6450-01-P

DEPARTMENT OF ENERGY

Procedures for Conducting Electric Transmission Congestion Studies

AGENCY: Office of Electricity, Department of Energy (DOE).

ACTION: Notice of procedures for studies and request for written comments.

SUMMARY: The Federal Power Act (FPA) requires the Department of Energy (Department or DOE) to complete a study, in consultation with affected states, of electric transmission congestion every three years. DOE has issued three previous congestion studies, in August 2006, December 2009, and September 2015. The forthcoming Congestion Study will be of a similar scope.

DOE expects to release its next triennial study in 2019 for a 45-day comment period. After reviewing and considering the comments received, DOE will publish a report concerning whether it will propose any National Corridors on the basis of the study. Interested persons may submit comments in response to this notice in the manner indicated in the **ADDRESSES** section.

DATES: Comments in response to this notice are due by [***INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER***]. DOE recognizes that some commenters may wish to draw upon or point to studies or analyses that are now in process and may not be completed. DOE requests that commenters submit such materials as they become available. However, materials submitted after December 31, 2018, will not be included in the study.

ADDRESSES: You may submit written comments to *http://energy.gov/oe/congestion-study*, or by mail to the Office of Electricity, OE-20, U.S. Department of Energy, 1000 Independence Avenue SW., Washington, DC 20585. The following electronic file formats are acceptable: Microsoft Word (.doc), Corel Word Perfect (.wpd), Adobe Acrobat (.pdf), Rich Text Format (.rtf), plain text (.txt), Microsoft Excel (.xls), and Microsoft PowerPoint (.ppt). The Department intends to use only data that is publicly available for this study. Accordingly, please do not submit information that you believe is or should be protected from public disclosure. DOE is responsible for the final determination concerning disclosure or nondisclosure of information submitted to DOE and for treating it in accordance with the DOE's Freedom of Information regulations (10 CFR 1004.11). All comments received by DOE regarding the congestion study will be posted on *http://energy.gov/oe/congestion-study* for public review.

NOTE: Delivery of the U.S. Postal Service mail to DOE may be delayed by several weeks due to security screening. DOE therefore encourages those wishing to comment to submit their comments electronically by e-mail. If comments are submitted by regular mail, the Department requests that they be accompanied by a CD containing electronic files of the submission.

FOR FURTHER INFORMATION CONTACT: David Meyer, DOE Office of Electricity, (202) 586-1411, *david.meyer@hq.doe.gov*.

SUPPLEMENTARY INFORMATION:

Transmission Congestion Study

The Energy Policy Act of 2005 (Pub. L. 109-58) (EPAct) added several new provisions to the Federal Power Act (16 U.S.C. 791a *et seq.*) (FPA), including FPA section 216, 16 U.S.C. 824p. FPA section 216(a)(1) requires the Secretary of Energy to conduct a study of electric transmission congestion within one year from the date of enactment of EPAct and every three years thereafter. The 2006, 2009, and 2015 Congestion Studies reviewed congestion nationwide except for the portion of Texas covered by the Electricity Reliability Council of Texas, to which FPA section 216 does not apply. FPA section 216(a) requires that the congestion study be conducted in consultation with affected states. Also, in exercising its responsibilities under section 216, DOE is required to consult regularly with the Federal Energy Regulatory Commission (FERC), any appropriate regional entity referred to in FPA section 215, *i.e.*, the regional electric reliability organizations,[1] and Transmission Organizations approved by FERC.

Transmission congestion occurs when a constraint within an area's transmission network prevents the network from accommodating all transactions desired at a given time by authorized users. The most common form of transmission congestion is economic congestion. This occurs when the transmission system's capacity is sufficient to enable compliance with NERC reliability standards, but is not able to allow purchasers

[1] The regional reliability organizations are currently the Florida Reliability Coordinating Council, the Midwest Reliability Organization, the Northeast Power Coordinating Council, ReliabilityFirst Corporation, SERC Reliability Corporation, the Texas Reliability Entity (TRE), and the Western Electricity Coordinating Council. *See* https://www.nerc.com/pa/comp/Pages/Regional-Programs.aspx.

of wholesale power to obtain supplies from the least-cost sellers at all times. The premium involved may or may not be sufficiently large or persistent to justify investment in additional transmission capacity.

