UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISION

Transmission Planning and Cost )
Management )
Joint Federal-State Task Force on Transmission )

Docket No. AD22-8-000

Docket No. AD21-15-000

POST-TECHNICAL CONFERENCE COMMENTS OF THE NATIONAL ASSOCIATION OF STATE UTILTIY CONSUMER ADVOCATES

The National Association of State Utility Consumer Advocates (“NASUCA”), a voluntary association of 60 utility consumer advocate offices, appreciates the opportunity to respond to the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) December 23, 2022 Notice Inviting Post-Technical Conference Comments (“December 23 Notice”) in these dockets. NASUCA represents the interests of utility consumers in 44 states, the District of Columbia, Puerto Rico, Barbados and Jamaica. Consequently, the cost-management issues that were discussed at the October 6, 2022 Technical Conference in Docket No. AD22-8-000 are of particular importance to NASUCA and its members.

The Commission and the National Association of Regulatory Commissioners (“NARUC”) announced the Joint Federal-State Task Force on Transmission on June 17, 2021 in Docket No. AD21-15-000. This first-of-its kind initiative seeks to achieve the efficient development of new transmission infrastructure needed to support our nation’s continued transition to more environmentally sustainable energy generation resources through cooperative and coordinated

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1 NASUCA’s full members are designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal utility regulators and in the courts. NASUCA’s associate and affiliate members are recognized utility consumer advocates in their respective jurisdictions.
federal-state efforts. The initiative considers policies to guide the process to plan and pay for new transmission infrastructure and to navigate shared federal-state regulatory authority and processes.

The questions posed in the December 23 Notice are numerous, complex, and consequential to the nation’s electric consumers. The interests of individual NASUCA members in the issues addressed in the inquiry vary. However all of our members agree on the following facts: electric service is an essential service and consumers’ lives and livelihoods depend on such service being reliable, resilient, and affordable. As representatives of the consumers who will both pay for the costs of any generation, transmission, and development, NASUCA’s members are keenly interested in ensuring that efficient and cost-effective transmission planning processes are in place and supported by effective cost management policies. Adequate consumer protections are essential to any process reforms to achieve these goals.

NASUCA applauds the Commission’s efforts to consider potential reforms in an open and transparent manner that allows for public input and to proactively examine whether, and if so which, policy changes are needed in order to ensure that the future grid is designed appropriately and cost-efficiently to ensure service remains reliable and resilient, and rates remain just and reasonable.

NASUCA’s comments are not intended to address each issue raised in this inquiry. Rather the comments identify several important policy principles to which the Commission should adhere as it considers policy reforms. These base principles are necessary to ensure the Commission’s transmission planning and cost management policies are in the public interest, appropriately protective of consumer rights, and that any changes made to the policies are warranted.

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2 Individual NASUCA consumer advocate members reserve the right to file separate comments regarding the issues discussed in the NOPR.
I. NASUCA POLICY STATEMENT

As the primary basis for the NASUCA responses to the questions raised in this inquiry, NASUCA attaches its recently adopted transmission policy statement, Resolution 2022-01 – Urging Development of Consumer Protection Policies for Interconnection and Electric Transmission and Distribution Planning and Development, (“NASUCA Resolution”) passed by the membership at the 2022 NASUCA Mid-Year Meeting in Indianapolis, Indiana, June 12, 2022.\(^3\) (Attachment A) Given the geographic, policy and political diversity of the full NASUCA membership and the diversity of regulatory structures under which NASUCA members must exercise their authority, this consensus statement of basic consumer protection principles should provide the Commission a baseline for understanding broad consumer concerns. In the comments below, relevant NASUCA policy is added in italics.

II. COMMENTS

In considering any expanded long-term regional and interregional transmission planning and cost allocation process reforms, the Commission must balance multiple, sometimes competing or conflicting considerations. As many regions of the nation embark on ambitious regional and interregional transmission planning efforts, it is important to not lose sight of the need for reforms to address policies that are contributing to ongoing and escalating levels of local transmission investment and the regulatory gap that enables such unchecked investment and contributes to ongoing transmission rate pressure for electric consumers. Consumers ultimately both pay for the costs of any generation and transmission development and bear the brunt of impacts if the lights go out. Consistent with the Commission’s consumer-protection mandate, adequate consumer protections are essential to transmission planning process reforms.


