



USA – FERC

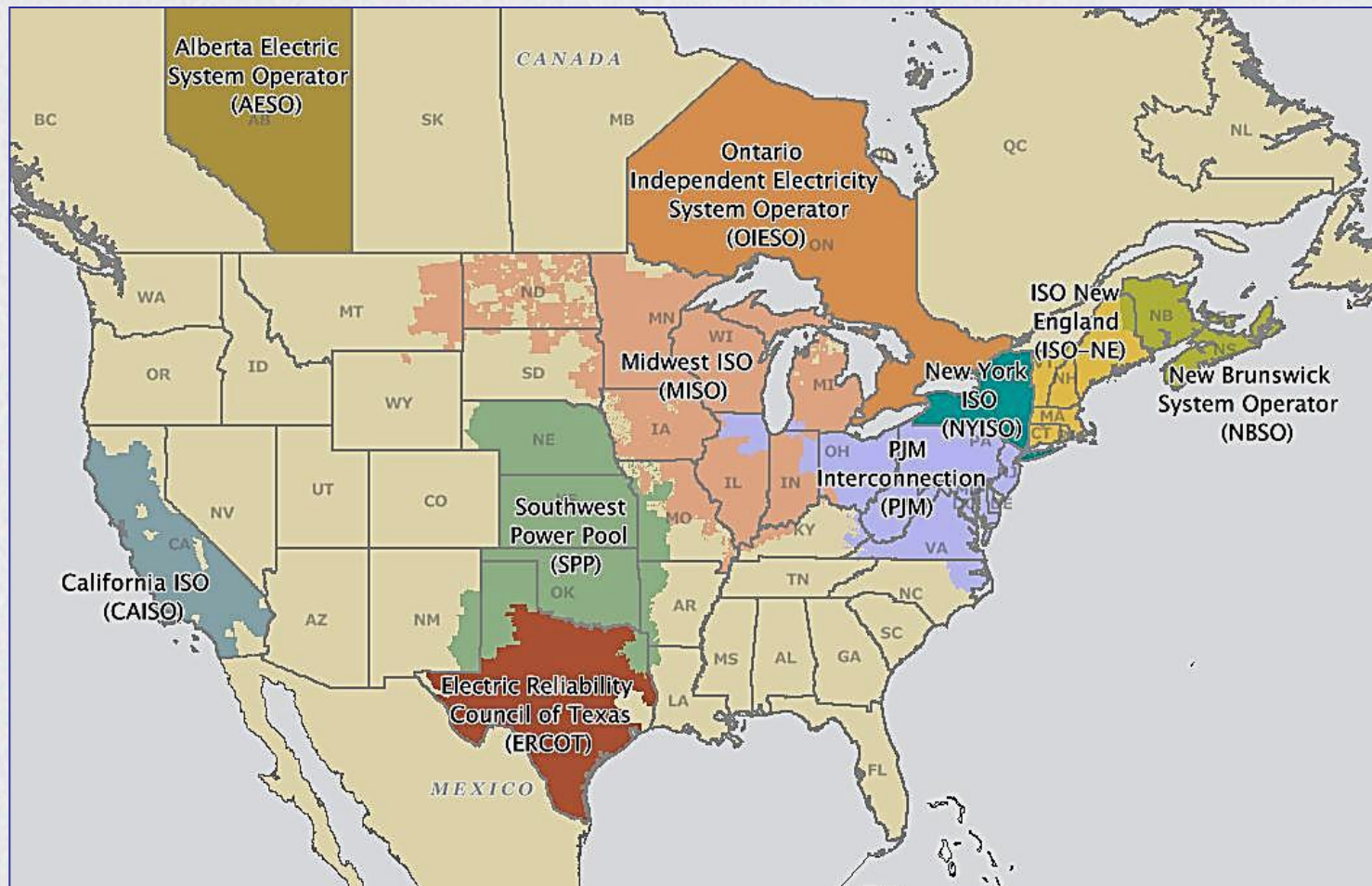
10th EU-US Energy Regulators Roundtable

**Commissioner Philip Moeller, USA
Federal