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Federal Energy Regulatory Commission

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The High-Voltage Transmission System Delivering the Power to You

Power Plant Generates Electricity

Transmission Lines Carry Electricity Long Distances

Transformer Steps Up Voltage For Transmission

Transmission Lines Carry Electricity To Houses

Neighborhood Transformer Steps Down Voltage

Transformers On Poles Step Down Electricity Before It Enters Houses
The Failure to Invest in Transmission: Have We Learned Any Lessons?

Economic Impact: Approx. $6 Billion

Lost Income, Public Safety, Utility Damage Recovery, Devaluation of Investments, Public Works Expenses
The total U.S. energy consumption in 2006 was nearly 100 quadrillion Btus.

Source: Based on data from EIA Annual Energy Outlook 2007
Existing Bulk Electric Transmission Grid
Electric Transmission Needed to Meet 2025 Demand
Since 2000, 14 transmission lines have been built that physically cross state borders.
Meeting Tomorrow’s Energy Needs


- DOE issues national congestion study (August 2006)

- DOE may designate National Interest Electric Transmission Corridors (NIETCs) following study completion (draft designation issued April 26, 2007)

- Commission may issue a construction permit following corridor designation and statutory time periods
Results of DOE’s Congestion Study and Draft Mid-Atlantic Corridor Designation

Source: DOE
Commission’s Transmission Siting Authority

The Commission is authorized to:

- Issue construction permits only for facilities located in corridors designated by DOE
- Act as lead agency for environmental analysis
- Commission must find that proposed facilities meet specific statutory criteria
Rulemaking

- Notice of proposed rulemaking (NOPR) issued June 16, 2006
- Final Rule approved November 16, 2006
- Order on rehearing issued May 17, 2007
- Request for court review filed on July 10, 2007
Permit Process - Pre-filing

In the pre-filing process the participants will:

- Implement a project participation plan to inform and to include states and other interested entities in the application process

- Gather information necessary to complete the application including information generated in a state proceeding

- Work to resolve issues at the local, state, and regional level
Following filing of an application FERC will:

- Complete the environmental review process in consultation with affected state(s)
- Coordinate all federal authorizations for the proposed facilities
- Conduct a thorough evaluation of the record recognizing the input of the state(s)
- Prepare an order on the merits
- Decide on the application within one year as required by EPAct
EPAct would have allowed pre-filing to start prior to state application

Final Rule addresses state concerns and allows pre-filing to begin 12 months after application is filed with state
Conclusions

- **COMMUNICATION** between the project developers, stakeholders, the public as well as the state government and federal agencies is essential.

- **CONSTRUCTIVE** debate on the difficult issues (e.g. siting, cost allocation) that can move parties from their entrenched position towards areas of common ground.

- **COORDINATED** planning is necessary to develop our national transmission infrastructure, which in turn will reduce congestion and increase reliability.