Transmission and distribution plans should be based on reasonable, transparent, and well-tested planning assumptions (e.g., vetted by state regulatory processes), shared with the representatives of those who are impacted by the planning decisions, informed by feedback from the public, developed with consideration given to alternative solutions, forward-looking, and holistic in that they consider multiple needs. (NASUCA Transmission Resolution No. 5)

While most stakeholders acknowledge a pressing need for long-term regional and interregional transmission planning to address the changing generation and distributed technology mix and the increasing frequency and impacts of severe storms and other natural disaster, the Commission is appropriately giving attention to the need for greater scrutiny of local transmission planning and investments. Many states served by regional transmission organizations are experiencing extraordinary levels of local transmission investment for “supplemental” or “other” projects—projects not required for compliance with operational performance, system reliability, or economic criteria. And for those NASUCA member states that are not already in formal Regional Transmission Organizations (“RTOs”), this trend must surely cause some hesitation in whether to support joining an RTO if one was proposed.

Broadly speaking, NASUCA policy and comments speak to open and transparent processes, the need for meaningful consumer representation, and holistic planning processes that consider alternative solutions and multiple needs in an effort to achieve efficient and cost-effective solutions. In other words, NASUCA seeks to ensure the same goals envisioned by the Commission when it adopted Order No. 890 planning requirements for openness, transparency, and data access as necessary to support stakeholder participation and efficient transmission planning solutions.

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4 Docket No. RM21-17, NASUCA Comments in Response to Transmission NOPR at 3-4 (Aug. 17, 2022) (“NASUCA NOPR Comments”).

5 Attachment A hereto, NASUCA Transmission Resolution, No. 17, n. 2; see also Docket No. AD22-8, Iowa Office of Consumer Advocate’s Post-Technical Conference Comments (Oct. 4, 2022).
Openness, transparency, data access, and transmission rate pressures continue to pose significant challenges within and outside of states served by RTOs. These conditions call for strong consumer-oriented reforms: namely, Commission authorization and funding for regional Independent Transmission Monitors (“ITMs”) and regional Consumer Advocate organizations, and reforms to achieve better transmission cost management through improved transparency and by limiting incentives on transmission to projects reviewed and approved in processes that are compliant with Order No. 890 planning requirements.

It must be recognized that transmission cost is one of the fastest growing charges on consumer bills. While the reliability and resilience of the transmission system are paramount concerns, if no one can afford their power bill we will have failed. The Commission must only make reforms to the extent consumers benefit in the form of lower costs, increased resilience and increased transparency and participation.

**B. Other Barriers to Consumer Participation: Consumer Representation at the RTO Board, Stakeholder Process and FERC is Necessary.**

*Effective and early public participation is necessary so that transmission planners can understand the impacts of their decision-making on the public. (NASUCA Transmission Resolution No. 26).*

*Consumer advocate groups should have support to participate actively in regional transmission planning processes. (NASUCA Transmission Resolution No. 6).*

The Commission inquires whether there are other barriers to state regulators and other stakeholders accessing the information that public utility transmission providers provide through their local transmission planning process, and what actions the Commission could take to reduce any such barriers.\(^6\) While enhanced Order No. 890 transparency and information sharing requirements offer a potential solution to current problems, Consumer Advocates urge the

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\(^6\) December 23 Notice, Question 2.c.
Commission to particularly consider the need for additional resources to support consumer representative stakeholders’ involvement in a transparent transmission planning processes and to ensure their timely access planning inputs and assumptions as contemplated by Order No. 890. Consumer Advocates believe that fully funded, FERC-authorized regional advocates and ITMs are the optimal solution to current participation barriers in many regions of the country.