Energy Regulatory Commission**

8-9 April, 2013



RTOs/ISOs



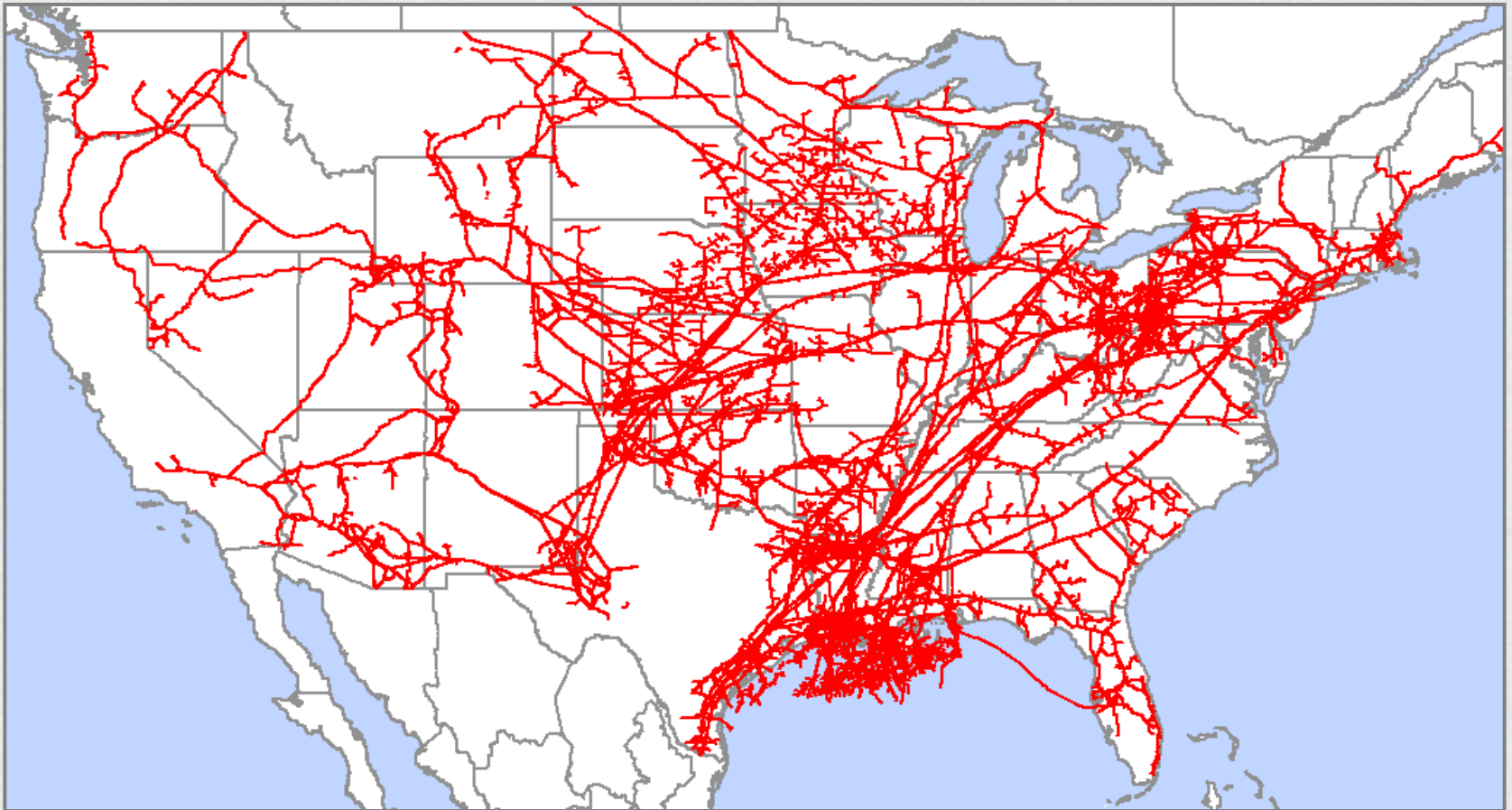
Source: Created in Energy Velocity, 2012

Regional Transmission Organizations



Gas Pipelines

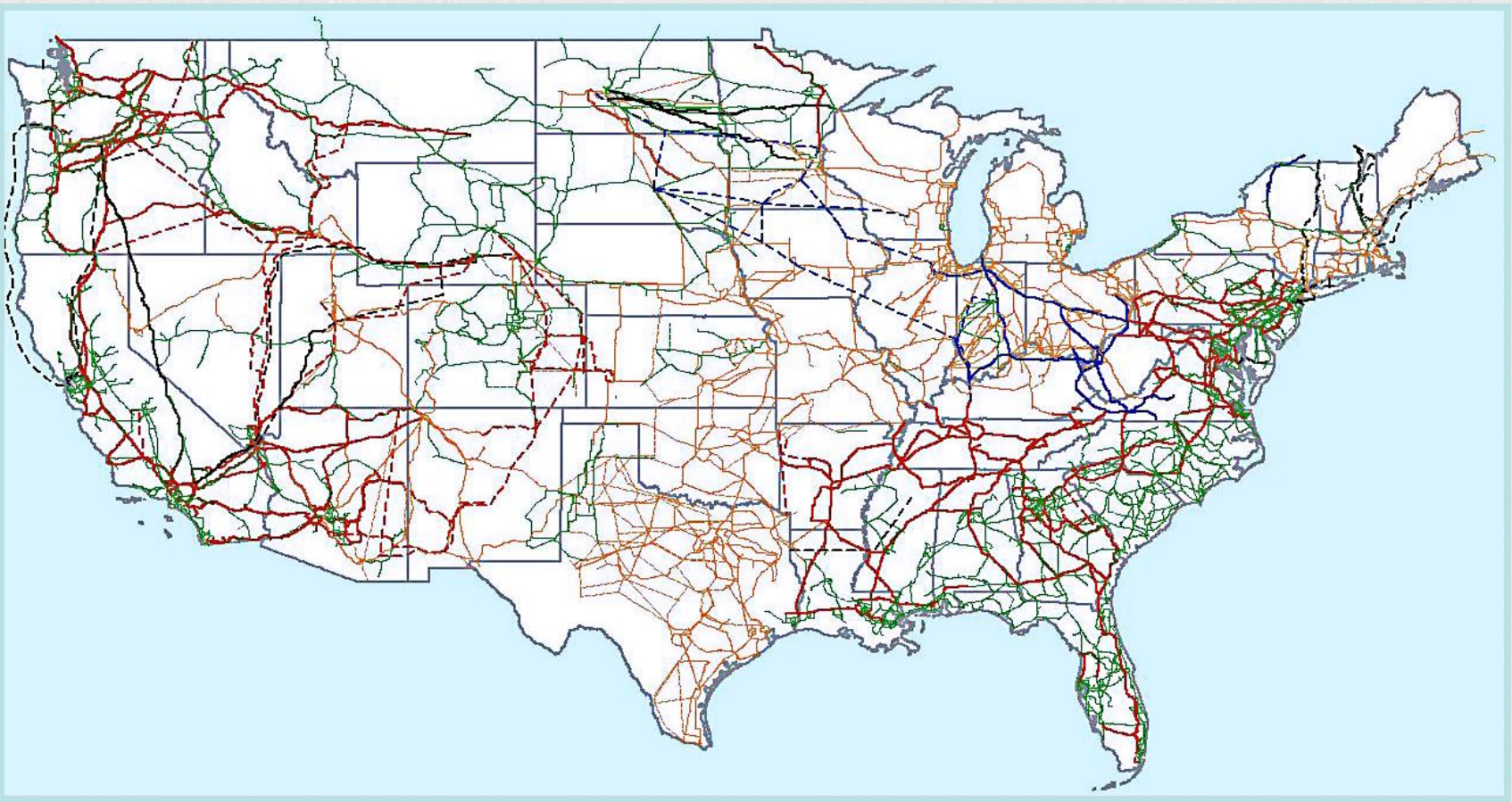
There are approx. 197,900 miles of interstate gas pipelines in the U.S.





