

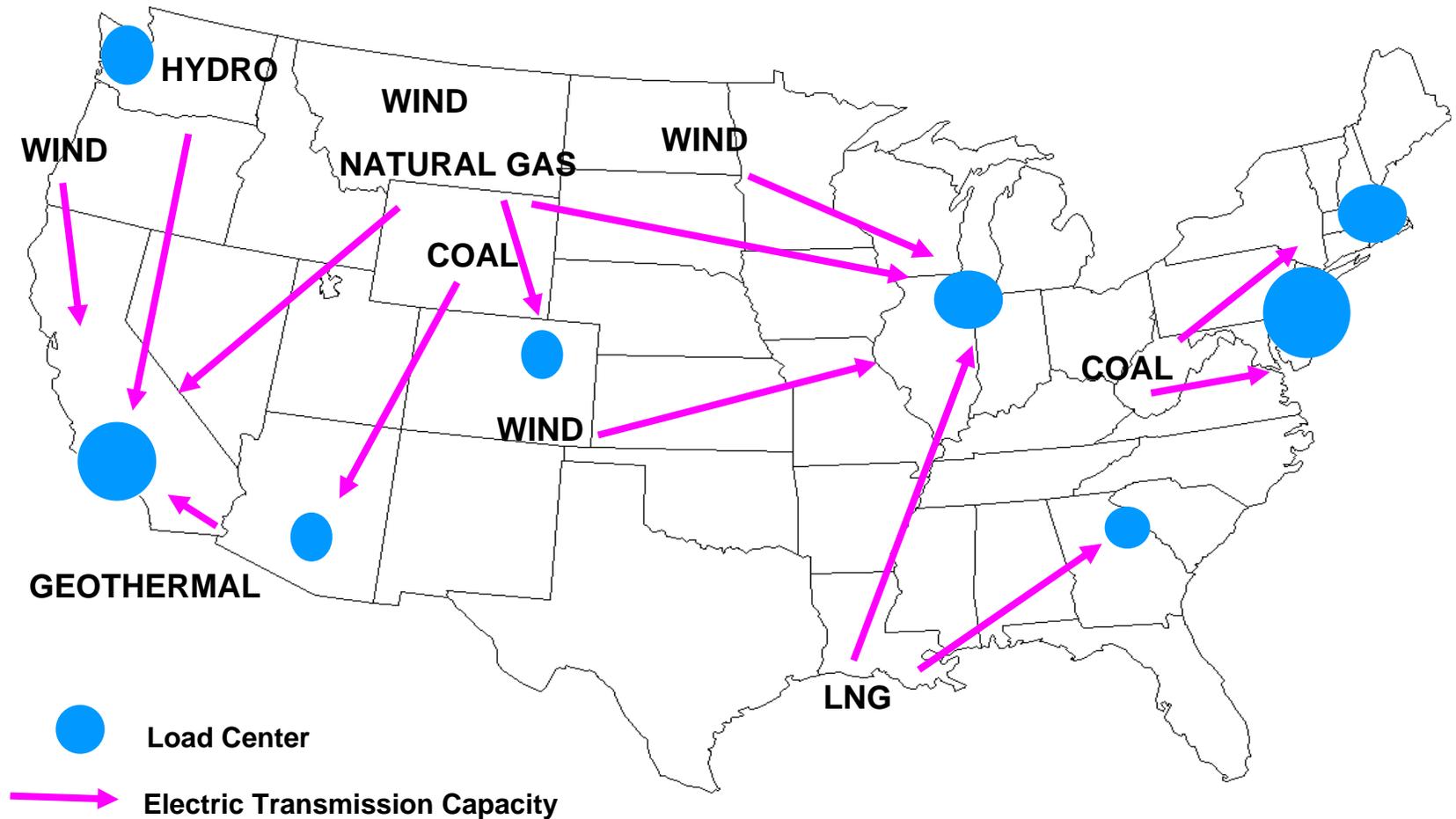
Electric Transmission Siting Technical Conference



Office of Energy Projects
Federal Energy Regulatory Commission

Chicago, Illinois
February 13, 2007

Getting Power from Conventional and Non-Conventional Sources to Load Centers Will Challenge the Grid



