



July 15, 2010

Commissioner John R. Norris

FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

Docket Nos. ER10-1269-000

Item No. E-2

## Statement of Commissioner John R. Norris on Southwest Power Pool, Inc. Transmission Planning Proposal

"Today's order approves a modified transmission planning process filed by Southwest Power Pool, Inc. ("SPP"). These enhancements to SPP's transmission planning efforts - called the "Integrated Transmission Plan" ("ITP") - are intended to provide a better framework to determine the transmission facilities needed to maintain reliability and provide economic benefits in both the short- and long-term.

In Order No. 890, and just last month in our Notice of Proposed Rulemaking ("NOPR") on Transmission Planning and Cost Allocation, the Commission has rightly focused attention on the transmission planning processes used by jurisdictional transmission providers. As I said last month when we issued the NOPR, I believe effective transmission system planning and cost allocation processes are critical prerequisites to ensuring that needed new facilities are constructed. Open and transparent planning processes that consider appropriate factors and alternatives should facilitate the determination of what project or group of projects most efficiently meets transmission system needs.

Transmission planning and cost allocation are clearly some of the most difficult issues impacting our national effort to develop additional transmission infrastructure, and SPP has shown great leadership on these issues in recent months. Our order today comes on the heels of our decision last month to approve SPP's innovative Highway/Byway cost allocation methodology.

I note that the proposal we approve today was developed in part to respond to concerns that it was becoming difficult and complex to navigate the many different planning processes that have evolved in SPP over the past several years. As I talk with stakeholders around the country about developing additional transmission infrastructure, a common theme is that the planning processes are complex and time-intensive, requiring participation in countless meetings and workshops. The ITP takes steps to address these concerns by providing a new process to address planning for reliability and economic purposes in a comprehensive and integrated way, with a longer-term focus. My hope is that as other stakeholders across the country and the Commission address transmission planning processes going forward, we ensure that these processes minimize barriers to effective participation in what inherently must be a collective decision by the region as to what transmission should be built. Stakeholders should have a voice in planning projects that they will later be expected to pay for. Making the planning processes as streamlined and integrated as possible will help give them that voice.

A broad regional consensus, though likely never unanimous, was certainly reflected in the proposal that SPP has presented before us. I am encouraged that the stakeholders in the region, importantly including state public utility commissions, were able to work together to develop SPP's modified planning process.

My thanks to the staff team for their hard work in reviewing SPP's proposal and preparing this order. I am pleased to vote for it."