Transmission

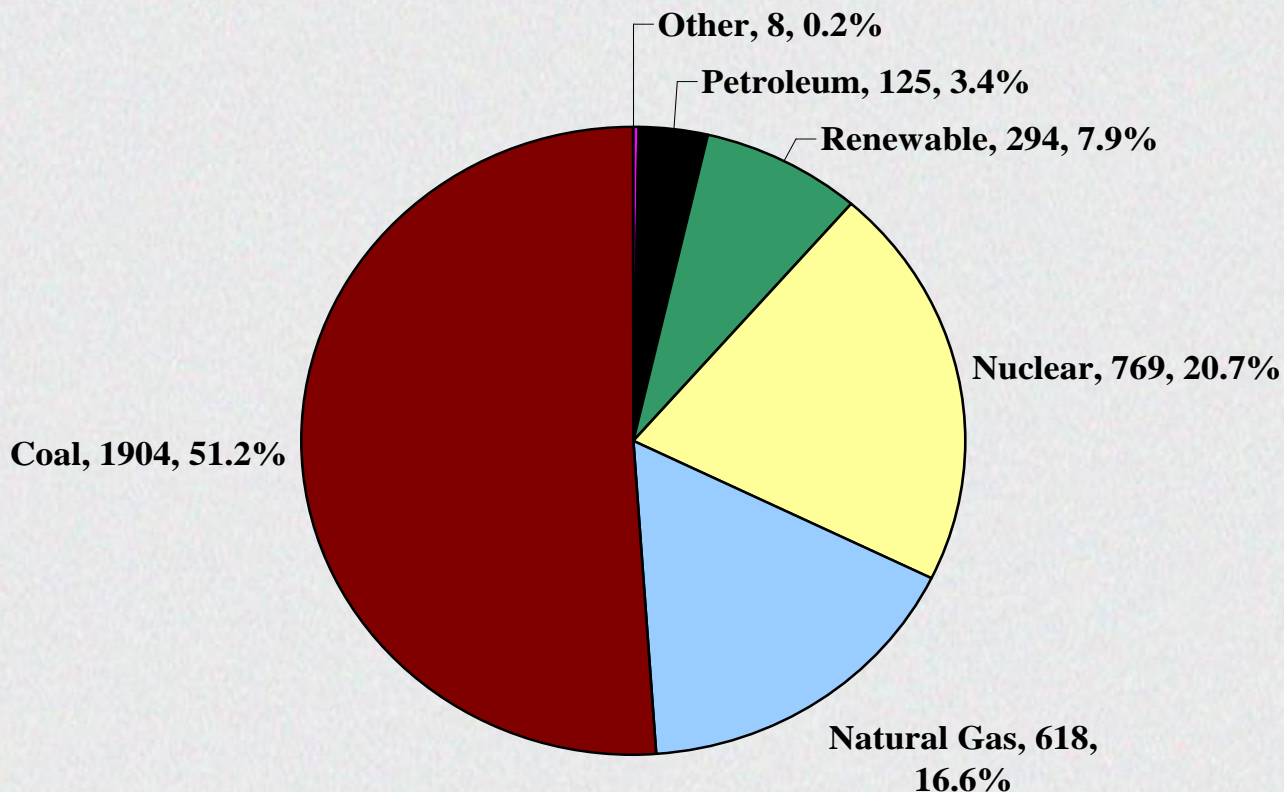
**The continental U.S. Power grid is owned by hundreds of entities
– only a subset subject to FERC's ratemaking authority**