NASUCA believes that the Commission is authorized under the Federal Power Act to institute reforms necessary to ensure that consumer advocates have not just the opportunity but the ability to meaningfully participate in the transmission planning processes delegated to RTOs, independent system operators, and other transmission planning organizations. The same authority the Commission relied on in adopting the Order No. 890 principles, section 217(b)(4), 16 U.S.C. § 824q (requiring the Commission to exercise its jurisdiction in a manner that facilitates the planning and expansion of transmission facilities to meet the reasonable needs of load-serving entities), also authorizes the Commission to create and authorize cost recovery mechanisms to fund regional ITMs.

NASUCA also believes that ensuring consumer advocate representation in these regional processes is a necessary reform. The Commission has imbued RTOs with broad power over costs that will ultimately be assigned to consumers but has not yet given consumer advocates the ability to meaningfully participate in the RTO process. One exception is the Consumer Advocates of the PJM States (“CAPS”), but even CAPS was created by the RTO members and not ordered by the Commission, has only one person that must monitor the entirety of PJM, and is limited to only the stakeholder process and cannot appeal decisions to the Commission. CAPS certainly serves an important role, but an expanded role would more fully serve the needs of consumers in fair consideration of the challenges that are being addressed in this inquiry.
It should also be noted that simply making funding available to existing consumer advocate offices does not solve this problem. Many consumer advocate offices are small and resource constrained. By example, offering travel support to an office when there is no one available to focus on the issues or to travel for a meeting is not a solution. A dedicated advocate presence is a necessary, but not necessarily sufficient, reform that the Commission should pursue.

Consumer advocates must have a meaningful role and funding to execute that role to ensure future transmission costs and consumer rates are considered just and reasonable. This must include funding for an entity to represent consumer advocates in the stakeholder process and with the ability to seek redress with the Commission on decisions. This also includes having a seat reserved on RTO boards for a representative with significant experience representing consumers with respect to commingled issues of law, policy, accounting, and operations. Right now, these rights are only reserved for transmission owners or entities with sufficient funding and other resources to participate. As a result, and whether intentionally or unintentionally, transmission owners often exert undue influence of stakeholder processes and the proposals that result from those processes. The Commission should not perpetuate this perverse reality. Any reform must include a requirement for RTO funding for a consumer advocate member representative with adequate funding for robust participation in the RTO planning process.

C. Role of the Independent Transmission Monitor.

Many NASUCA members are interested in exploring the creation of Independent Transmission Monitors in both RTO and non-RTO regions. Like Independent Market Monitors, the Transmission Monitors should be attuned to the specific needs of, and data associated with, the regions that they oversee. (NASUCA Transmission Resolution No. 21)

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7 To ensure “fairness in balancing diverse interests,” the Commission requires RTO to ensure that its decision-making processes “consider and balance the interests of their customers and stakeholders, and ensure[] that no single stakeholder group can dominate.” Wholesale Competition in Regions with Organized Electric Markets, Order No. 719, 125 FERC ¶ 61,071 at P 507 (2008).
Transmission planning processes should be robust to optimize siting in areas of highest economic, social, and network value; network planning should be holistic and incorporate both expected generation development and consumer demand projections. (NASUCA Transmission Resolution No. 9).

Network planning should examine cost-effective alternatives to infrastructure development including the siting of distributed generation and the use of grid enhancing technologies. (NASUCA Transmission Resolution No. 11).

Current RTOs are dominated by processes that are less than open and in which outside participants such as consumer advocates find it difficult to meaningfully participate.\(^8\) Modeling the transmission needs of the future will depend on the assumptions used in the planning model. Those who control that model and the assumptions that are used to reach decisions in that model become paramount in deciding what does and does not get built. Investments in local transmission for “Other” or “Supplemental” projects are not subject to any review or considered as part of regional transmission plans. A regional ITM could better ensure openness in these processes and confidence that the bottom-up local projects are coordinated with top-down planning processes.