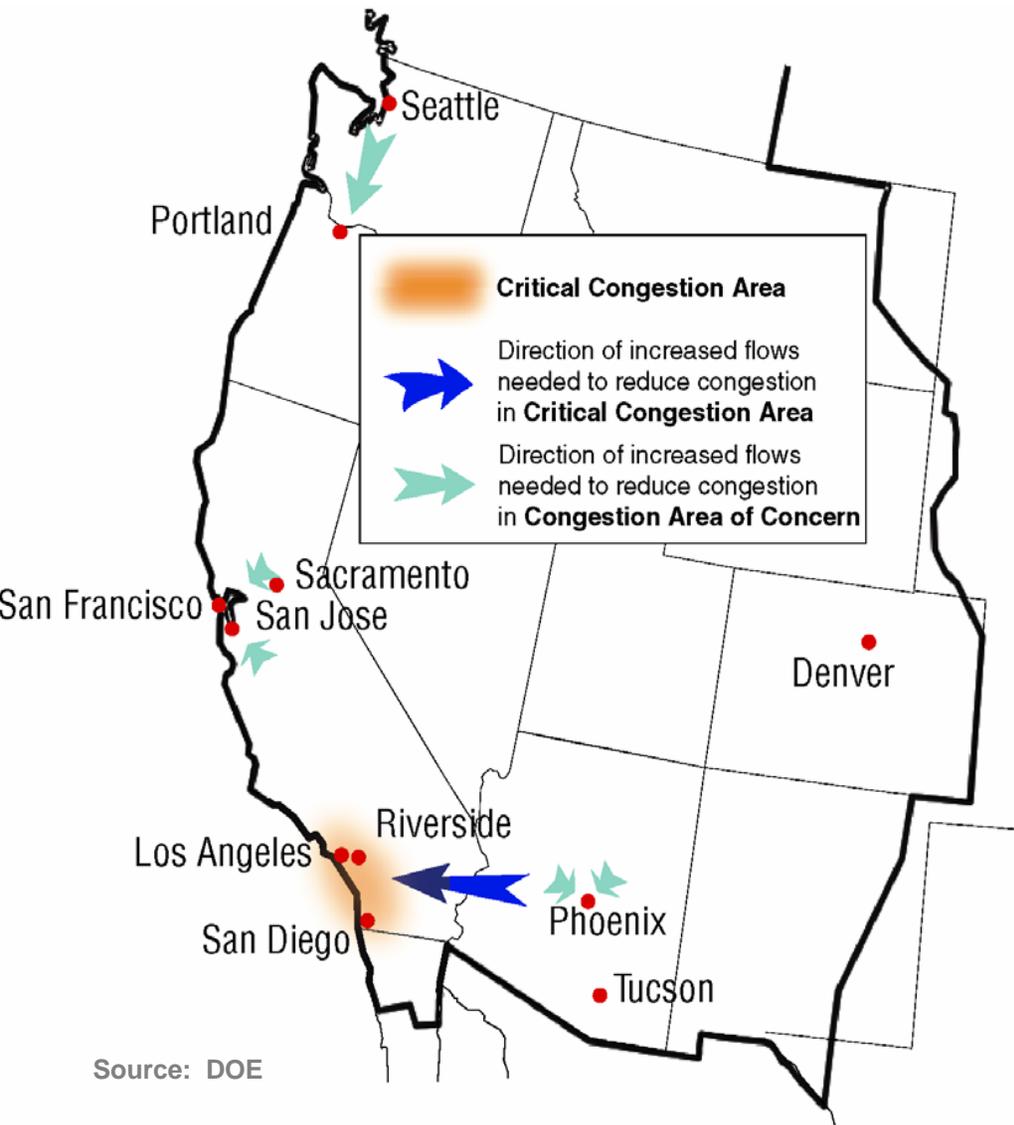
Source: FERC Staff

Meeting Tomorrow's Energy Needs

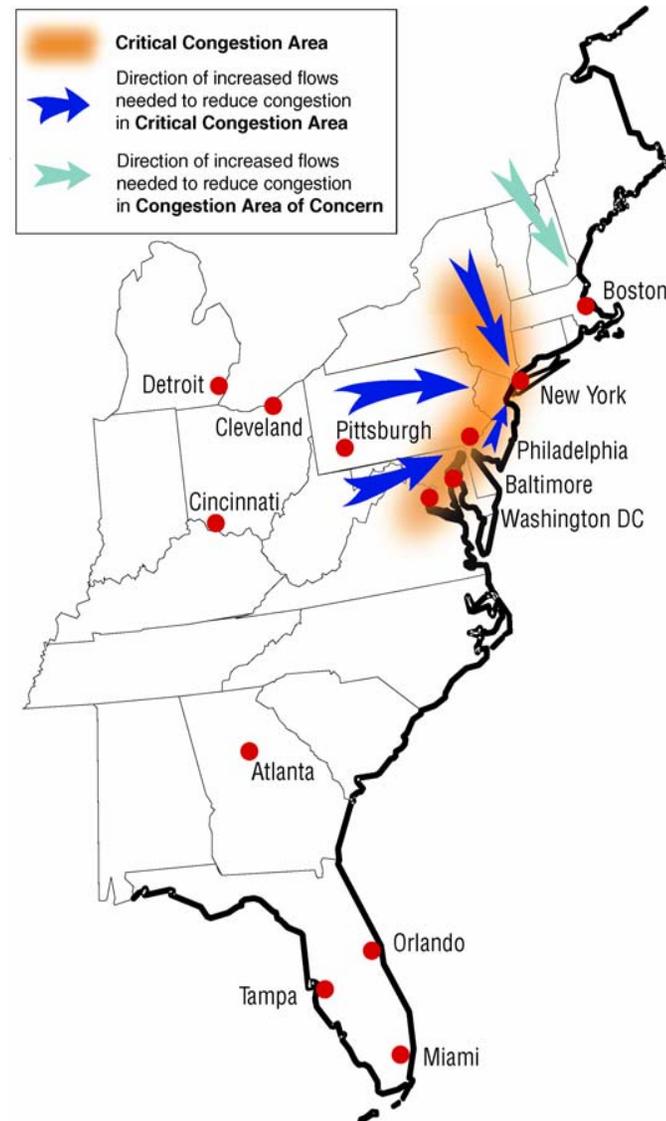
Provisions of section 1221 of the Energy Policy Act 2005

