

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>Regarding the Commission’s</b>	)	
<b>Building for the Future Through</b>	)	<b>Docket No. RM21–17–000</b>
<b>Electric Regional Transmission</b>	)	<b>18 CFR Part 35</b>
<b>Planning, Cost Allocation and</b>	)	
<b>Generator Interconnection</b>	)	

**COMMENTS OF THE  
BUSINESS COUNCIL FOR SUSTAINABLE ENERGY**

In accordance with the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) Notice of Proposed Rulemaking on the Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection docket, the Business Council for Sustainable Energy (“BCSE” or “Coalition”) respectfully submits the following comments.

BCSE is a coalition of companies and trade associations from the energy efficiency, natural gas, and renewable energy sectors, and also includes independent electric power producers, investor-owned utilities, public power, industrial manufacturers, commercial end-users, and energy and environmental service companies. BCSE was founded in 1992, and advocates for policies at state, national and international levels that increase the use of commercially-available clean energy technologies, products and services. The coalition’s diverse business membership is united around the revitalization of the U.S. economy and the creation of a secure and sustainable energy future for the country.<sup>1</sup>

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<sup>1</sup> More information about BCSE is available at: [www.bcse.org](http://www.bcse.org). As BCSE is a diverse coalition, not all BCSE members endorse or take positions on the issues included in these comments. The comments contained in this filing represent the position of BCSE as an organization, but not necessarily the view of any particular member with respect to any specific issue.

BCSE supports FERC taking action to address electric transmission planning and cost allocation processes, and encourages FERC to finalize certain reforms to existing rules.

## **I. SUMMARY**

BCSE supports the need for transmission investment to facilitate the ongoing energy transition. Transmission provides significant benefits to electric customers, including access to lower cost power, enhanced reliability and resilience, and achievement of public policy goals. As such, BCSE supports FERC's work to reform regional electric transmission planning and cost allocation processes. BCSE urges FERC to adopt holistic and efficient approaches to planning and cost allocation. These approaches should take into account the full benefits of electric infrastructure, as well as short-term and long-term goals in terms of energy reliability and resilience, grid modernization and resource planning objectives, while maintaining the benefits of competitive markets. Further, BCSE notes the existing efforts by states and localities to plan and invest in electric infrastructure and seeks to ensure that they are able to move forward while FERC explores these important topics.<sup>2</sup>

In reviewing FERC's proposal on transmission planning, BCSE supports the proposed requirement for long-term regional planning and the adoption of a minimum set of benefits to be reviewed when evaluating transmission projects. Further, the use of scenario analysis is important and should be included in the planning process. Finally, local planning and stakeholder involvement are critical to effective long-term planning. FERC can and should play an effective role in facilitating coordination between regional planning processes.

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<sup>2</sup> Examples of such efforts include New York's local transmission and distribution planning process implementing the Climate Leadership and Community Protection Act ("CLCPA") and the NYISO's rules for the identification and development of Public Policy Transmission Projects.

## II. BACKGROUND

Pursuant to its authority under section 206 of the Federal Power Act (FPA),<sup>3</sup> the Commission is considering the potential need for reforms or revisions to existing regulations to improve the regional transmission planning and cost allocation processes.

In 2011, the Commission issued Order No. 1000.<sup>4</sup> BCSE agrees with FERC that it is appropriate to review the issues addressed by that order and other transmission-related regulations. With more than a decade of experience, the record in this proceeding is detailed enough to determine that additional reforms to regional transmission planning and cost allocation are needed to ensure rates for Commission-jurisdictional service remain just and reasonable, and not unduly discriminatory or preferential.

BCSE agrees with FERC that the electricity sector is transforming as the generation fleet shifts from resources located close to population centers toward resources, including renewables, that may often be located far from load centers.

Further, the growth of new resources seeking to interconnect to the transmission system and the differing characteristics of those resources are creating new demands on the transmission system. Given these changes, BCSE agrees with FERC that it is timely and appropriate for FERC to propose changes in the regional transmission planning and cost allocation processes. BCSE also notes that many states and regions are adopting clean energy and energy efficiency deployment policies, policies, which should also be considered as FERC considers changes to its processes.

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<sup>3</sup> 16 U.S.C. 824e (2020) (requiring that transmission rates be just and reasonable, and not unduly discriminatory or preferential).

<sup>4</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000–A, 139 FERC ¶ 61,132, *order on reh'g and clarification*, Order No. 1000–B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

### **III. BCSE PERSPECTIVES**

BCSE is a diverse coalition of organizations from all parts of the energy industry. While individual BCSE members have filed comments in this proceeding reflecting specific reforms, BCSE offers the following comments in response to FERC's proposal.

- BCSE agrees with FERC that reforms are needed to the long-term regional planning process and urges the final rule to adopt an integrated approach to transmission. Regional transmission should take into account resource planning, including changes to the resource mix that will result from the long-term clean energy and climate change goals and policies that are being adopted in the public and private sector, while also respecting the investments made by existing generation to interconnect to the grid. BCSE notes FERC's fuel neutral approach and supports this approach in the final rule. Critical to long-term planning is the management and oversight of the costs of transmission investments and that should be incorporated into planning process reforms adopted by FERC.
- BCSE supports FERC's proposal to require long-term regional planning that accounts for facilities developed in the interconnection process. It is important that planning take into account the length of time it takes for transmission assets to be built, and the likely useful lifetime of those facilities. Further, BCSE supports a requirement for transmission providers to utilize scenario analysis. Scenario planning covering a range of sensitivities is important, and reforms should be made to better incorporate the long-term needs of the electric grid as well as long-term policy goals. At the very least, planning scenarios must account for the increase in significant climate events (although the most salient events to assess may vary regionally).

- BCSE supports adoption of a common set of minimum benefits, and the proposed requirement that transmission providers identify the benefits they will use in long-term regional transmission planning, how these benefits are calculated and the reasons for choosing the benefits identified.
- BCSE encourages coordination between regional and local planning processes. The coordination could consider including planning for "reliability purposes" as well as to address local transmission needs. Further, coordination with local planning should involve stakeholder engagement, specifically with Public Utility Commissions, National Association of Regulatory Utility Commissioners (NARUC) and North American Electric Reliability Corporation (NERC). FERC can play a role to encourage enhanced stakeholder involvement in the planning process.
- Finally, a number of states are actively planning and investing in electric grid infrastructure to meet their reliability, resilience and climate change policies. Understanding that FERC's rulemaking and implementation process may take several years to implement, we ask that FERC in its final rule adopt a flexible approach that accommodates individual states and local policy preferences and allow those processes and projects to move forward, as appropriate.

## **V. CONCLUSION**

BCSE thanks the Commission for its consideration of these important issues and requests that the Commission consider these comments in the development of its final rules on transmission planning.

Respectfully submitted,



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Date: August 17, 2022

## **CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of this pleading has been served this day upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC this 17<sup>th</sup> day of August, 2022.

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