Electric Generation by Fuel Type – 2001

**Total Electricity Generation by Fuel Type, US, 2001
(Millions of Megawatt-Hours)**

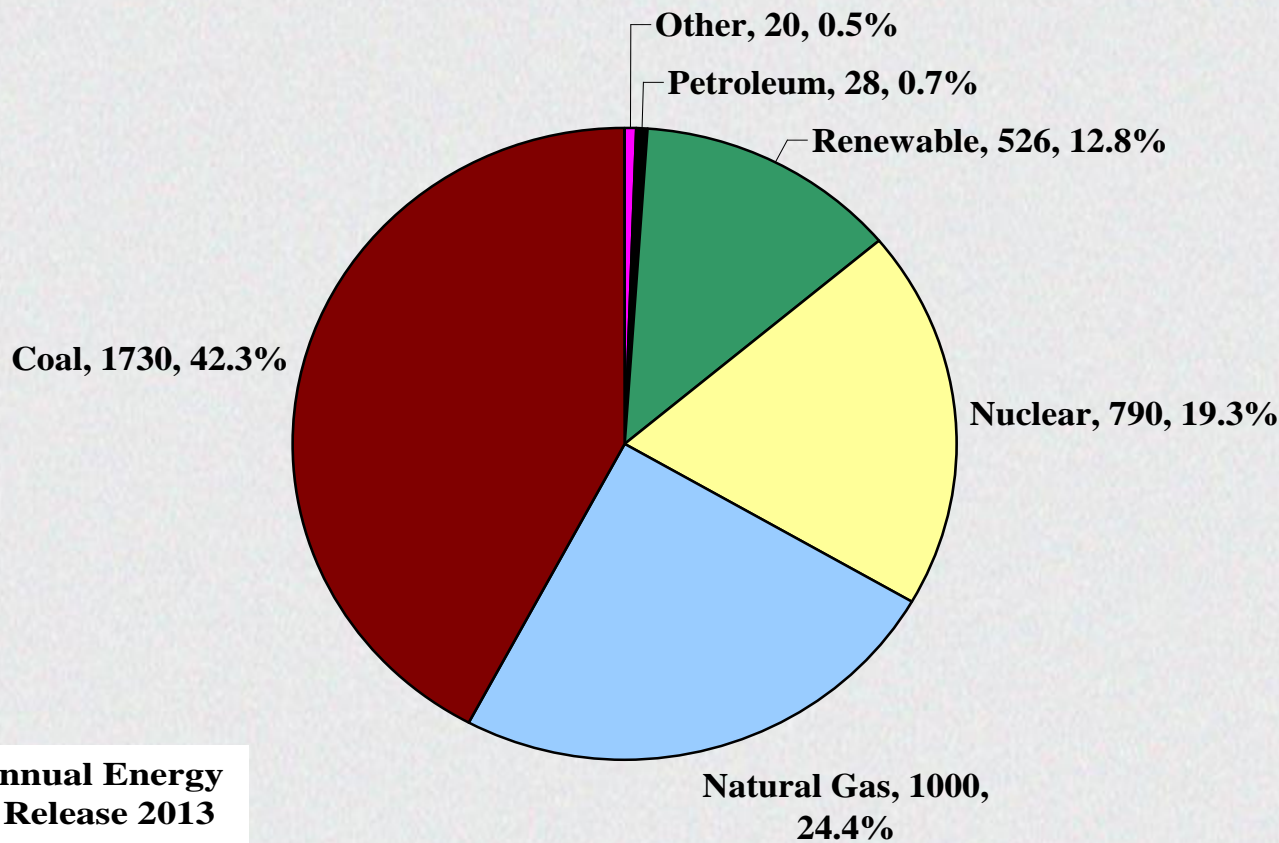