- ⇒ DOE issues national congestion study (August 2006)
- ⇒ DOE may designate National Interest Electric Transmission Corridors following study completion
- ⇒ Commission may issue a construction permit following corridor designation and statutory time periods

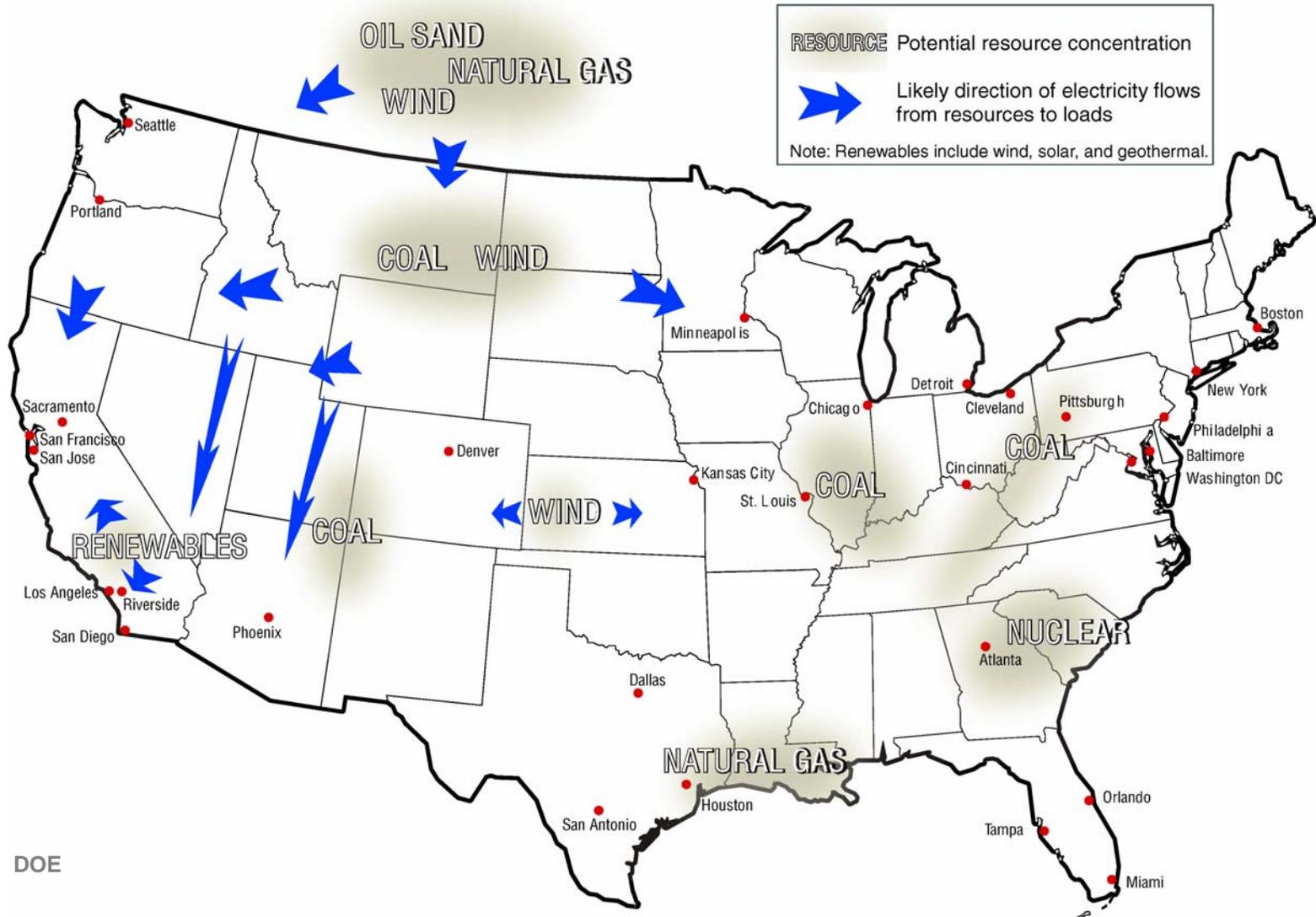
Critical Congestion Areas and Congestion Areas of Concern



Source: DOE



Conditional Congestion Areas



Source: DOE

Authority

The Commission is authorized to:

- ⇒ Issue construction permits only for facilities located in corridors**
- ⇒ Act as lead agency**
 - ⇒ coordinate related federal authorizations**
 - ⇒ conduct environmental review**
 - ⇒ provide a forum for all affected entities**

Commission's Transmission Siting Authority

- ⇒ **Limited to lower 48 states (excludes ERCOT)**
- ⇒ **Projects must be located in corridor designated by DOE**
- ⇒ **Commission must find that proposed facilities:**
 - ⇒ **will reduce transmission congestion and**
 - ⇒ **are in the public interest**

Rulemaking

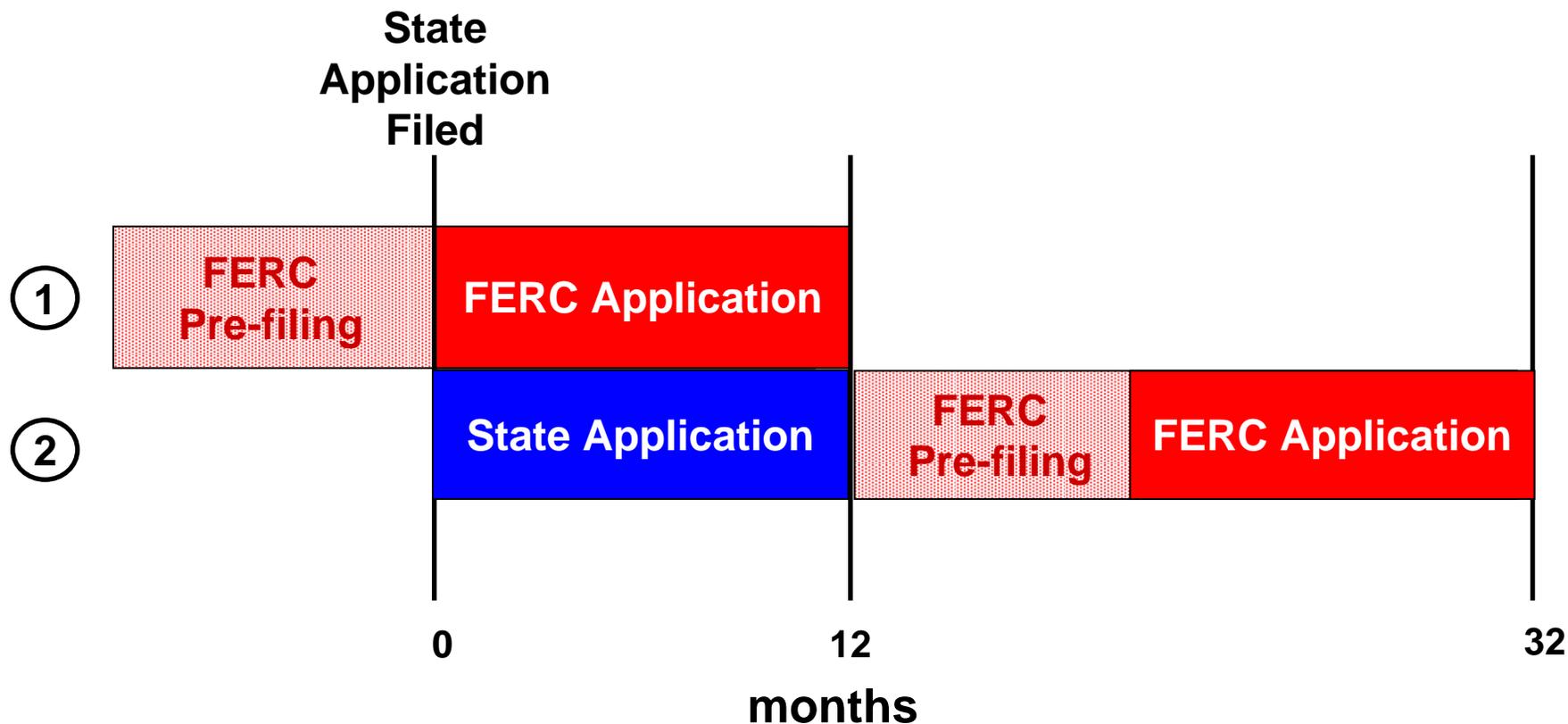
- ⇒ **Notice of proposed rulemaking (NOPR) issued June 16, 2006**
- ⇒ **Received 51 comments in response to NOPR**
- ⇒ **Final Rule approved November 16, 2006**
- ⇒ **Final Rule effective 60 days after publication in the *Federal Register*; February 2, 2007**
- ⇒ **Received nine requests for rehearing in response to Final Rule (rehearing pending)**

Permit Process - Pre-filing

In the pre-filing process the participants will:

- ⇒ Implement a public 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; and**
- ⇒ Work to resolve issues at the local, state, and regional level.**

