



## STATE OF ALABAMA

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April 4, 2014

### **By Electronic Filing – via e-mail**

Comments on DOE National Electric Transmission Congestion Study  
c/o Mr. David Meyer  
Office of Electricity Delivery and Energy Reliability (OE)  
U.S. Department of Energy  
1000 Independence Avenue SW  
Washington, DC 20585

**Re: Comments of the Alabama Public Service Commission on the  
Department of Energy’s Consultation Draft Transmission Congestion Study  
(dated February 2014)**

Dear Mr. Meyer:

Section 216 of the Federal Power Act (“FPA”) directs the U.S. Department of Energy (“DOE” or “the Department”) to conduct a study on the status of congestion in the nation’s electric transmission networks every three years.<sup>1</sup> The Act also directs DOE to prepare these studies in consultation with the states and the nation’s regional reliability entities.<sup>2</sup> On February 10, 2014, as part of the consultation process, the Department of Energy circulated to the chairs of the state public utility commissions (“PUCs”) and the heads of the regional reliability entities a consultation draft of its current National Electric Transmission Congestion Study (“Draft Congestion Study” or “Congestion Study”).<sup>3</sup> In its transmittal letter, the DOE stated that written comments were due by Friday, April 4, 2014. The Alabama Public Service Commission (“APSC”) appreciates the opportunity to file comments in this proceeding.

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<sup>1</sup> 16 U.S.C. §824 p(a)(1).

<sup>2</sup> 16 U.S.C. §824 p(a)(1)-(3).

<sup>3</sup> In conjunction with the issuance of the Draft Congestion Study, DOE also released a document providing underlying data, entitled, Transmission Constraints and Congestion in the Western and Eastern Interconnections, 2009-2012 (“Transmission Constraints Document”).

The APSC regulates essential utility services throughout many parts of Alabama, including the electric utility service provided by Alabama Power Company. In its regulatory capacity, the APSC has general supervision over all operating utilities subject to its jurisdiction<sup>4</sup>, of which the transmission grid is an integral part. Therefore, the findings included in the DOE's Draft Congestion Study are important to the APSC, particularly those that may reference the reliability of electric service in Alabama or impact the price of electricity for Alabama consumers.

The APSC has long supported the DOE's efforts concerning the triennial congestion study, including having participated in the DOE workshop held in Atlanta, Georgia on July 29, 2008 in preparation of DOE's 2009 Electric Transmission Congestion Study. Consistent with this support, the APSC provides the following comments to the Draft Congestion Study's findings regarding the Southeast region, which the study defines to include Alabama.

As a general matter, the APSC concurs with the findings included in the Draft Congestion Study, as they pertain to the Southeast, in that we believe the DOE was able to reach an accurate conclusion. The DOE's particular findings regarding congestion in the Southeast were as follows:

- There are no clear trends in the application of administrative congestion management procedures over the period 2006-2011 with the exception of an increase in level 5 TLR's called by ICTE (Entergy's Independent Coordinator of Transmission),
- There are no reports of persistent transmission constraints within the region, and
- Transmission is being built in coordination with generation additions following long-standing planning practices overseen by state and regional protocols.<sup>5</sup>

From our perspective, the Study has presented a fair assessment of how transmission planning and expansion is performed in this region, and we are not aware of any significant transmission congestion in Alabama. Indeed, the findings are consistent with our understanding of the electric transmission grid and we generally commend the DOE for its efforts. However, with the DOE having been able to reach an accurate conclusion, we are concerned with the following statements included in the Draft Congestion Study.

“[t]he Department believes that new authorization may assist in structuring and guiding” the DOE's “data collection and data-sharing process,” with the DOE “considering the development of a legislative proposal on this subject.”<sup>6</sup>

In our view, since the DOE was able to reach accurate conclusions using data and processes that are currently available, we do not agree that additional legislation is necessary or appropriate.

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<sup>4</sup> See ALA. CODE § 37-1-32 (...providing that “the APSC shall have general supervision of all...”)

<sup>5</sup> Draft Congestion Study at pp. xvi, 80. We note that DOE reached these conclusions after extensive data collection efforts and outreaches to the public, as demonstrated by the Transmission Constraints Document.

<sup>6</sup> Draft Congestion Study at p. xvii-xviii.

The APSC voiced similar concerns during the EISPC webinar conducted on February 18, 2014 by the DOE to discuss the Draft Congestion Study. At that time, Judge Scott Morris with the APSC noted that we are concerned about the costs of implementing the DOE's legislative proposal. The APSC is also concerned with the potentially far-reaching consequences of pursuing some of the proposed requirements. For example, the proposal seeks information regarding "price spreads between nodes across existing systems".<sup>7</sup> Suggestions for obtaining such data appear to focus on market issues that go far beyond the triennial preparation of national transmission congestion studies as required by Section 216 of the Federal Power Act. The APSC urges DOE to refrain from pursuing such a legislative proposal.

The Draft Congestion Study concludes by asking a series of questions seeking feedback regarding "the usefulness and relevance of its triennial Congestion Study."<sup>8</sup> As a general response, the transmission system is strategically planned and expanded in Alabama (and the Southeast in general) in an effort to avoid congestion between loads and resources having long-term firm transmission commitments.<sup>9</sup> Accordingly, the conclusions reached in the triennial congestion studies performed to date have not proven surprising with regard to our region, as they have generally reinforced our experience that the transmission system in the region is robust. In addition, recent initiatives such as EIPC and EISPC and the recognition that "the scale of transmission investment today is significantly greater"<sup>10</sup> than when the triennial Congestion Study requirement was adopted in FPA Section 216, suggest that other venues are available to perform transmission-related studies when necessary and that NIETC designations, along with FERC's backstop siting authority provided in FPA Section 216, have not proven to be necessary.

If you have any questions or need additional information, please contact the undersigned at 334-242-5200 or John Free at: [john.free@psc.alabama.gov](mailto:john.free@psc.alabama.gov).

Sincerely,

/s/John A. Garner

John A. Garner  
Executive Director  
Alabama Public Service Commission

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<sup>7</sup> *Id.* at xviii.

<sup>8</sup> Draft Congestion Study at 81-82.

<sup>9</sup> See Transmission Constraints Document, at 84 (quoting Comments by D. Till of the Tennessee Valley Authority). "[a]cross the Southeast, the utilities coordinate with regulators and load-serving entities to build new generation and transmission proactively to address potential reliability or transmission congestions concerns....").

<sup>10</sup> Draft Congestion Study at 81.