

federal entity is uniquely suited to move us past the barriers of parochial interests, inconsistent planning methodologies and the pricing challenges that thwart the free movement of clean and reliable, and affordable power to customers who want it.”¹

II. COMMENTS

A. Interregional Transmission’s Multiple Benefits Should be Recognized.

While much of the discussion focused on the well-established resilience and reliability benefits of interregional transmission, many Task Force members identified the additional and significant benefits from providing access to renewable resources and reducing costs for consumers.² ACORE strongly agrees that interregional transmission has a wide scope of benefits and that a common set of benefits should be established for all transmission planning, both regional and interregional. As stated in our comments on the Commission’s Notice of Proposed Rulemaking on *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection* (“Transmission Planning NOPR”), the Commission has already provided a best practice, standard set of benefits.³

Establishing a minimum set of common benefits is essential for interregional transmission planning and cost allocation. As Commissioner Rechtschaffen stated, a minimum set of common benefit categories is “a pre-requisite” for “the kind of comparable analysis and

¹ Task Force Meeting Transcript (“Transcript”) at 13-14. Also see Chair Scripps (“FERC has a unique role to play here,” “no individual state, or indeed, no individual RTO can fix on their own.”), Transcript at 18; Chair Stanek (“[W]e just can't do this on the state level.”), Transcript at 45; Commissioner Rechtschaffen (“FERC really is uniquely positioned to come up with solutions.”), Transcript at 68.

² See Commissioner Rechtschaffen (identifying the “ability to access low-cost, new renewable resources” and “deliver this energy to load centers” as one of the most important benefits), Transcript at 19; Commissioner Allen (“We look at benefits too narrowly when we think about transmission.”), Transcript at 24; Chair Nelson, (“I think we're going to see a clear net benefit to consumers, and I think that needs to be underscored.”), Transcript at 33.

³ ACORE Comments, Transmission Planning NOPR (August 17, 2022) at 12.

planning, and especially cost allocation process that's necessary for interregional planning to really work.”⁴ Many members of the Task Force agreed that the determination of cost allocation is critical for interregional transmission planning. For example, Chair Scripps stated that it is not possible “to overstate the importance of getting cost allocations right.”⁵

B. A Minimum Transfer Capacity Standard is Essential for the Development of Interregional Transmission.

Many members of the Task Force noted that a minimum transfer capacity standard is an optimal means to achieve an expansion of interregional transmission.⁶ Some members recognized the benefits of such a standard, while noting that it may vary among the regions.⁷ As Chair Thomas pointed out, such a standard simplifies the cost allocation by building the benefits assumptions into the minimum transfer capacity standard.⁸

ACORE strongly supports such a standard and its application to all planning regions, regardless of whether it is a set numerical standard or an established methodology. An example of the latter was developed by General Electric Consulting which uses the reliability, operational and stability benefits of interregional transmission to determine an optimal level of interregional transmission between different geographic areas.⁹

C. Standardization and Identification of Modeling Best Practices is Needed.

⁴ Transcript at 71.

⁵ Transcript at 50. See also Chair French, (“[W]e have had a much easier time with the planning when we've been able to settle on a cost allocation upfront.”), Transcript at 74.

⁶ Chair Scripps, Transcript at 55; Chair Thomas, Transcript at 74-75; Chair French, Transcript at 85.

⁷ Commissioner Allen; Chair Brown Dutrieuille; Chair Stanek; Transcript at 76-77.

⁸ Transcript at 74-75.

⁹ Sheila Tandon Manz, General Electric Consulting, *Potential customer benefits of interregional transmission* (November 2021), available at: https://acore.org/wp-content/uploads/2021/12/02-GEEnergyConsulting_ACORE_InterregionalTransmissionMemo_211129.pdf

Several Task Force members stated that interregional transmission planning and the evaluation of the benefits requires a standardization of modeling between regions.¹⁰ As Chair Thomas recommended, a convening or technical conference could provide a forum for a discussion of modeling practices and identification of “steps toward compatibility.”¹¹ This concept is aligned with ACORE’s support in our Transmission Planning NOPR comments for a periodic forum to share best practices in long-range transmission planning, which could address “sources of data, modeling approaches, and methodologies for determining the benefits.”¹² Moreover, ACORE also supported the establishment of an independent transmission monitor to assist with the identification of these best practices and ensure transparency in the planning process and supporting analyses.¹³ Such an entity can potentially also play a role the establishment of a minimum transfer capacity standard. ACORE also agrees with Chair Scripps in identifying the Department of Energy’s National Transmission Planning Study as a useful resource for interregional transmission planning, as also discussed in ACORE’s ANOPR comments.¹⁴