NASUCA members have expressed interest in having some independent entity available to ensure transparent planning and fair assumptions are used in the process. And more importantly to ensure that all lower cost options to use the existing transmission system are addressed before simply moving to a decision to build more transmission. As addressed in the next section, available and cost-effective grid enhancing technologies exist today, but are not deployed to the benefit of consumers. If current processes were truly independent this would not be the case. Some form of an ITM, that would function like current Market Monitors, would help ensure that consumers know that all cost beneficial options have been explored and vetted by third parties that do not have

\(^8\) See Docket No. RM21-17, Organization of MISO States’ Initial Comments in Response to Transmission ANOPR at 19-20 (Oct. 12, 2021); Docket No. RM21-17, NARUC Comments in Response to Transmission NOPR at 50-51 (Aug. 17, 2022); Docket No. RM21-17, Joint Consumer Advocate Comments in Response to Transmission NOPR at 24-26 (Aug. 17, 2022).
parochial interests in the outcome. It could take input from a wide range of sources, ensure that all reasonable options to meet a defined need have been explored, and provide some interface with the public. Input from the ITM can also help the Commission meet its obligation to make findings and conclusions that are based on a robust evidentiary record.

The ITM’s job description should vary based on the unique needs of a particular region or RTO and should be developed and overseen by end use stakeholder representatives who need and would benefit from the functions that could be performed by the ITM. At a high level, an ITM is needed to ensure that Order No. 890 transmission planning principles are being fully implemented.

A key need which could be served by the ITM is to support the meaningful engagement of end use representatives on transmission planning and development topics. Some regions might find it beneficial for the ITM to perform some or all the following functions:

- Review and keep stakeholders informed of transmission plans, notable status reports on pending transmission projects which might lead to stakeholder recommendations for variance analysis or re-assessment of project need.

- Support stakeholder efforts to navigate non-disclosure agreement processes and other data access barriers in order to obtain timely access to transmission planning information which is designated confidential or Critical Energy Infrastructure Information. In this way, the ITM enables states and consumers to access planning data and assumptions, verify that the planning assumptions are consistent with state resource planning information and policy, and recommend any changes to the modeling inputs and assumptions such as the consideration of grid enhancing technologies, demand response, and non-wires alternatives. The ITM may provide advice on the planning inputs and
assumptions to states and consumers, but is not an active participant in transmission planning process.

- Support stakeholder participation in key planning meetings; coordinate feedback to transmission planning meetings, assist with obtaining follow-up on this feedback, and periodically report out to stakeholders.

- Ensure that there is proper time and opportunity to review the business case for long-range transmission plans, assist stakeholders in understanding the proposed calculation of cost savings benefits associated with long-range transmission investments helping to ensure that the benefits categories are well-founded and do not result in double counting of cost savings (e.g., avoided production cost savings and avoided capital investment for new generation), and advise states and customer representatives about the benefit-cost analysis. All of this will serve to provide greater confidence that major transmission investment plans are justified and will deliver customer benefits.

- Identify and address deficiencies in transmission planning processes relative to Order No. 890 requirements. This might take the form of a periodic report to the Commission on the status of Order No. 890 planning requirements which would assist the Commission in identifying future needs and enhancements in the transmission planning process.

- Participate in the collaborative processes designed to ensure that transmission plans address transmission issues within the applicable planning horizon in the most efficient and cost-effective manner.⁹

- Work with relevant end use customer groups to identify and advance opportunities for more comprehensive and efficient transmission solutions.

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⁹ See, e.g., MISO Tariff Att. FF at I.D (Project Coordination).
• Alert stakeholders to formula rate filings and potential items to raise in such filings based on issues identified in transmission planning work.

In the PJM and MISO regions, the stakeholder coordination functions contained within the foregoing list are to some extent being performed by the regional advocate and the organization of regulators and would not need to be assigned to the ITM. The best use of the ITM would be to provide technical support in the review of transmission plans to ensure coordinated, efficient, and cost-effective solutions.

D. **Eliminating or Reducing Competitive Transmission Development Is Not a Just and Reasonable Solution to Mitigate High Levels of Investment in Local Transmission Facilities.**

*Planning principles should support competition in the building of RTO-identified transmission projects. Competition helps ensure the adoption of efficient, cost-effective solutions that lead to lower prices for consumers. FERC’s transmission planning and interconnection policies should continue to support robust competition and should temper the ability of incumbent transmission providers to expand their monopoly control over the electric grid.* (NASUCA Transmission Resolution No. 23)