Source: EIA Annual Energy Outlook 2003 Table A8



Electric Generation by Fuel Type – 2011

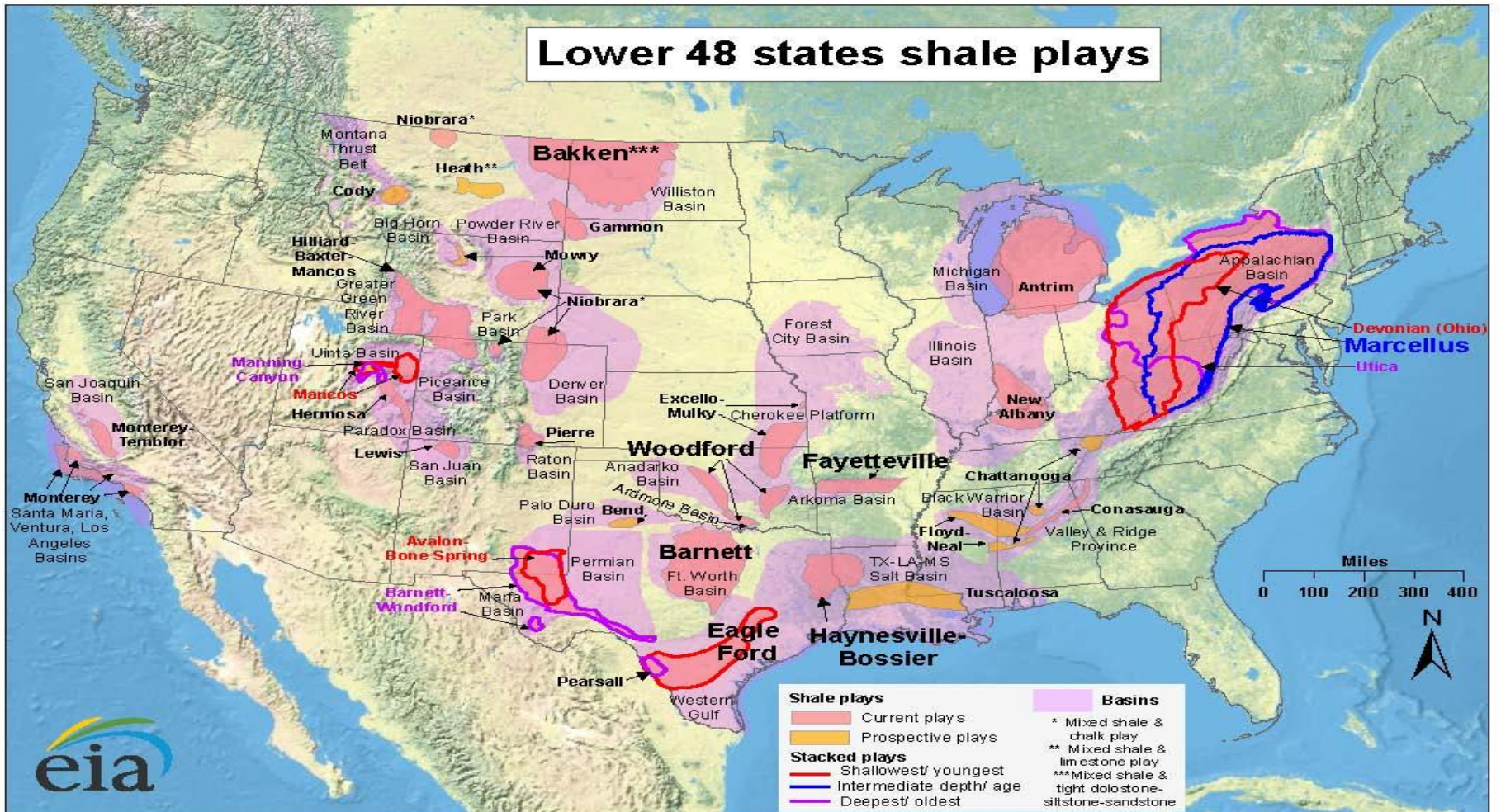
**Total Electricity Generation by Fuel Type, US, 2011
(Millions of Megawatt-Hours)**