D. Interregional Transmission Planning Requirements Should Apply to both RTO/ISO and Non-RTO/ISO Regions.

As with the reforms proposed in the Transmission Planning NOPR, ACORE also recommends that future requirements for interregional transmission apply to all transmission

¹⁰ Chair Thomas, Transcript at 27 and 47.

¹¹ Transcript at 90-91.

¹² ACORE Transmission Planning NOPR Comments at 15.

¹³ *Id.*

¹⁴ Transcript at 79, ACORE Transmission Planning NOPR Comments at 9.

providers whether they are RTOs/ISOs or not.¹⁵ ACORE appreciates Chair Levar’s point that the non-RTO regions are not “sitting on their hands”¹⁶ as exemplified by the regional planning studies conducted by WestConnect and Northern Grid.¹⁷ But such efforts demonstrate that the transmission planning building blocks are in place to further develop interregional planning and minimum capacity transfer requirements for all planning regions. The benefits of interregional transmission planning for non-RTO regions were demonstrated by a modeling exercise by Telos Energy of a 2-gigawatt high-voltage direct current line between ERCOT North and Southern Company where the systems were evaluated as unreliable by retiring gas and coal generators in the model. The results indicated that this interregional transmission would make two unreliable systems reliable without adding new generation capacity.¹⁸ Including non-RTO regions in interregional transmission requirements extends such reliability benefits to the population of these areas.

Commissioner Duffley objected to “top-down” planning and noted that one reason a common benefits metric cannot be established is that outside of RTOs/ISOs, there are not locational marginal prices (LMPs) to use in evaluating the markets benefits.¹⁹ But a review of the benefits categories described in the Transmission Planning NOPR and a recent analysis of the benefits categories used for the Midcontinent ISO’s Long-Range Transmission Planning shows

¹⁵ ACORE Transmission Planning NOPR Comments at 17.

¹⁶ Chair Levar, Transcript at 31.

¹⁷ See <http://regplanning.westconnect.com/> (WestConnect Regional Planning) and <https://www.northerngrid.net/northerngrid/workgroups/4> (NorthernGrid’s Member Planning Committee).

¹⁸ Derek Stenclik and Ryan Deyoe, Telos Energy, *Multi-Value Transmission Planning for a Clean Energy Future: A Report of the Transmission Benefits Valuation Task Force*, Energy Systems Integration Group at 52, available at: <https://www.esig.energy/multi-value-transmission-planning-report>, also noted by Chair Scripps, Transcript at 40-41.

¹⁹ Transcript at 43.

that LMPs are not central to the benefits, which use a range of inputs, including production costs, capacity costs, loss of load probabilities, energy losses, contracting prices.²⁰ Moreover, the aforementioned ESIG analysis utilizes loss of load expectations as a key variable in analyzing the benefits of a non-RTO/ISO interregional transmission line.

A more fundamental point is that given the importance of interregional transmission and especially its critical role in ensuring the resilience of the grid, such benefits should not be neglected for a significant segment of the population.

III. CONCLUSION

ACORE greatly appreciates the opportunity to submit these comments and continues to urge the Commission to move forward with a rulemaking addressing interregional transmission.

Respectfully submitted,

/s/ Elise Caplan

Elise Caplan
Director of Electricity Policy
American Council on Renewable Energy
1150 Connecticut Ave NW, Suite 401
Washington, D.C. 20036
caplan@acore.org

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²⁰ Transmission Planning NOPR, Table 1; Rob Gramlich, Grid Strategies LLC, *Enabling Low-Cost Clean Energy and Reliable Service Through Better Transmission Benefits Analysis*, (August 2022), available at: <https://acore.org/enabling-low-cost-clean-energy-and-reliable-service-through-better-transmission-benefits-analysis-a-case-study-of-misos-long-range-transmission-planning/>