National Council on Electric Policy
The Regulatory Assistance Project

Transmission Siting Initiative:
A project summary for the NARUC Staff Committee on Electricity
July 11, 2004

Siting transmission lines can be among the most difficult tasks for a state regulatory process. Yet transmission lines are important for many reasons, including:

- to deliver power from remote generation stations to cities;
- to enable system operators to have more options to assure real-time system reliability;
- to enable regions to exchange power, minimizing cost and the need for reserves;
- their aesthetic and environmental effects;
- their cost;
- their influence on the economics and location of alternate power system investments.

Transmission line planning and construction also illuminate the ways that utilities and regulators go about addressing system investment. This can be especially challenging because, for many utilities and regulators, the apparent need to site an extra high voltage line may not emerge very often. And transmission systems are inherently regional, yet transmission siting is a state responsibility; these facts highlight the value of creativity in assuring identification of and investment in needed facilities.

The National Transmission Grid Study, a DOE project and an outgrowth of the Bush Administration Energy Plan, identified the importance of transmission line siting generally, and especially with respect to relieving transmission system congestion. A supporting Issue Paper illuminated ways to improve transmission siting.

The Transmission Siting Initiative (TSI) is project to dig deeper into the some of these ways, to get a deeper understanding of the transmission siting challenges facing states and regions around the U.S., to confirm, extend or modify conclusions reached in the National Transmission Grid Study, and to make further specific recommendations on how transmission siting outcomes in the U.S. can be improved.

The project is directed by a group that includes staff from NARUC, NASEO, NCSL, and The Regulatory Assistance Project. The Policy Committee of the National Council on Electric Policy advises the group. RAP is responsible for all project activities. The DOE office of Transmission and Distribution is supporting the project.

The TSI project has five elements.

1. The Primer. Recognizing that one set of reasons for problems with transmission siting in states is lack of information and awareness among state officials about the power system, the project has commissioned a primer on electric transmission.

This piece is complete and is available at this NARUC meeting. It covers the importance of electric transmission with a brief history, the typical process for building a power line, how transmission lines are paid for and it provides insights into the business, physical and technical characteristics of transmission. Importantly, it includes a list of action items for state officials interested in improving the process of siting transmission in their states,

2. The Workshops. One observation that most observers have with regard to transmission siting is that communication among stakeholders could be better. Transmission owners, system operators, distribution utilities, public advocates, environmental groups and other advocates are often lacking key perspectives. This can lead to unnecessary conflict. In an effort to promote engagement among these different stakeholder groups, the project will conduct three facilitated workshops. One has already happened, focusing on the MISO states. A second is planned but not scheduled for the Rocky Mountain states. The intent is for these last two workshops to occur in the Fall. Issues the workshops will cover include: common practices of transmission siting and how they can be improved, transmission planning, how regional transmission projects can benefit from multi-state cooperation and regional state committees. The workshops use real examples of regional transmission siting challenges, and focus on solutions that can be implemented.

3. The Sample Siting Legislation. The transmission siting process is defined in each state by statutes. In most states, statutes do not explicitly address how to deal with such important matters as regional effects and alternatives. Some states have made a significant effort in recent years to update their siting statutes. This element of the project, coordinated by NCSL, will consider the issues that a transmission siting statute should address, and pull examples and “best practices” from states that have confronted these issues.

4. The Sample Siting Application. When does a transmission docket start? What are the realistic expectations that decision-makers and other parties should have about the information in a transmission siting proposal? This element of the project, coordinated by NARUC, will consider the issues that a transmission siting application should address, and as with the previous element, pull examples and “best practices” from states that have confronted these issues.

5. A final report by RAP early in 2005 will bring together all the lessons and insights collected in the project.

The regulatory links to the transmission siting process are evident. Engagement from regulators in this project will enhance its value. Members of the National Council who have regulatory responsibilities provided very useful comments to an early draft of the Primer. Regulators provided important contributions to the first Workshop, which covered the Midwestern States.

The Staff Committee on Electricity can provide valuable assistance to this project by: offering volunteers to comment on drafts of the Sample Siting Legislation and Sample Siting Application, working with RAP on developing plans for the remaining workshops, providing other insights that will benefit RAP in distilling the results of the project for the final report. One way for engagement to work is for RAP to participate from time to time in Staff Committee conference calls. Of course, individual members can contact RAP at any time with suggestions or observations.