

FERC NARUC Task Force on Transmission and ANOPR on Transmission Reforms

J. RILEY ALLEN

VT PUC

10 27 21

Reason for the focus on bulk transmission

The Biden-Harris Administration has announced the goal of achieving a carbon pollution-free power sector by 2035 and a net-zero economy by 2050. State efforts are similarly ambitious.

Various studies suggest that we need 2-3 times the bulk transmission capacity to meet the objectives.

Existing framework seems stuck, focusing too narrowly on optimizing around a single definition of need (reliability) and is regionally or Tx operator centric (the transmission planner), when large areas of clean energy are in areas (zones) remote from load.

Despite heavy investment inside regions, almost no new interregional transmission has been built in the last decade.

Concerns that earlier reforms related to FERC Order 1000 are not working.

Formation of the Joint FERC-NARUC Task Force on Transmission

- ▶ Notice of the Task Force in Docket 21-15-000 (June 17, 2021)
- ▶ Appointments to the Task Force August 31, 2021

Identified mission of the Joint FERC-NARUC Task Force on Transmission

- ▶ Identify barriers that inhibit planning and development of optimal transmission necessary to achieve federal and state policy goals, as well as potential solutions to those barriers;
- ▶ Explore potential bases for one or more states to use FERC-jurisdictional transmission planning processes to advance their policy goals, including multi-state goals;
- ▶ Explore opportunities for states to voluntarily coordinate to identify, plan and develop regional transmission solutions;
- ▶ Review FERC rules and regulations regarding planning and cost allocation of transmission projects and potentially identify recommendations for reforms;
- ▶ Examine barriers to the efficient and expeditious interconnection of new resources through the FERC-jurisdictional interconnection processes, as well as potential solutions to those barriers; and
- ▶ Discuss mechanisms to ensure that transmission investment is cost effective, including approaches to enhance transparency and improve oversight of transmission investment including, potentially, through enhanced federal-state coordination

Advanced Notice of Proposed Rulemaking (ANOPR)

- ▶ Major areas of inquiry discussed below, but focus on need for added Tx
- ▶ Comments Filed October 12 with reply comments November 30
- ▶ ~ 160 comments ~ 10,000 pages

Appointments to the Task Force by FERC (aka the NARUC Ten or the N-10)

6

10/28/2021

- **Southeastern Association of Regulatory Utility Commissioners**
 - Commissioner Kimberly Duffley, North Carolina Utilities Commission
 - Chair Ted Thomas, Arkansas Public Service Commission
- **Western Conference of Public Service Commissioners**
 - Commissioner Kristine Raper, Idaho Public Utilities Commission
 - Commissioner Clifford Rechtschaffen, California Public Utilities Commission

Appointments to the Task Force by FERC⁷ (aka the NARUC Ten or the N-10) Cont'd

10/28/2021

Mid-Atlantic Conference of Regulatory Utilities Commissioners

- Chair Gladys Brown Dutrieuille, Pennsylvania Public Utility Commission
- Chair Jason Stanek, Maryland Public Service Commission

Mid-America Regulatory Conference

- Chair Andrew French, Kansas Corporation Commission
- Chair Dan Scripps, Michigan Public Service Commission

New England Conference of Public Utilities Commissioners

- Commissioner Riley Allen, Vermont Public Utility Commission
- Chair Matthew Nelson, Massachusetts Department of Public Utilities

ANOPR – Three Major Areas of Inquiry

- ▶ LT Transmission Planning
- ▶ Cost Allocation
- ▶ Interconnection

Areas of inquiry related to LT planning

- ▶ Multi-value (holistic) planning (reliability, economics, public policy)
- ▶ Longer term horizon (most planning today is 10-15 years for bulk Tx)
- ▶ Portfolio approach to planning (synergies between projects)
- ▶ Remove barriers to regional projects (versus local projects)
- ▶ Integrate consideration of lower cost (and lower regret) options including non-transmission alternatives (NTAs) and grid enhancing technologies (GETs)
- ▶ Allocate costs fairly (beneficiaries pay, cost causers pay)
- ▶ Limit payment to costs tied to the new project
- ▶ Manage regrets and value options (risk management, ensure used and useful Tx)
- ▶ Interregional planning and coordination.

Areas of particular focus

10

10/28/2021

- ▶ Regional reforms
- ▶ Additional areas of focus on electrification, distributed generation and load management
- ▶ Cost containment
 - ▶ Non-transmission alternatives
 - ▶ Grid enhanced technologies
 - ▶ Performance-based regulation of Tx companies/operators
 - ▶ Competition/transparency
 - ▶ Independent Transmission Monitor
- ▶ Coordinated planning between regional operators and states
 - ▶ Load management
 - ▶ Planning platforms/maps
 - ▶ Rate design
 - ▶ Forecast
- ▶ Interregional reforms (greater regional coordination or even top down planning efforts)

Final thoughts

- ▶ Long process
- ▶ Much to learn
- ▶ Multi-year task force
- ▶ Guidance welcome
- ▶ State perspectives useful

Thanks to VELCO and VSPC

Questions???