**Source: EIA Annual Energy
Outlook Early Release 2013
Table A8**



New Shale Gas

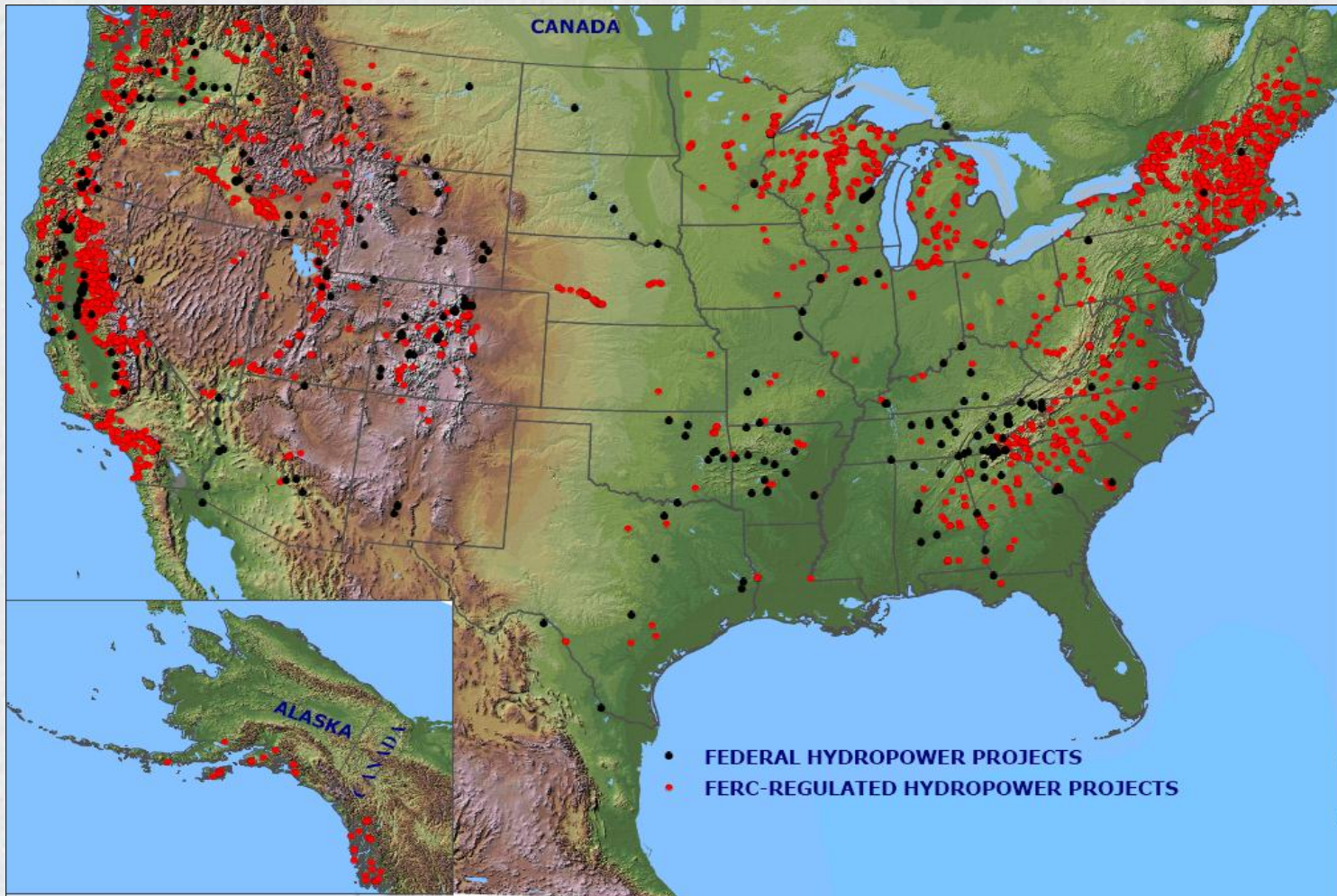


Source: Energy Information Administration based on data from various published studies.
 Updated: May 9, 2011





