

June 1, 2010

TO: Operating Committee
Planning Committee

FROM: Mark Lauby

Re: High-Level Overview of Topics to Be Addressed by NERC in Response to the U.S. DOE's "2009 National Electric Transmission Congestion Study"

The United States Department of Energy (DOE) recently released *2009 National Electric Transmission Congestion Study* on April 26, 2010.¹ The report focuses on identifying existing electric transmission-level congestion based on publicly available historic information and data related to transmission congestion. The U.S. DOE has requested comments by June 29, 2010.

NERC staff, with input from the Reliability Assessment Subcommittee, has begun a review of the report. A summary of the following three issues NERC intends to provide to DOE:

1. The report should separate congestion from reliability.

In a number of places, the report inappropriately discusses reliability in the context of congestion. However, reliability is not defined² in the report, and the link between congestion, generally an economic issue, should be separated from reliability.

2. The report identifies the need for transmission to support variable integration.

a. It does not mention other barriers to successful integration of variable generation.

The reliable integration of large amounts of variable resources, like wind, not only requires transmission to deliver energy, but access to and provision of ancillary services to manage uncertainty

b. Without this transmission, reliability will continue to be maintained.

Though transmission may present a barrier to variable resource growth, the owners, operators and users of the bulk power system will continue to maintain reliability.

3. While the previous report³ indicated concern for sufficient transmission construction to site new nuclear plants, this report recognizes this transmission will be built.

The 2006 report suggested that transmission might limit the ability of industry to integrate the next generation of nuclear facilities. The current report recognizes that sufficient transmission will be built and not present a barrier to the construction of these facilities.

If you have any questions or comments on the aforementioned, please do not hesitate to contact me. Please submit your comments by Monday, June 14, 2010 to assessments@nerc.net. Before filing, NERC staff's draft comments will be sent for your final consideration.

¹ http://congestion09.anl.gov/documents/docs/Congestion_Study_2009.pdf

² See NERC's document, entitled, "Definition of Adequate Level of Reliability," posted at <http://www.nerc.com/docs/pc/Definition-of-ALR-approved-at-Dec-07-OC-PC-mtgs.pdf>

³ http://www.oe.energy.gov/Congestion_Study_2006-9MB.pdf