Permit Process - Timelines



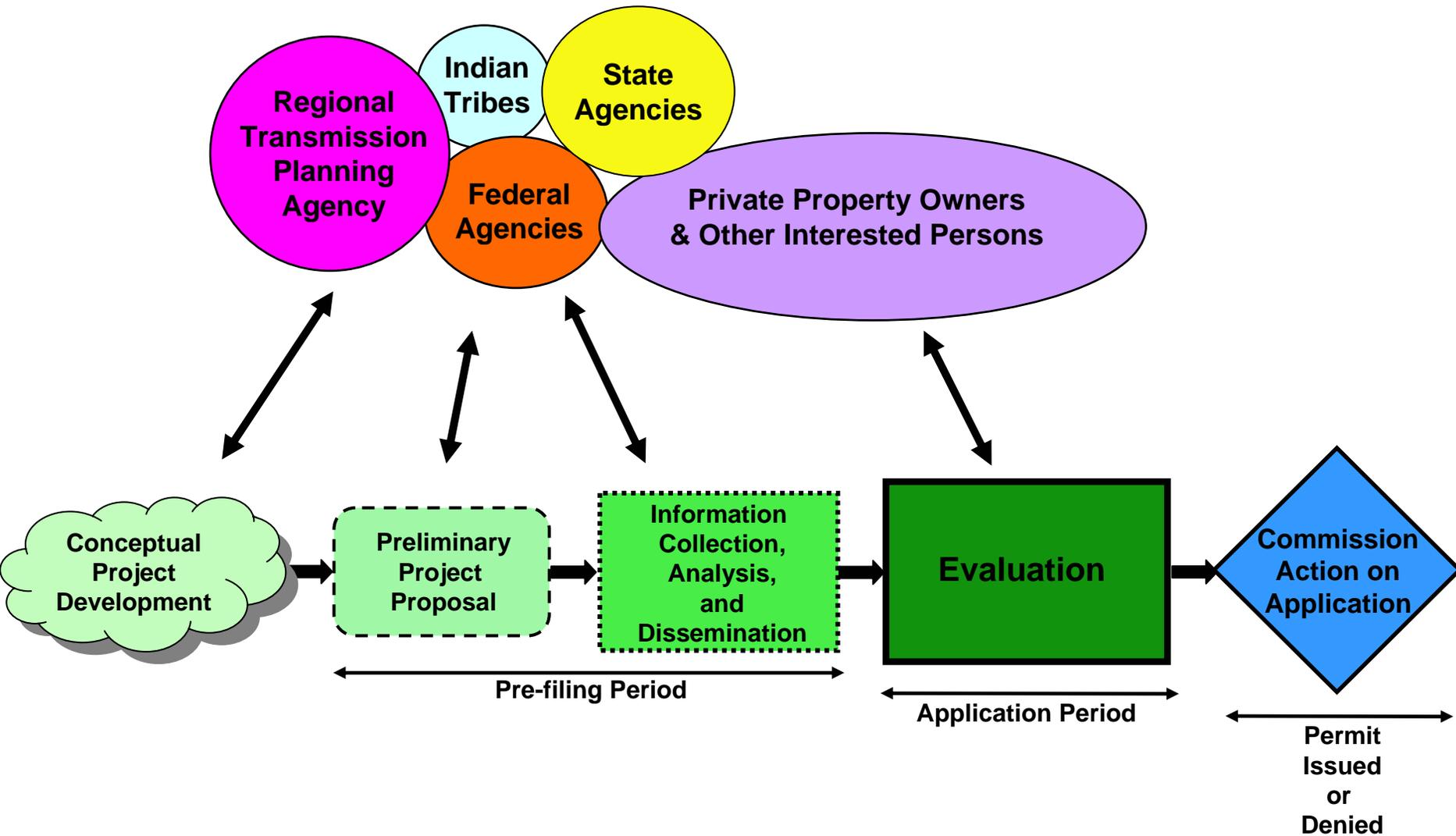
- ① EAct would have allowed pre-filing to start prior to state application
- ② Final Rule addresses state concerns and allows pre-filing to begin 12 months after application is filed with state

