Robert J. McKee,

WIRES President

American Transmission Company



UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Competitive Transmission Development Technical Conference

Docket No. AD16-18-000

INTRODUCTORY COMMENTS OF WIRES

WIRES¹ appreciates the opportunity to participate in today's panel addressing issues related to the interregional transmission coordination and planning processes adopted in compliance with Order No. 1000. From WIRES' perspective, though the group appreciates the efforts to date of RTOs, ISOs and other transmission providers, WIRES believes it is appropriate for the Commission to look into why transmission projects are not being developed under Order No. 1000 interregional processes and to consider whether further guidance is needed.

WIRES believes this evaluation of interregional transmission planning is important – particularly at this point in time – because of the shift already occurring in the U.S. generation mix from coal to natural gas and renewable resources that is being driven by such factors as environmental regulations and market forces. The ability for customers to have access to resources across regions – enabled by interregional transmission facilities – is critical to making this transition in the most cost-effective manner.

¹ WIRES is an international non-profit association of investor-, member-, and publicly-owned electric transmission providers, renewable resource developers, regional transmission organizations, and economic, technology, and policy consultants whose sole mission is promotion of investment in the high-voltage electric transmission. A description of its membership, its principles, and its activities are available at www.wiresgroup.com. WIRES' educational efforts include several studies of the operational, environmental, and economic benefits of transmission and the regulatory barriers to development as well as public briefings about transmission operations and policies.

As addressed in a recent whitepaper written by The Brattle Group², WIRES is concerned that interregional planning efforts are still not resulting in the development of projects that provide customers a broad set of reliability, economic and public policy benefits across regions. Specifically in the area of evaluation of benefits projects provide, WIRES offers for consideration such ways to improving interregional planning as: enabling projects to address different needs in different regions; considering all potential benefits within all of project types of the individual regions; identifying and considering benefits that are unique to interregional transmission; and that benefit-to-cost ratios and other interregional project eligibility thresholds should be no more stringent than those for regional projects of the individual regions.

Reducing obstacles to developing interregional transmission facilities will be critical to accessing resources across regional boundaries and extending the operation of more-efficient wholesale markets. Interregional planning is also key to ensuring that the industry is identifying transmission upgrades needed to make the grid both flexible enough that we're not forced into one path or the other in terms of resource solutions and resilient enough that we're prepared for whatever the future throws at us.

It's been five years since Order No. 1000 has been adopted and, from WIRES' perspective, it is wise for the Commission to step back and to evaluate interregional transmission planning and to consider whether additional guidance is needed. WIRES looks forward to being part of the conversation today and the important work ahead.

Respectfully submitted,

Robert McKee, WIRES President American Transmission Company

http://wiresgroup.com/docs/reports/WIRES%20Brattle%20Report TransmissionPlanning June2016.pdf.

² Well-Planned Electric Transmission Saves Customer Costs: Improved Transmission Planning Is Key to the Transition to a Carbon-Constrained Future is located at: