

Implementation of long-term comprehensive transmission planning. The Commission correctly states in the Notice of Proposed Rulemaking on Building for the Future through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection (“Transmission Planning NOPR”) that:

Without this kind of transmission planning and cost allocation process, opportunities to meet transmission needs more efficiently or cost-effectively may be lost. Customers may be forced to pay for less efficient or cost-effective investment in transmission facilities than would otherwise be achieved with long-term, more comprehensive regional transmission planning and cost allocation.⁴

Full cost containment will therefore entail finalizing a Transmission Planning rule that requires long-term multi-value transmission planning under multiple scenarios, with a minimum set of benefits, full consideration of all key drivers and the use of a portfolio approach, and that is applicable to all planning regions.

Full incorporation of alternative technologies in planning and interconnection. Grid-enhancing technologies (GET), advanced conductors, the use of storage and other advanced technologies that can expand the capability of the transmission system should all be fully incorporated into all regional planning and interconnection studies.⁵

Expansion of interregional transmission. As multiple studies have shown, an expansion of interregional transmission will have significant reliability and cost savings benefits.⁶ In

⁴ Transmission Planning NOPR, 179 FERC ¶ 61,028 (April 21, 2022) at P 33.

⁵ See ACORE Comments on the Transmission Planning NOPR (August 17, 2022) at 15-16; ACORE Comments on the Improvements to Generator Interconnection NOPR (October 13, 2022) at 6-7;

Advanced Energy United Pre-Technical Conference Comments at 5, stating that “both of the Commission’s pending rulemakings give the Commission near-term opportunities to ensure that regional and local transmission planning processes and generator interconnection processes consider whether transmission needs can be met more efficiently or cost-effectively by GETs and other advanced transmission technologies.”

⁶ See for example, ACORE and Grid Strategies, *The Value of Transmission During Winter Storm Elliott*, (Feb. 2023), available at <https://acore.org/wp-content/uploads/2023/02/The-Value-of-Transmission-During-Winter-Storm-Elliott-ACORE.pdf>, finding that modest investments in interregional transmission

December, Commission staff led a workshop on Establishing Interregional Transfer Capability Transmission Planning and Cost Allocation Requirements. ACORE continues to recommend that the Commission initiate a rulemaking to further develop interregional transmission, including the requirement for a minimum transfer capacity standard.⁷

While first recommending that the Commission focus its efforts on moving forward on the above reforms, the remainder of the comments addresses two key issues that were raised during the October 6 technical conference: the need for greater inclusion of local projects within transmission planning and the creation of Independent Transmission Monitors.

II. LOCAL TRANSMISSION PROJECTS

Multiple parties filed comments in advance of the October 6 technical conference demonstrating that transmission planning processes in certain regions are not undertaking the analyses or following a process needed to produce least-cost transmission plans, resulting in inefficient and costly transmission investments. Examples of these practices include:

The Southern Environmental Law Center (SELC) describes in detail the shortcomings of the Southeastern Regional Transmission Planning and South Carolina Regional Transmission Planning processes, concluding that “without a more transparent and comprehensive benefits assessment applied to regional alternatives, local transmission investment will continue to proliferate at the expense of more efficient or cost-effective regional facilities.”⁸

capacity would have yielded nearly \$100 million in benefits during winter storm Elliott; GE Energy Consulting and the Natural Resources Defense Council, *Economic, Reliability, and Resiliency Benefits of Interregional Transmission Capacity* (Oct. 2022), available at: <https://www.nrdc.org/sites/default/files/ge-nrdc-interregional-transmission-study-report-20221017.pdf>, showing that modeling of stronger interregional ties would save \$875 million during a modeled heat wave and \$1 billion during a polar vortex.

⁷ ACORE Transmission Planning NOPR Comments at 20.

⁸ SELC Pre-Technical Conference Comments at 3.

Advanced Energy Economy (now Advanced Energy United) reports that some regional planning processes “simply provide a forum for Transmission Providers to present individual projects that each transmission provider has identified for its own ten-year planning needs, without an independent assessment of whether regional solutions could meet those individual local needs more efficiently or cost-effectively.”⁹

Many parties also identify the significant spending on supplemental projects within PJM Interconnection, which are not incorporated into the regional planning process, as an example of the inefficiency in the PJM transmission planning.¹⁰

The Commission should take steps in these regions to both provide more transparency on local projects and ensure that investment in such projects does not detract from greater benefits realized from regional and interregional transmission.

III. ESTABLISHMENT OF AN INDEPENDENT TRANSMISSION MONITOR

While the above fundamental reforms in transmission planning will be essential for the containment of transmission costs, ACORE recognizes that an Independent Transmission Monitor (ITM) or similar entity could potentially be a helpful step towards remedying these shortcomings -- but only if properly structured. It will be essential that an ITM and other cost containment measures do not pose a barrier or present additional source of delay to much needed regional and interregional transmission. For example, the Commission should ensure that an ITM or similar entity does not undertake continuous re-evaluations of beneficial transmission selected through a regional planning process, which would create unnecessary delays and in turn, reduce the consumer benefits that would occur from completion of the line.

⁹ Advanced Energy United Pre-Technical Conference Comments at 3.

¹⁰ See for example, Pre-Conference Statements of Lisa G. McAlister, American Public Power Association and American Municipal Power, Inc. and Gregory J. Poulos, Consumer Advocates of PJM States.

Question 1 of this Notice addresses the need for greater transparency and information, which ACORE supports where needed, but without stakeholder resources to process and analyze that information, such transparency would have limited benefits. Therefore, one beneficial role of an ITM could be to gather and analyze such information. The ITM could also work with the Commission to identify reliable data sets and methodologies for use in regional planning with input from stakeholders but would do so in an advisory role only.

ACORE agrees that an ITM should be independent of all stakeholders. It is also essential that the Commission develop guidelines for the role of the ITMs, with input from stakeholders, to avoid inconsistency among the data provided and analyses produced by the ITMs. For example, an analysis of the independent market monitors by the American Public Power Association found inconsistencies in the scope of data analyzed and the methodologies for determining certain key data points.¹¹

IV. CONCLUSION

ACORE reiterates that significant cost savings and efficiencies would result from improvements to regional transmission planning, ensuring the incorporation GETs and other technologies into planning and interconnection, and expanding interregional transmission.

An ITM has the potential to play an important advisory role in improved transmission planning but will not by itself achieve these benefits but must be structured to avoid impeding the construction of needed transmission.

¹¹ American Public Power Association, *Measuring the Performance of Wholesale Electricity Markets* (March 2020), available at <https://www.publicpower.org/system/files/documents/Measuring-the-Performance-Wholesale-Electricity-Markets.pdf>, concluding that: “The market monitor reports contain a voluminous amount of valuable information on the wholesale markets. However, the data are neither presented in a consistent manner nor is all critical data provided across all RTO/ISO state of the market reports.”

Respectfully submitted,

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