Permit Process - Application

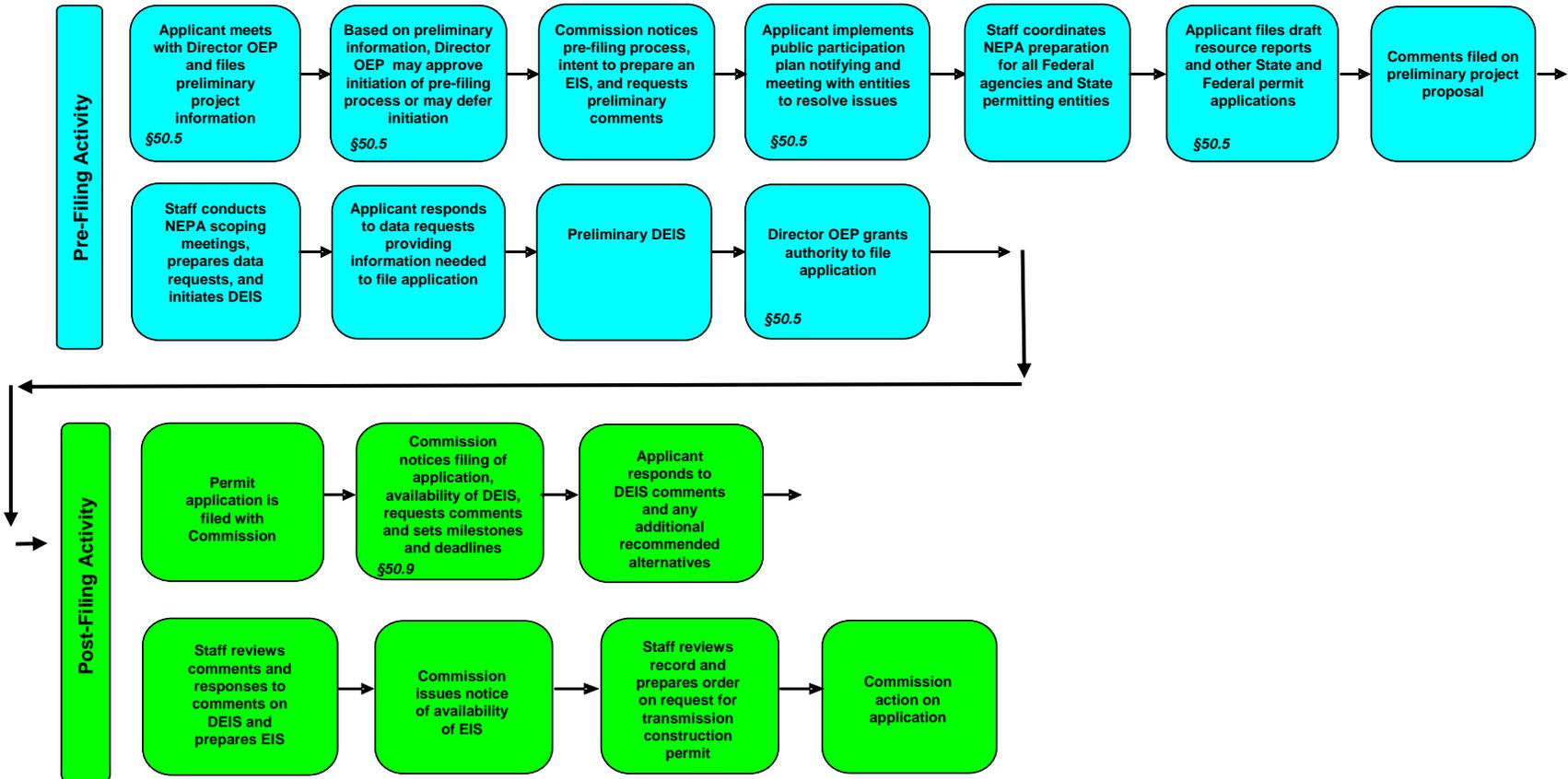
Following filing of an application FERC will:

- ⇒ Complete the DEIS and FEIS 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; and**
- ⇒ Decide on the application within one year as required by EPCA.**

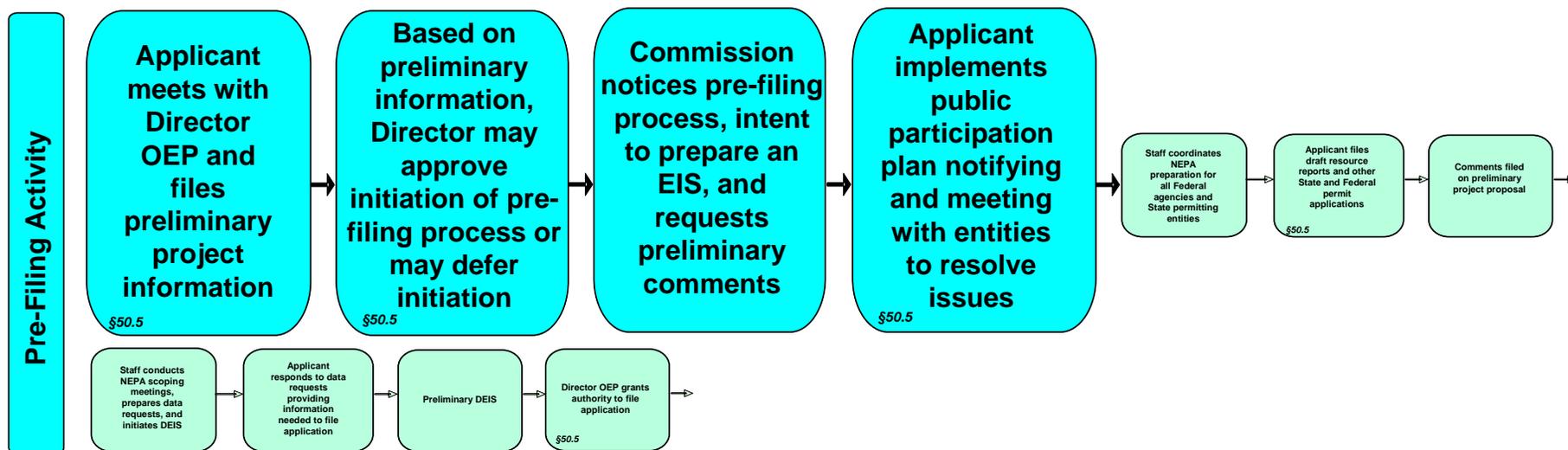
Stakeholders Help Transmission Project Take Shape Through a Variety of Formal and Informal Input



