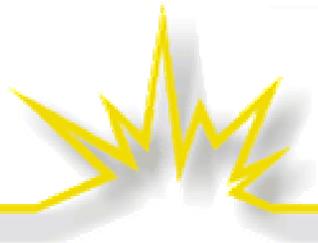


Electricity Transmission: A Primer

NARUC Committee
on Energy Resources and the Environment
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The Regulatory Assistance Project

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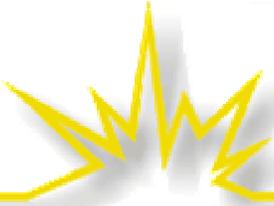


Introduction

Regulatory Assistance Project

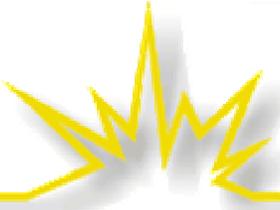
RAP is a non-profit organization, formed in 1992, that provides workshops and education assistance to state government officials on electric utility regulation. RAP is funded by the Energy Foundation, the US EPA and the US DOE.

Richard Sedano was Commissioner of the Vermont Department of Public Service, 1991-2001, and presently serves on the Montpelier Planning Commission



Transmission: What Do We Need to Know about It?

- How did we get the system we have?
- What does it do and why is it important?
- How do we pay for it?
- How is it built?
- Who owns and operates it and who oversees them? (a scorecard to follow the action)
- What can states do to influence it?



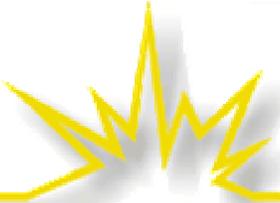
Electricity Transmission: A Primer

- A project of RAP and the National Council on Electric Policy
 - ❖ Book by principles at RAP (Sedano) and NCSL (Brown)
- Outgrowth of the US DOE National Transmission Grid Study (2002)
- Help policymakers appreciate important elements of transmission in the U.S.
 - ❖ Physical, technical, business, policy
- Frame action options to improve system



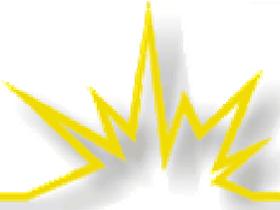
Accessible

- This is not a book by electrical engineers for electrical engineers
- This is a book by people dedicated to helping policymakers do their jobs better for their constituencies



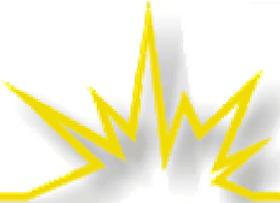
New Challenges

- This book anticipates new challenges in transmission siting brought on by:
 - ❖ Exhaustion of excess capacity
 - ❖ Regional energy markets
 - ❖ Suburban settlement
 - ❖ Viable alternatives and tools to evaluate them
 - ❖ Infrequent siting experience in many states



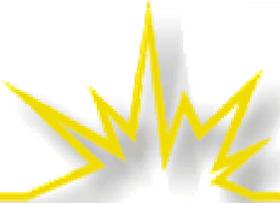
Action Items -1

- Assign responsibility for transmission siting to one state entity
- Establish a fee structure whereby applicants pay for the costs of the studies required in the siting process
- Enable state siting authorities to collaborate with comparable agencies in other states to review projects that cross state lines



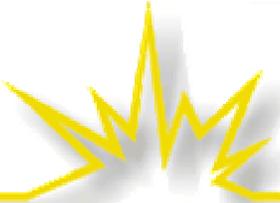
Action Items - 2

- Set a statutory limit for the time allowed to consider a transmission siting application
- Establish clear and complete filing requirements for siting proceedings
- Ensure that the siting authority's analysis takes into account a “what if” analysis, considering other options to meet a perceived need



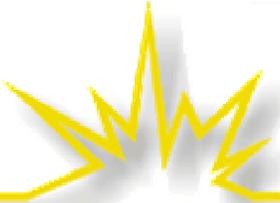
Action Items - 3

- Consider providing intervenor funding
- Identify important scenic, ecological, environmental and other resources
- Clarify the definition of need
- Integrate generation and transmission planning; add demand resources
- Include transmission corridors in urban growth plans



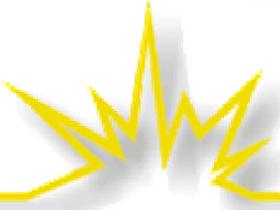
Action Items - 4

- Define considerations that can be evaluated and discussed in a transmission siting case
- Integrate the public into consideration of siting proposals
- Impose retail rates that reflect actual cost differences within a service territory to promote sound siting proposals



Action Items - 5

- Coordinate state permitting processes with federal permitting processes
- Examine the interactions between rate caps and rate freezes and investments in transmission
- Address landowner compensation for lands in a new or changed transmission R-O-W



Transmission Siting Initiative

- Overall US DOE project with RAP and National Council on Electric Policy
 - ❖ The Primer
 - ❖ Siting Workshops
 - ◆ Midwest: April 2004
 - ◆ Mid-Atlantic: March 2005
 - ❖ Sample siting legislation
 - ❖ Sample siting administrative rules



Thanks for your attention

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❖ RAP Mission: *RAP is committed to fostering regulatory policies for the electric industry that encourage economic efficiency, protect environmental quality, assure system reliability, and allocate system benefits fairly to all customers.*