

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Transmission Barriers to Entry

Docket No. AD08-13-000

SUPPLEMENTAL NOTICE OF TECHNICAL CONFERENCE

(October 3, 2008)

On September 24, 2008, the Commission issued a Notice (September 24 Notice) scheduling a technical conference in the above-captioned proceeding. As stated in the September 24 Notice, this conference is to explore barriers to transmission development. The technical conference will be held on October 14, 2008, from 1:00 p.m. to 5:00 p.m. (EST), in the Commission Meeting Room at the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426. The conference will be open for the public to attend and advance registration is not required. Members of the Commission may attend the conference.

The agenda for this conference is attached. If any changes occur, the revised agenda will be posted on the calendar page for this event on the Commission's web site, [www.ferc.gov](http://www.ferc.gov), prior to the event.

A free webcast of this event is available through [www.ferc.gov](http://www.ferc.gov). Anyone with internet access who desires to view this event can do so by navigating to the Calendar of Events at [www.ferc.gov](http://www.ferc.gov) and locating this event in the Calendar. The event will contain a link to its webcast. The Capitol Connection provides technical support for the free webcasts. It also offers access to this event via television in the Washington, D.C. area and via phone-bridge for a fee. If you have any questions, visit [www.CapitolConnection.org](http://www.CapitolConnection.org) or contact Danelle Springer or David Reininger at (703) 993-3100.

All interested persons may file written comments following the technical conference on or before November 13, 2008.

Commission conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations, please send an email to [accessibility@ferc.gov](mailto:accessibility@ferc.gov) or call toll free 1-866-208-3372 (voice) or 202-208-1659 (TTY), or send a FAX to 202-208-2106 with the required accommodations.

For more information about this conference, please contact: Katie Detweiler, 202-502-6424, [katie.detweiler@ferc.gov](mailto:katie.detweiler@ferc.gov) or Sarah McKinley, 202-502-8368, [sarah.mckinley@ferc.gov](mailto:sarah.mckinley@ferc.gov).

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

Attachment

**Transmission Barriers to Entry  
Technical Conference  
October 14, 2008**

**AGENDA**

The purpose of this conference is to hear from transmission developers, transmission owners, and others on the issues they encounter when trying to build transmission. In particular, the Commission is interested in hearing from persons involved with various forms of transmission including independent transmission, merchant transmission, joint ownership arrangements, and long-distance transmission projects crossing multiple corporate boundaries or that are regional in nature regarding the barriers to transmission entry due to the Commission's tariffs, policies, and regulations.

In response to the nation's growing transmission needs, the Commission not only supports more "traditional" forms of investment, such as that of investor-owned utilities, but also encourages the formation of "alternative" transmission models. In the June 2005 Policy Statement Regarding Evaluation of Independent Ownership and Operation of Transmission, the Commission clarified its willingness to accept proposals from independent transmission companies, including those that have market participants as passive minority equity owners, and stated its willingness to allow innovative rate treatments both to facilitate the creation of independent transmission companies and to stimulate investment in transmission infrastructure.<sup>1</sup> Furthermore, in recent years new entities have emerged to build transmission, such as merchant transmission companies. There is increased interest in joint (i.e., public-private) transmission development. As more states have adopted renewable portfolio standards, proposals have arisen to move remote generation long distances to load.

In Order No. 890, the Commission stated its belief that there are benefits to joint ownership of transmission facilities, particularly large backbone facilities, both in terms of increasing opportunities for investment as well as ensuring nondiscriminatory access. Order No. 890 also required all transmission providers to submit processes for regional planning. However, questions have been raised as to incumbent and new entrant rights, whether merchant transmission projects should be required to coordinate with an Order No. 890 regional planning process and coordination across boundaries.

Since 2005, the Commission has acted on a number of requests regarding affiliated or independent transmission; merchant transmission; and joint ownership. Among other things, the Commission is interested in gaining a better understanding of

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<sup>1</sup> *Policy Statement Regarding Evaluation of Independent Ownership and Operation of Transmission*, 111 FERC ¶ 61,473 (2005).

the rights, obligations, and challenges afforded these entities as compared to traditional transmission investment and whether there are barriers to comparable treatment of these entities in the wholesale/interstate transmission market.

### **Panel Discussions:**

While there may be common obstacles to the building of transmission, at the same time it appears that the challenges may differ in some respects regionally. Thus, the panels of this conference will be divided geographically. While the basic topics of discussion will be the same in both panels, the individual problems and solutions identified may vary by region, e.g., Eastern and Western Interconnection.

The Commission hopes to learn from each panel of the experiences parties have faced in trying to build transmission, with particular focus on regulatory and economic issues, and discuss how they differ by transmission business model. With regard to both problems and solutions, the focus should also be on matters that are within the Commission's control or ability to affect. The discussion should focus on specific areas of the Commission's regulations and policies that may present barriers to comparable treatment. Among the issues of interest to the Commission are:

- The impact on transmission providers regarding rights of first refusal to build and own transmission;
- Whether all transmission investment (e.g., upgrades, greenfield lines) are treated comparably in the award of rights (e.g., financial or physical rights);
- Whether the Commission's policies regarding the provision of ancillary services are appropriate as applied to transmission-only entities;
- Whether there are specific processes in RTO/ISO rules and markets that present barriers to alternative transmission business models;
- Development opportunities for the different transmission business models;
- The benefits of and the peculiar challenges faced by alternative business models (e.g., merchant transmission doesn't have a rate base from which to obtain cost recovery); and
- Whether there should be different approaches to projects with differing scope, e.g., long-distance backbone projects with long lead lines vs. incremental upgrades to existing facilities.

**Panel I: Western Interconnect**

**1:00 p.m. – 2:45 p.m.**

**Richard Hayslip**, *Associate General Manager*, SALT RIVER PROJECT, appearing on behalf of the LARGE PUBLIC POWER COUNCIL

**Marc S. Lipschultz**, *Member*, KOHLBERG KRAVIS ROBERTS & CO.

**Paul McCoy**, *President*, TRANS-ELECT

**Roy M. Piskadlo**, *Managing Director*, MERRILL LYNCH GLOBAL MARKETS & INVESTMENT BANKING

**Robert van Beers**, *Chief Operating Officer*, TONBRIDGE POWER INC., representing the Montana Alberta Tie Ltd.

**Tom Wray**, *Project Manager*, SUNZIA TRANSMISSION PROJECT

**Break**

**2:45 p.m. – 3:00 p.m.**

**Panel II: Eastern Interconnect**

**3:00 p.m. – 5:00 p.m.**

**Raymond Hepper**, *Vice President, General Council & Corporate Secretary CEO*, ISO NEW ENGLAND INC.

**Robert J. Patrylo**, *CEO*, STRATEGIC TRANSMISSION LLC

**Sharon M. Reishus**, *Chairman*, MAINE PUBLIC UTILITIES COMMISSION

**Edward M. Stern**, *President & CEO*, NEPTUNE REGIONAL TRANSMISSION SYSTEM

**Roy Thilly**, *President & CEO*, WISCONSIN PUBLIC POWER INC.

**Susan Tomasky**, *President – AEP Transmission*, AMERICAN ELECTRIC POWER

**Joseph L. Welch**, *Chairman, President & CEO*, ITC HOLDINGS