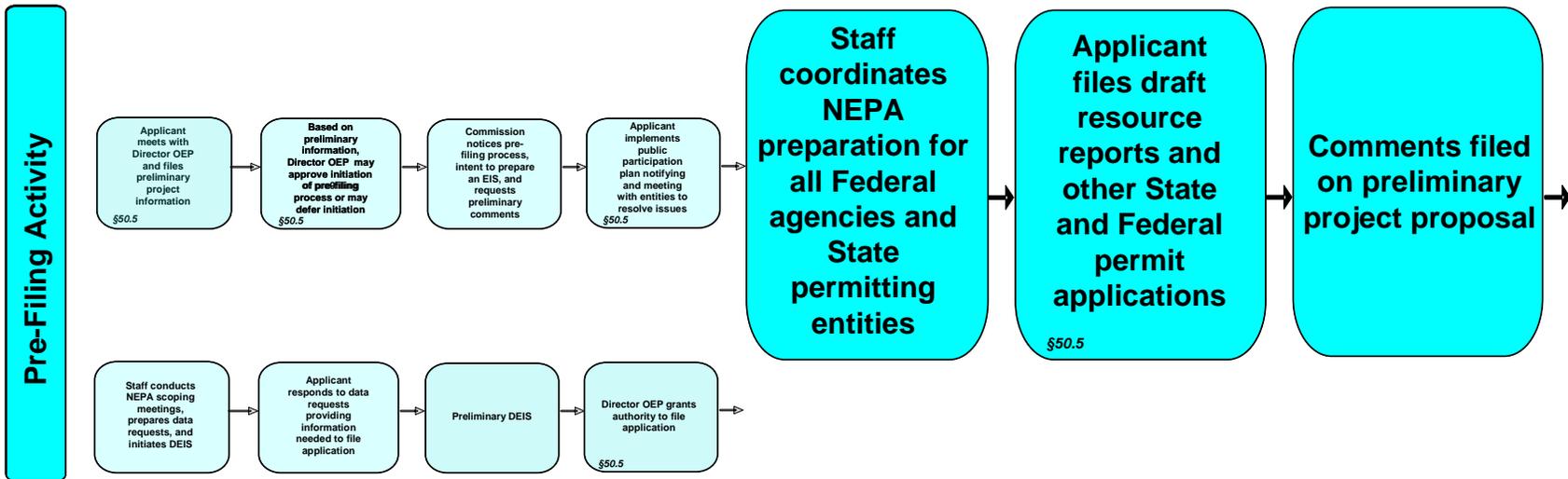
Electric Transmission Construction Permit Process



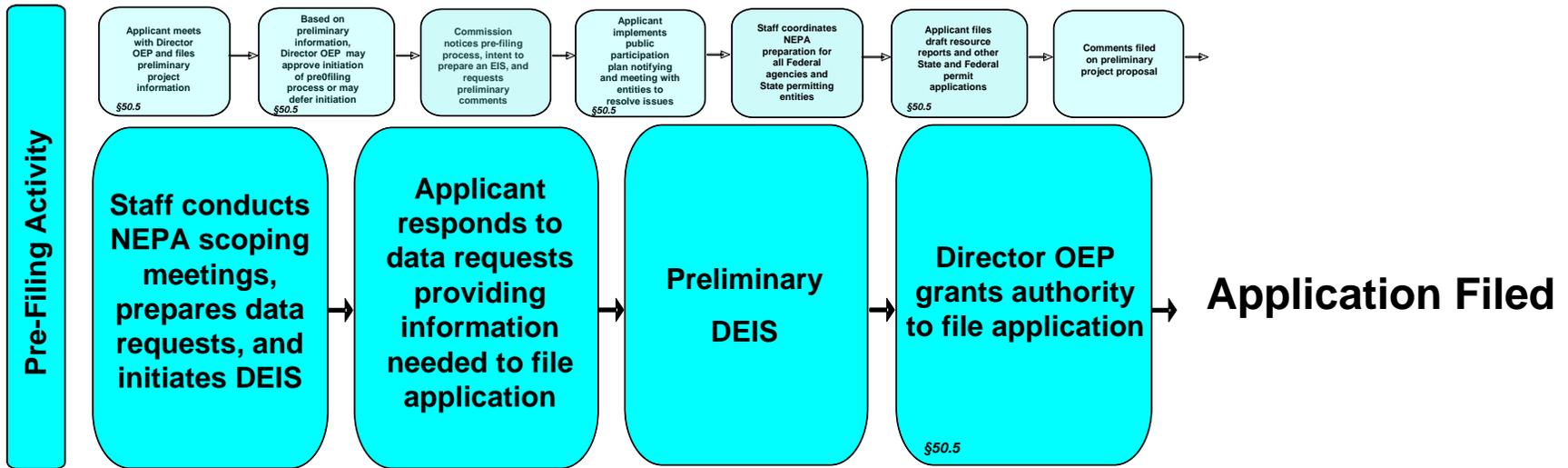
Electric Transmission Construction Pre-Filing Process



