

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Interregional High Voltage Direct)
Current Merchant Transmission)

Docket No. AD22-13-000

**MOTION TO INTERVENE AND COMMENTS OF
THE AMERICAN COUNCIL ON RENEWABLE ENERGY**

Pursuant to Rules 211¹ and 214² of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practices and Procedures, and the Commission’s July 27 Notice in the above captioned docket, the American Council on Renewable Energy (“ACORE”) submits this Motion to Intervene and Comments on Invenergy Transmission LLC’s (“Invenergy”) July 19 request for a technical conference.

I. MOTION TO INTERVENE

ACORE is a national nonprofit organization that unites finance, policy and technology to accelerate the transition to a renewable energy economy. ACORE’s members span renewable energy technologies and constituencies, including developers, manufacturers, top financial institutions, major corporate renewable energy buyers, grid technology providers, utilities, professional service firms, academic institutions, and allied nonprofit groups. These members include many entities who could be impacted by the outcome of this proceeding. The interests of ACORE’s members cannot be represented by any other party. Therefore, this intervention is in the public interest.

¹ 18 CFR 385.211 (2022).

² 18 CFR 385.214 (2022).

II. COMMENTS

ACORE strongly agrees with Invenergy's description of the extensive reliability, resilience and cost-saving benefits provided by interregional transmission, as described in ACORE's August 17 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.³ As also discussed in such comments, a disproportionate share of transmission is being built for local needs, not the regional, and especially interregional facilities needed to integrate the expansion of renewable resources and provide resilience in a future with more extreme weather events.⁴

Identifying and compensating transmission facilities that are most needed and provide the greatest benefits minimizes the imposition of unnecessary costs on consumers and are critical to achieving both reliability and decarbonization goals. While the Transmission Planning NOPR proposes needed improvements, such reforms do not adequately address interregional transmission, nor do they specifically address the additional benefits of high voltage direct current (HVDC) transmission beyond those achieved by alternating current (AC) interregional transmission.⁵

³ 179 FERC ¶ 61,028 ("Transmission Planning NOPR"), ACORE Initial Comments (August 2022) at 19-20, citing the modeling of the reliability benefits of an interregional transmission line between SPP and ERCOT by Telos Energy (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, 2022) and Lawrence Berkeley National Laboratory's study of the value of interregional transmission in mitigating energy price differentials (Millstein, et al, *Empirical Estimates of Transmission Value using Locational Marginal Prices*, Lawrence Berkeley National Laboratory, 2022).

⁴ ACORE Transmission Planning NOPR Initial Comments at 3 and 18.

⁵ Invenergy Technical Conference Request at 4 and Footnote 5.

As Invenergy explains, the merchant model can achieve cost savings and avoid contentious cost allocation procedures,⁶ but current contractual arrangements for merchant-developed transmission may not allow for the full achievement and valuation of reliability and resilience benefits.⁷ ACORE therefore strongly supports further exploration of additional compensation mechanisms for these facilities, using the topics listed in recommended agenda provided in the request.⁸

III. RECOMMENDATIONS

Invenergy has raised important issues in this request, as discussed above. ACORE does however recognize the workload facing the Commission as it addresses myriad reforms to both transmission and wholesale markets rules. Therefore, ACORE is not taking a specific position on whether a separate technical conference is the optimal means to address the development of compensation mechanisms for merchant HVDC transmission, and leaves that up to the Commission. ACORE does however strongly recommend the Commission address this issue either on its own or within another proceeding in the near future.

One option could be to explore such compensation mechanisms within a much-needed rulemaking on improvements to interregional transmission planning and the development of a minimum transfer capacity standard, as recommended in ACORE's comments on the Transmission Planning NOPR.⁹ Should the Commission incorporate this into a broader rulemaking, ACORE recommends that the Commission identify measures that could be

⁶ *Id.* at 11.

⁷ *Id.* at 6-7

⁸ *Id.* at 23.

⁹ ACORE Transmission Planning NOPR Initial Comments at 20.

implemented within a shorter time frame and with nearer term compliance filings, such as these compensation mechanisms and the identification of a minimum capacity transfer standard.

IV. CONCLUSION

ACORE respectfully urges the Commission to fully explore compensation for the benefits achieved by HVDC merchant projects, as described in this request, as well as to move forward expeditiously on a rulemaking to implement needed measures to increase interregional transmission.

Respectfully submitted,

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