In more severe situations, congestion may have both economic and reliability components – that is, if an area's electricity demand essentially outgrows its transmission network, in addition to forcing wholesale buyers to turn to higher-priced sellers, the system may no longer be able to meet NERC reliability standards under one or more contingencies.

A third form of congestion occurs when the transmission network is not sufficient to enable achievement of established federal, state, or local public policy goals. For example, state-imposed renewable portfolio standards may lead to demands for transmission service that exceed the capacity currently available. At the federal level, requirements designed to ensure system resilience and security under extreme stress (*e.g.*, natural disasters or cyber/physical attacks) could create a demand for additional transmission capacity in specific locations.

The Department is initiating its next triennial congestion study, and seeks comments on what publicly-available data and information should be considered, and what types of analysis should be performed to identify and understand the significance and character of transmission congestion. **Note**: The Department now publishes an *Annual U.S. Transmission Data Review*, now entering its fourth year; it seeks comments about any additional publicly-available data and information that is not already contained in the annual data reviews published in 2015, https://www.energy.gov/sites/prod/files/2015/08/f26/Transmission%20Data%20Review

%20August%202015.pdf; 2016, https://www.energy.gov/sites/prod/files/2017/04/f34/Annual%20US%20Transmission%20Data%20Review%202016_0.pdf; and 2018, https://www.energy.gov/sites/prod/files/2018/03/f49/2018%20Transmission%20Data%20Review%20FINAL.pdf.

In preparing the 2009 and 2015 Congestion Studies, the Department gathered historical congestion data obtained from existing studies prepared by regional reliability councils, regional transmission organizations (RTOs) and independent system operators (ISOs), and regional planning groups. The forthcoming study will draw upon many of the same kinds of data, analyses, and information as the earlier studies. These sources may include, but would not be limited to:

a. Electricity market analyses, including locational marginal price patterns;

b. Reliability analyses and actions, including transmission loading relief actions;

c. Historic energy flows;

d. Current and projected electric supply and generation plans;

e. Recent, current, and planned transmission and interconnection queues;

f. Results of any "stress test" analysis of a transmission system based on threat and resilience modeling and any contingency modeling incorporating or accounting for interdependencies throughout energy systems;

g. Current and forecast electricity loads, including energy efficiency, distributed generation, and demand response plans and policies;

h. The location of renewable resources and state and regional policies with respect to renewable development;

i. Projected impacts of current or pending environmental regulation on generation availability;

j. Effects of recent or projected economic conditions on demand and congestion; and

k. Filings or regional transmission expansion plans developed in compliance with FERC Orders No. 890 and 1000.

National Interest Electric Transmission Corridor Designation

FPA section 216(a)(2) authorizes the Secretary of Energy to designate "any geographic area experiencing electric energy transmission capacity constraints or congestion that adversely affects consumers as a national interest electric transmission corridor" (National Corridor) after completion of a congestion study, and consideration of alternatives and recommendations of interested parties and other public comments. Prior to making a separate federal decision about any proposed designation of a National Corridor, DOE will consider environmental impacts of such a designation, as required by the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*). Designation of an area as a National Corridor would enable the Federal Energy Regulatory Commission to exercise jurisdiction over the siting of transmission facilities in the National Corridor, if it found that certain preconditions (listed in FPA section 216(b)) have been met.

Some commenters on DOE's previous congestion studies suggested that in some circumstances it might be informative for DOE to publish a transmission congestion study focused on specific transmission project(s), and if appropriate, designate a National Corridor tailored to the project(s). DOE agrees, but notes that the need for such studies or corridors might not mesh well (in terms of both timing and appropriate granularity) with the triennial large-geographic-scale congestion studies envisioned in FPA section

216(a)(1). For this reason, DOE will continue to produce the triennial studies required by the statute, and would also respond, perhaps separately, to requests for the preparation of project-specific congestion studies or the designation of related National Corridors.

A party seeking the designation of a project-specific National Corridor should submit the following to DOE:

a. Data or studies confirming the existence in a specific geographic area of transmission constraints or congestion adversely affecting consumers;
b. Data or studies confirming that proposed transmission project(s) would ease the congestion and its adverse impacts on consumers;
c. Information showing how a National Corridor should be bounded in order to be relevant to the proposed transmission project(s); and
d. Information showing why it would be in the national interest for the Department to intervene in a subject area that is normally subject to state jurisdiction.

Signed in Washington, DC on August 16, 2018.

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Bruce J. Walker
Assistant Secretary
Office of Electricity
U.S. Department of Energy
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