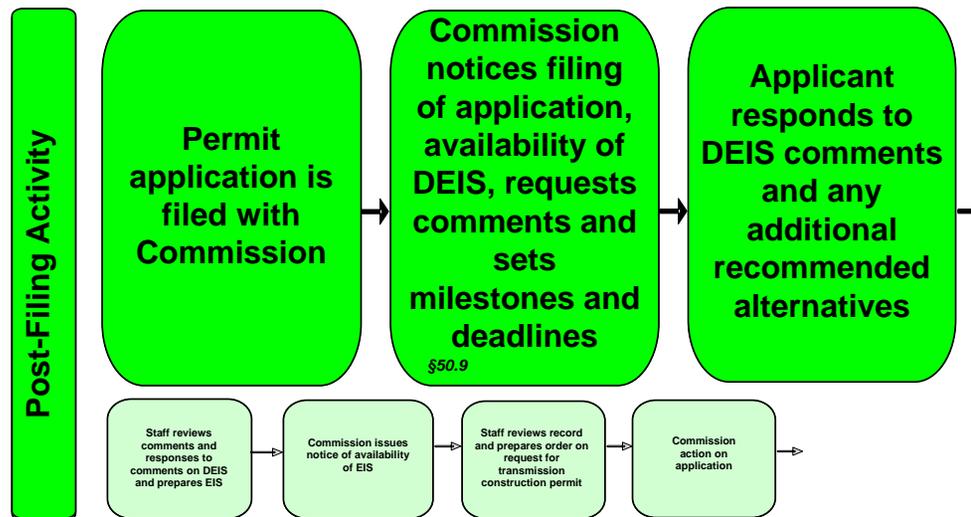
Electric Transmission Construction Pre-Filing Process



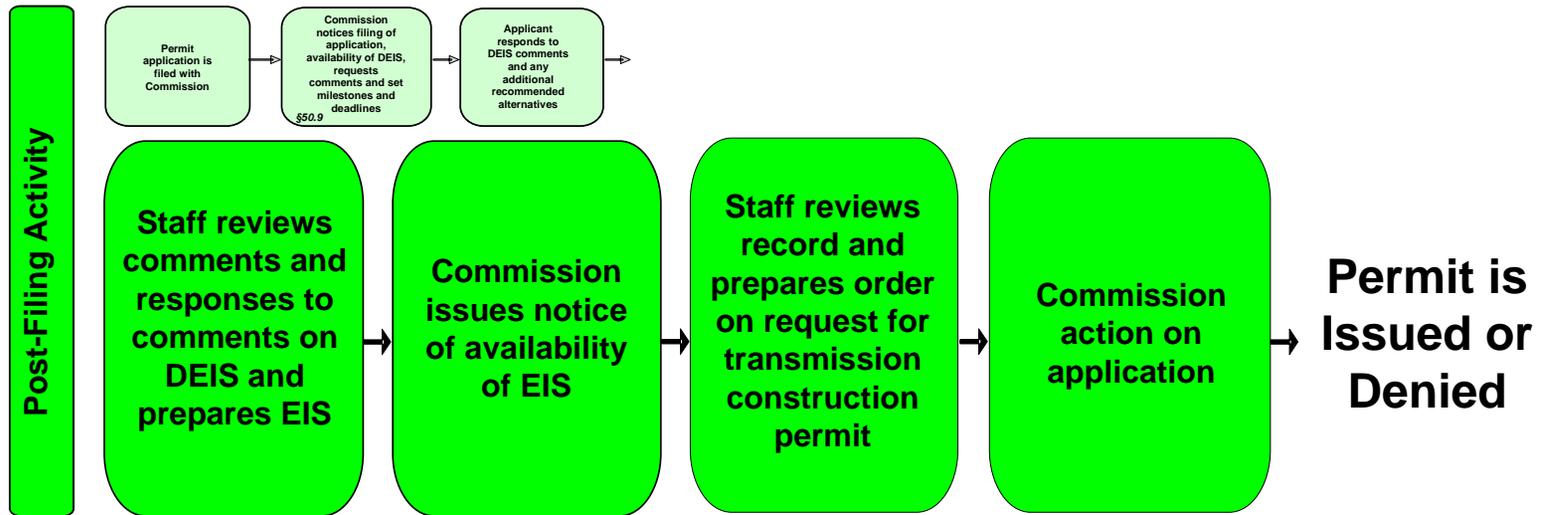
Electric Transmission Construction Pre-Filing Process



Electric Transmission Construction Post-Filing Process



Electric Transmission Construction Post-Filing Process



Final Rule Issues -- Pre-Filing

- ⇒ Where an application is being processed at the state level, the Commission was concerned that simultaneous pre-filing would stretch state resources and limit state involvement (*ex parte concerns*)
- ⇒ Also concerned about delaying construction of needed transmission facilities
- ⇒ Rule provides for at least 1 year of state processing prior to initiation of pre-filing
- ⇒ Encouraging the issuance of state permits will get transmission constructed sooner

Final Rule Issues -- Withheld Approval

- ⇒ Does state denial equate to withheld approval or does withheld approval only mean failure to act?
- ⇒ The majority decided that either constitutes withheld approval.
- ⇒ Section 216(b)(1)(C): a State commission or other entity that has authority to approve the siting of the facilities has **withheld approval** for more than 1 year after the filing of an application ...

Conclusion

- ⇒ **Supplemental federal authority appears to already be expediting the review of electric transmission projects**
- ⇒ **When proposed projects come under FERC jurisdiction, the FERC stands ready to act**
- ⇒ **Ultimately, success will be measured by energized projects that reduce congestion and increase reliability**