*In states or regions in which incumbent transmission providers are insulated from competition, FERC must establish processes to ensure that transmission plans are cost-effective and transmission development costs are reasonable, carefully managed, and more frequently reviewed to ensure the transmission projects are still needed and cost justified.* (NASUCA Transmission Resolution No. 24)

NASUCA opposed the Commission proposed conditional right of first refusal (“ROFR”) and the potential return to a pre-Order 1000 ROFR. NASUCA believes that allowing entities to compete on price to win the opportunity to build defined projects will result in the lowest cost for consumers. In a process arguably controlled by incumbent transmission owners, eliminating the opportunity to bring competitive suppliers and competitive pressures into play for the benefit on consumers is the wrong policy direction. Certainly, going back to a pre-Order 1000 ROFR is unacceptable.

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10 NASUCA NOPR Comments.
Some suggest that the reinstatement of ROFR protections could provide a measure of relief to the problem of over-investment in local projects. NASUCA disagrees with this solution. Instead of reinstating a conditional ROFR to induce needed regional transmission investment, thereby surrendering to the preferences of incumbent transmission owners over the interests of customers in the benefits of competitive transmission development processes, the Commission should authorize the creation of regional consumer advocates and Independent Transmission Monitors to ensure that Order No. 890 planning processes are functioning as intended and restrict transmission incentives to projects that meet specified criteria, including satisfaction of Order No. 890 transmission planning requirements. Disproportionate investment in local transmission may subside as large regional projects are developed, but it will resume as long as there is the opportunity to earn incentive returns and develop local projects with little or no stakeholder input or scrutiny. Transmission development processes need more openness, more scrutiny, and consumer protections, not less. Needed consumer protections should not be sacrificed in the effort to achieve regional and interregional transmission development.

E. Ensuring Cost Recovery Is Limited to Projects Deemed Prudent by State Authorities.

The Commission asks whether it should “alter the rebuttable presumption of prudence of expenditures in certain circumstances, such as with respect to specific types of expenditures (e.g., asset management expenditures), where alternatives to transmission have not been considered, or where a state regulator has not reviewed a project for need and cost? If so, how should the standard be altered and in which circumstances.”

In response to these questions, NASUCA submits that the Commission should only grant the presumption of prudence to a transmission provider after

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11 December 23 Notice, Question 7.a.
the relevant state utility commission has certified that it has deemed the project prudent based on a determination of the project’s need, cost and consideration of alternatives.

III. CONCLUSION

NASUCA appreciates the opportunity to submit these comments. NASUCA respectfully requests that FERC consider the principles identified herein and identified in the attached NASUCA transmission policy resolution during its deliberations.

Respectfully submitted,

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Dated: March 23, 2023
Attachment A

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES
RESOLUTION 2022-01

URGING DEVELOPMENT OF CONSUMER PROTECTION
POLICIES FOR INTERCONNECTION AND ELECTRIC TRANSMISSION AND
DISTRIBUTION PLANNING AND DEVELOPMENT

Whereas, electric service is an essential service; and
Whereas, consumers’ lives and livelihoods depend on such service being safe, reliable, and affordable; and
Whereas, the electric system exists to serve customers; and
Whereas, consumers ultimately both pay for the costs of any generation, transmission, and distribution development and bear the brunt of impacts if the lights go out; and
Whereas, the electric system must be well-planned for consumer system demands and needs and be based on cost-efficient planning principles, and the planning process must provide for the opportunity for meaningful input by consumers; and
Whereas, increased interconnection of distributed energy resources can impact system requirements; and
Whereas, electric system infrastructure must be able to withstand extreme weather events; and
Whereas, stronger interregional connections can help increase overall electric system reliability and resilience; and
Whereas, transmission and distribution investment is necessary and advantageous for the electric system to meet reliability and public policy climate objectives, and in particular, to allow the interconnection of non-fossil fuel generation resources; and
Whereas, competitive bidding for transmission services should result in greater innovation and lower prices for consumers. In addition, competitive bidding should improve operating efficiencies and will shift business risk from monopoly customers to competitive transmission providers. Competition for transmission services should enhance service quality, should make the winning providers more responsive to consumer needs, and should increase owner accountability to consumers and regulators; and
Whereas, grid-enhancing technologies can help offset the need for infrastructure investment; and
Whereas, existing infrastructure should be used in future planning and development when it is in the best interest of customers to do so; and
Whereas, significant investment comes with significant responsibility because many consumers are already facing economic or environmental disadvantages and/or already escalated transmission charges; and
Whereas, individuals will bear the burdens of these investments, including societal, environmental, and economic impacts on our communities from siting facilities; and
Whereas, NASUCA members are concerned that FERC could over broadly define benefits as a method of unreasonable or unfair cost socialization; and

