



**RAP**

Energy solutions  
for a changing world

# FERC Order 1000

Opportunities to Advance Public Policy Objectives  
through Effective Transmission Planning

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**The Regulatory Assistance Project**

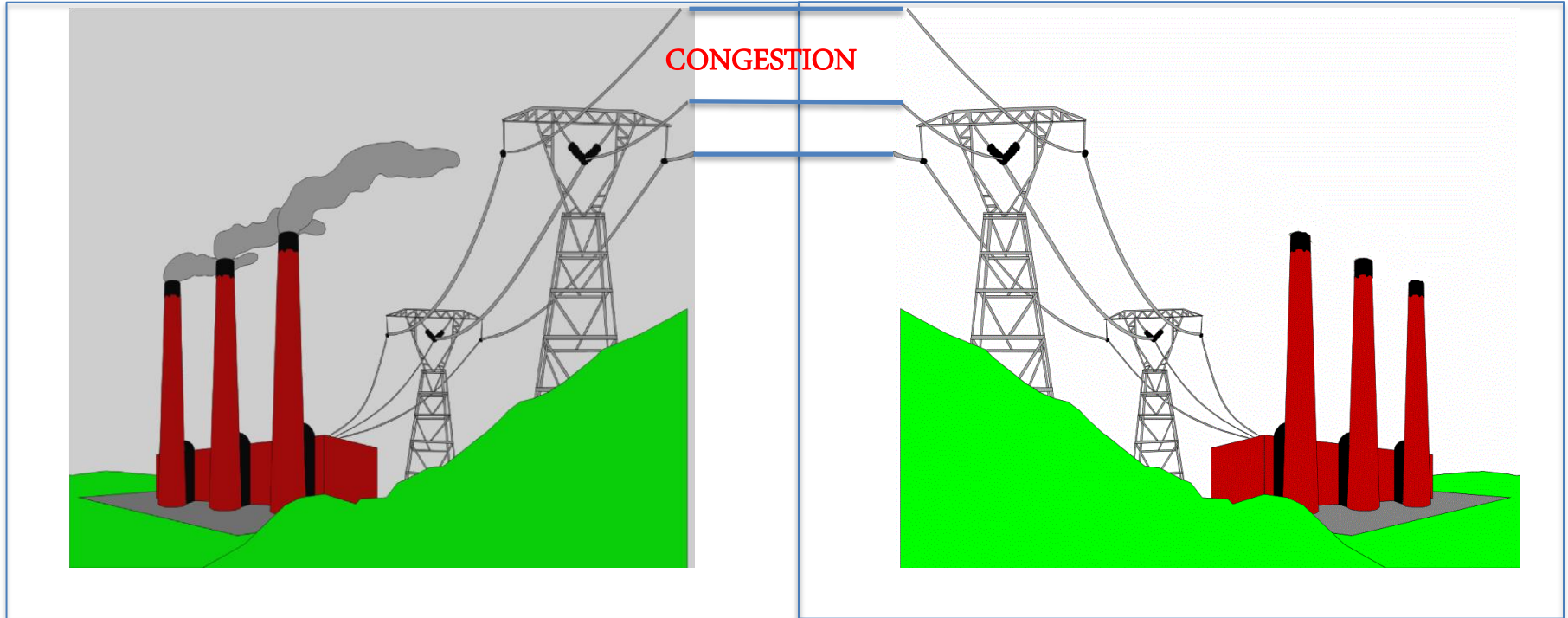
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# Topics Covered Today

- \* Requirements of FERC order 1000 offer an opportunity to advance public policy objectives
- \* New requirements create opportunities to participate and present your clean air objectives
- \* Process is being developed through experience

# Energy Efficiency Reduces Operating Hours



Power Plant serving load

Load increasing

If your only tool is a hammer.....

All of your problems are fixed with nails



# Evolution and Revolution

Power Supply techniques have evolved:

- \* Smart Grid
- \* Demand Response
- \* Renewables Integration
- \* Residential Solar PV

All create options to respond to **CONGESTION**

# The Transmission Build Alternative

- Can be expensive and difficult to permit
- Results in expanded operation of supply options
- Can close out other alternatives

# FERC Order 1000

Transmission Providers must participate in regional planning processes

Transmission planning process must consider needs driven by public policy requirements

Transmission providers must consider non-transmission alternatives

# What is a Non-Transmission Alternative (NTA)?

Anything that replaces the need to increase transmission capacity

Generation

Distributed Generation

**Demand Response**

**Energy Efficiency**



# FERC on NTAs

- FERC DOES
  - Oblige regions to “evaluate alternatives”
  - Require regions to “consider proposed NTAs on a comparable basis” (FERC 1000)
  - Point out that “with additional transmission or comparable alternatives, Bonneville may have the flexibility necessary... to fully integrate the VER seeking to access its transmission system.” (BPA v Iberdrola)

# FERC on NTAs (cont'd)

## FERC DOESN'T

Require regions to select “more efficient or cost-effective” alternatives

Address cost recovery for NTAs

Say who is responsible for proposing NTAs or how they will be funded

# Detailed Implications of Order to be Worked Out as it is Implemented

- \*No precise definitions of “plan”, “participate”, “evaluate”, or “consider”
- \*Initial decisions could be precedential
- \*Initial filings have taken place, but still plenty of time

# How Can Air Regulators Participate?

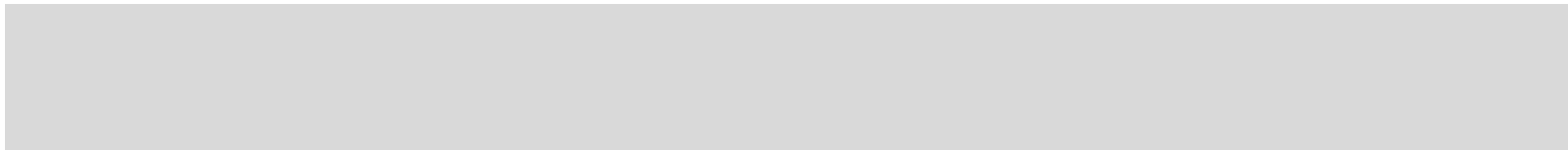
- Work with PUC
- Participate as stakeholders
- In IRP states, air regulators can discuss with PUC, approaches to incorporating concerns
- Ensure pollutant costs are included in analysis

## About RAP

The Regulatory Assistance Project (RAP) is a global, non-profit team of experts that focuses on the long-term economic and environmental sustainability of the power and natural gas sectors. RAP has deep expertise in regulatory and market policies that:

- Promote economic efficiency
- Protect the environment
- Ensure system reliability
- Allocate system benefits fairly among all consumers

Learn more about RAP at [www.raonline.org](http://www.raonline.org)



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