft congestion study that would demonstrate the existence of congestion in the region and that it would be alleviated by the project. AWEA commented that transmission developers should be allowed to request designation of specific corridors.

EI commented that the Department should forego preparation of congestion studies and designation of National Corridors, in favor of streamlining federal permitting and siting processes when requested by utility applicants.

Numerous other comments about National Corridors were received. In summary:

- (1) Seventy-nine individuals commented that they oppose corridor designation.
- (2) One individual commented that he or she supports corridor designation.
- (3) Four individuals commented that identifying corridors may create national security concerns and bring the location of important energy infrastructure to the attention of terrorists.
- (4) Fifty-eight individuals commented that National Interest Electricity Transmission Corridors violate a state's right to regulate transmission lines, and that states should determine when to grant utility status.
- (5) Eight individuals commented that new and alternative technologies should be considered before corridors for new transmission are designated.

3. Determination of Whether to Propose Designation of One or More National Corridors on the Basis of the Third *National Electric Transmission Congestion Study* and Response to Public Comments

The Department has concluded that the information collected during the preparation of the draft congestion study, with the additional information received via the public comment process, does not provide a basis for the designation of a National Corridor.

This determination, however, in no way precludes the possible designation of one or more future corridors, consistent with the provisions of the Federal Power Act, and in situations where designation would serve the public interest. DOE would first propose designation of such corridors for public comment (after completion of a relevant congestion study), and no designation would become final until an environmental analysis as required by the National Environmental Policy Act had been completed.

After reviewing and considering the public comments, the Department has also reached the following conclusions:

- (1) Publication by DOE of an annual *Transmission Data Review* should be continued, as a means of making relatively fresh transmission data and information available to the public.
- (2) Triennial congestion studies can serve a useful purpose other than providing a basis for designation of a National Corridor, by focusing national attention on aspects of transmission infrastructure that may warrant other forms of federal attention and action.
- (3) The Department recognizes that future congestion studies should be coordinated with regional transmission planning efforts, including those mandated by FERC Order No. 1000, and that some of these efforts are still being developed.
- (4) The designation of a National Corridor is a potentially useful policy option, but should only be used in situations where it would serve the public interest for the federal government to intervene in regulatory matters for which the states normally have primary responsibility.

The Department will endeavor to take all comments into account in the conduct of future congestion studies and its deliberations concerning the designation of National Corridors.