Whereas, NASUCA acknowledges that its individual member states have different policy priorities and different approaches to achieve those policy priorities; and

Whereas, adequate consumer protections are essential to any process reforms; and

Whereas, generator interconnection and transmission and distribution development policies must be prepared to address not only interregional issues of large generation sited farther from the customers it will serve, but the inverse issue of increased interconnection of distributed energy resources sited near load or behind the meter.

Now, therefore, be it resolved, the National Association of State Utility Consumer Advocates (“NASUCA”) supports policy changes to ensure that the future grid is designed appropriately and cost-efficiently to ensure service remains reliable and resilient, rates remain just and reasonable, and competition remains a priority, but cautions that policies should only be changed if the outcomes benefit customers and finds that the following principles are essential to ensuring that interconnection, and transmission and distribution development plans and policies both benefit and protect customers:

1. Any changes to policies and rules impacting transmission and distribution development should be made in an open and transparent manner that allows for ongoing public input.

2. Cost-causation regulatory principles should be followed to protect consumers from paying charges for transmission services that do not provide benefits to those consumers.

3. Cost allocation must reflect the distribution of costs and benefits associated with projects. Cost causation principles require that the entities paying the costs benefit from the investment and that their share of costs is commensurate with the benefit that they receive.

4. The methods for calculating and assigning benefits should be based on objective, measurable, clear, and specific metrics, and such metrics should be developed in concert with the consumers who may ultimately pay those costs.

5. Transmission and distribution plans should be based on reasonable, transparent, and well-tested planning assumptions (e.g., vetted by state regulatory processes), shared with the representatives of those who are impacted by the planning decisions, informed by feedback from the public, developed with consideration given to alternative solutions, forward-looking, and holistic in that they consider multiple needs;

6. Consumer advocate groups should have support to participate actively in regional transmission planning processes;¹²

7. Consumers should be protected from unreasonable costs and risks. Poor planning can lead to imprudent transmission and interconnection, unnecessary spending, poorly-sited

¹² For example, the Consumer Advocates of the PJM States (CAPS), http://www.pjm-advocates.org/, is funded through the PJM budget.
transmission facilities, and stranded assets that are not used and useful in the provision of utility service. Neither these risks nor the associated costs should be passed onto consumers.

8. Energy infrastructure has sometimes been sited in economically, socially, and environmentally disadvantaged communities. Planning should be sensitive to the local experience of communities where transmission may be located and should include considerations of whether the project development would exacerbate existing inequities.

9. Transmission planning processes should be robust to optimize siting in areas of highest economic, social, and network value; network planning should be holistic and incorporate both expected generation development and consumer demand projections.

10. Network planning should account for the severity of environmental and weather conditions, including hurricanes, tornadoes, storms, fires, and other natural disasters.

11. Network planning should examine cost-effective alternatives to infrastructure development including the siting of distributed generation and the use of grid enhancing technologies.

12. The principle of used/useful should remain the core of transmission policies and customers should not be required to bear the costs of plant that does not go in-service.

13. Transmission incentives under FERC Order 679 should not be granted where there is no need or justification for such incentives, where projects would be built absent an incentive, and where such incentives only serve to unnecessarily increase the cost of building needed transmission for consumers. To the extent incentives are offered, they should be accompanied by cost protections, including time- and scope-limits to ensure that consumers are charged only for the incentive necessary to incent the development of a needed project that would not be built absent the incentive.

14. The initial risks of bidding and planning for projects should be borne by the developer, not the customers, and developers should not be allowed to pass on to consumers the planning costs of projects that bid into but are not chosen for regional transmission plans as these costs are traditional business risks.

