



FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

March 2, 2009

Docket No. AD09-4-000

Acting Chairman Jon Wellinghoff

Statement of Acting Chairman Jon Wellinghoff on Integrating Renewables into the Wholesale Electric Grid Technical Conference

"Good morning and thank you for overcoming our weather this morning. I welcome you all to FERC.

I extend a particularly warm welcome to our state colleagues, Chairman Alan Schriber of the Public Utilities Commission of Ohio and Commissioner Lauren Azar of the Public Service Commission of Wisconsin. I would like to invite each of you to join us now at the bench.

I also welcome Congresswoman Tammy Baldwin of Wisconsin and thank her for her interest in the issues we address today.

FERC anticipates significant additions of wind generation as well as generation from other variable renewable sources. This is driven in part by state Renewable Portfolio Standards (RPS) and by national tax and energy policies. Renewable energy resources such as wind, solar, and geothermal are often located in economically developable quantities at dispersed sites remote from load centers.

I believe that developing the transmission infrastructure needed to deliver electricity from renewable energy resources is essential to meeting our national energy goals, such as reducing greenhouse gas emissions, strengthening our national security, and revitalizing our economy.

The Commission has taken several steps to facilitate renewable energy projects:

- Order No. 890 requires transmission providers to:
 - conduct studies requested by stakeholders to evaluate transmission upgrades needed to connect major new areas of wind generation;
 - take into account the special characteristics of wind resources in application of certain requirements, such as generator imbalance penalties;
 - provide a new conditional firm transmission service that allows a new generation project to interconnect to the grid on a conditional or interruptible basis while necessary system upgrades are being constructed.
- In March 2008 FERC provided guidance to RTOs and ISOs on processing of interconnection queues, responding in part to backlogs in regions that have attracted significant new renewable energy resources. I am interested in hearing from our RTO representatives regarding how interconnections are progressing.
- FERC has also created procedures to incentivize investment in electric transmission, including advanced transmission technologies as defined in EPCRA 2005 section 1223 (December 2006, Order No. 679). Three recent cases have provided incentives to transmission projects designed to move renewable energy from promising production areas to load centers. FERC granted transmission rate incentives for PacifiCorp Energy Gateway lines to deliver renewable energy in six Western states. Similarly, FERC granted transmission rate incentives for Prairie Wind and Tallgrass lines to access wind power in Oklahoma and Kansas. Last month, FERC approved rates for Chinook and Zephyr lines to move wind power from Montana and Wyoming to Southwest, adopting a flexible approach for projects to secure financing for merchant transmission.

During the course of today, and additional conferences that will follow, we are addressing how to further unlock the



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potential of our country's location-constrained renewable energy resources by examining the operational, market and pricing issues related to integrating large volumes of these resources into the national grid from dispersed and often remote locations.

I look forward to the comments of all of our panelists.”

