



RAP

Energy solutions
for a changing world

FERC Order 1000

Opportunities to Advance Public Policy Objectives through Effective Transmission Planning

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Session 4 - Greenhouse Gas Regulations – Abstract # 44

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The Regulatory Assistance Project

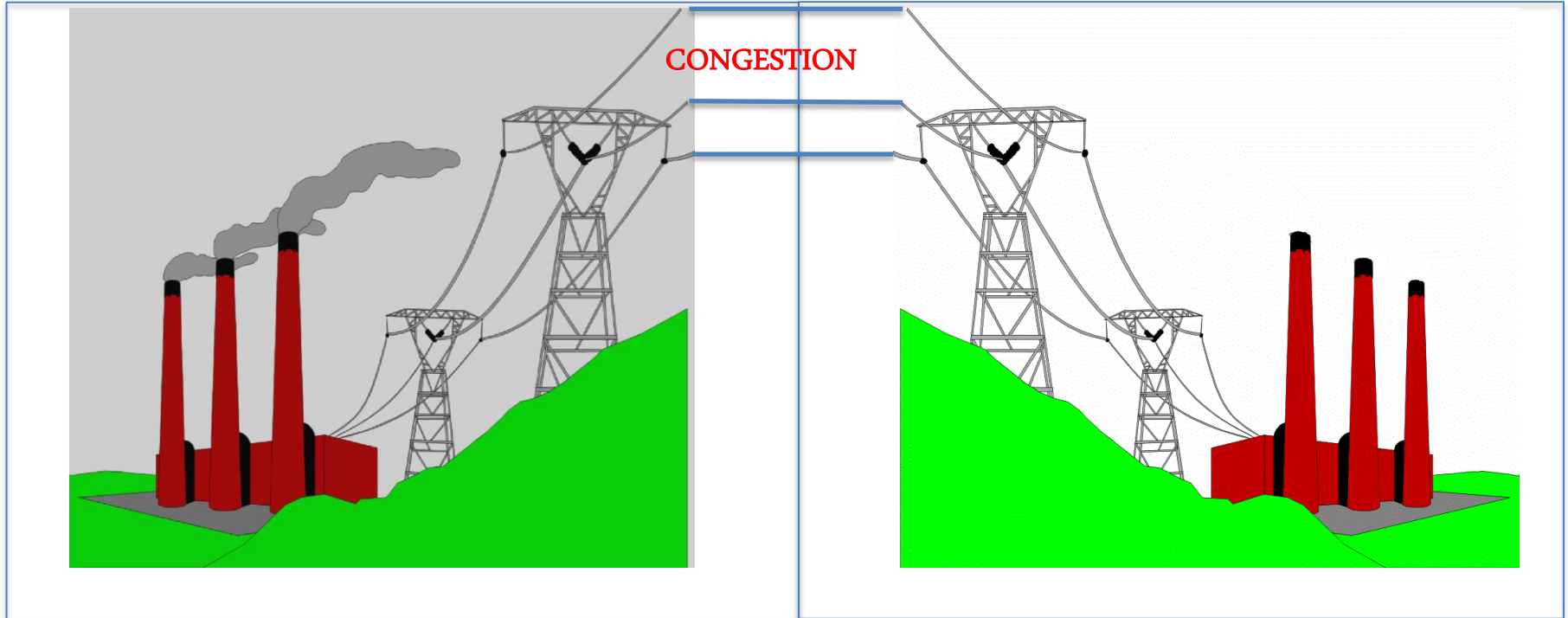
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Topics Covered Today

- * 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?

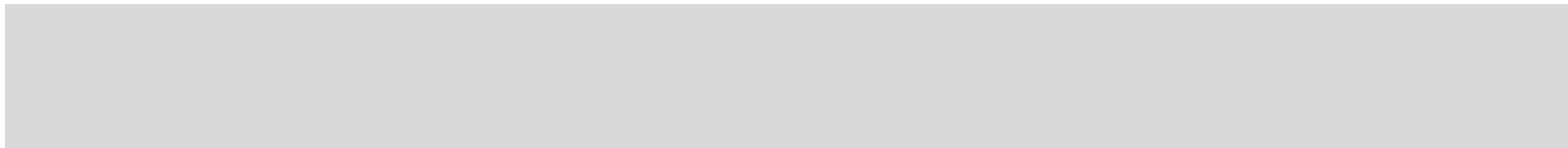
- Work with PUC
- Participate as stakeholders
- In IRP states, air regulators can discuss with PUC, approaches to incorporating concerns
- Ensure pollutant costs are included in analysis

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

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