15. As appropriate, generators and/or developers should continue to pay some or all interconnection costs because they are the primary beneficiary of the activity: interconnection is a necessary component to bringing power to the market/load.

16. Federal transmission planning cost allocation and generator interconnection policies should be complementary to and not supplant state jurisdiction over regional resource planning decisions.
17. Federal and state jurisdiction should be clearly defined so that there is no regulatory gap and so that all projects receive regulatory scrutiny of their need, prudence, and costs.\(^\text{13}\) The Utility should bear the burden of proof that transmission facilities are properly included in a FERC-approved tariff before the utility charges consumers.

18. States, as appropriate, should retain the primary authority and control over the siting of transmission facilities. Transmission lines in national transmission corridors and elsewhere can and should include an evaluation of the costs and benefits of the proposed transmission project to consumers of that state, and to the extent transmission is regionally planned, there should be a robust process for state input into transmission siting and cost allocation decisions.

19. Regional transmission planning should incorporate and support, rather than supplant or undermine, state policies. Because states are charged not only with regulating their share of the energy industry but also with looking after the safety, health, and welfare of their citizens, energy development is but one consideration in a larger set of considerations for the state. Federal policies that supplant state policies may lead to unintended consequences for other important areas of state responsibility.

20. Planning policies should be nimble enough to account for regional, state, and local considerations because there are regional, state, and even local differences in policies, consumer growth, generation mix, and community impacts that dictate the tailoring of policies to the specific needs of the area. Relatedly, the need for change differs by area, and not every region necessarily needs a complete transformation in its transmission planning and cost allocation policies.

21. Some but certainly not all NASUCA members’ regions are served by a regional transmission organization or an independent system operator (hereafter, collectively referred to as “RTOs”). For those states where a utility or utilities are part of an RTO, those RTOs and state and federal officials should ensure that there is an independent entity within each jurisdiction that is charged with reviewing interconnection concerns and complaints.

22. Many NASUCA members are interested in exploring the creation of Independent Transmission Monitors in both RTO and non-RTO regions. Like Independent Market Monitors, the Transmission Monitors should be attuned to the specific needs of, and data associated with, the regions that they oversee.

23. Planning principles should support competition in the building of RTO-identified transmission projects. Competition helps ensure the adoption of efficient, cost-effective solutions for transmission needs.

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\(^{13}\) A 2019 report prepared for the Consumer Advocates of the PJM States found that capital expenditures for supplemental projects—projects not required for compliance with PJM operational performance, system reliability, or economic criteria—increased by more than 1,000% from 2013 through 2020. See Continuum Associates, Expert Consultation on PJM Supplemental Transmission Projects: Standards and Oversight 1, September 13, 2019, https://0201.nccdn.net/4_2/000/000/076/de9/final-report---caps---pjm-supplemental-transmission-projects_ wo_.pdf; see also PJM, TEAC Project Statistics, May 12, 2020, Slide 6, https://pjm.com/-/media/committees-groups/committees/teac/2020/20200512/20200512-item-10-2019-project-statistics.ashx
solutions that lead to lower prices for consumers. FERC’s transmission planning and interconnection policies should continue to support robust competition and should temper the ability of incumbent transmission providers to expand their monopoly control over the electric grid.

24. In states or regions in which incumbent transmission providers are insulated from competition, FERC must establish processes to ensure that transmission plans are cost-effective and transmission development costs are reasonable, carefully managed, and more frequently reviewed to ensure the transmission projects are still needed and cost justified.

25. Transmission planning should be data driven and should support concepts of just and reasonable rates and the prevention of undue discrimination.

26. Effective and early public participation is necessary so that transmission planners can understand the impacts of their decision-making on the public.

27. Federal Agencies should work together to streamline transmission siting on Federal lands.

Be it further resolved, that NASUCA authorizes its Executive Committee to take appropriate actions consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to taking such action, if possible. In any event, the Executive Committee shall notify the membership of any action taken pursuant to the resolution.

Submitted by the Electric Committee

Approved:
2022 NASUCA Mid-Year Meeting
June 12, 2022
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service lists compiled by the Secretary in these proceedings.

Dated at this 23rd day of March, 2023

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