U.S. Hydropower – Federal and FERC-Regulated



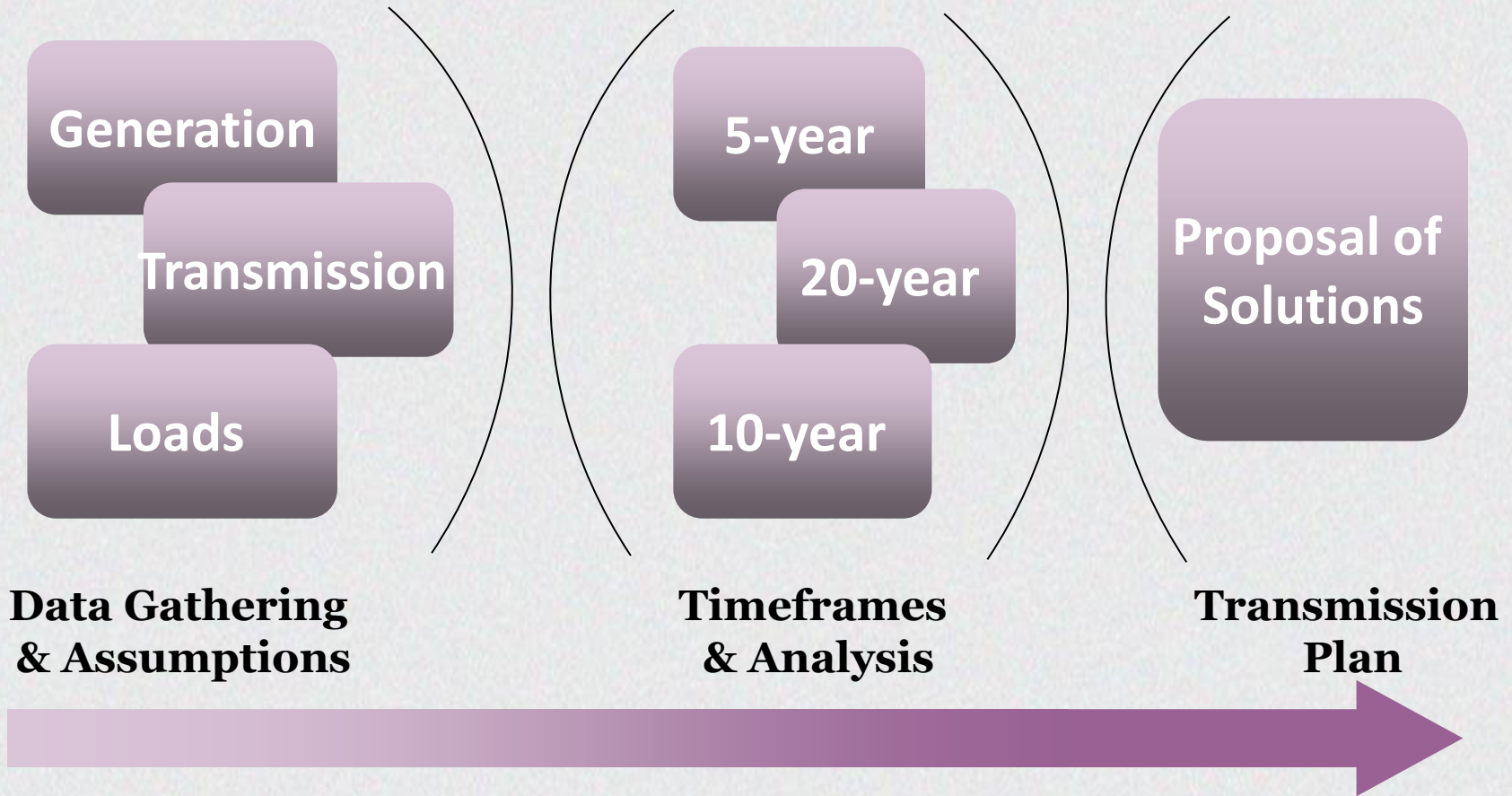
**U.S.
Hydropower
Capacity ~
101,000 MW**

**Providing ~
10% of U.S.
Generating
Capacity**

**U.S.
Hydropower
Capacity
under FERC
Regulation ~
54,000 MW**



Transmission Planning Process

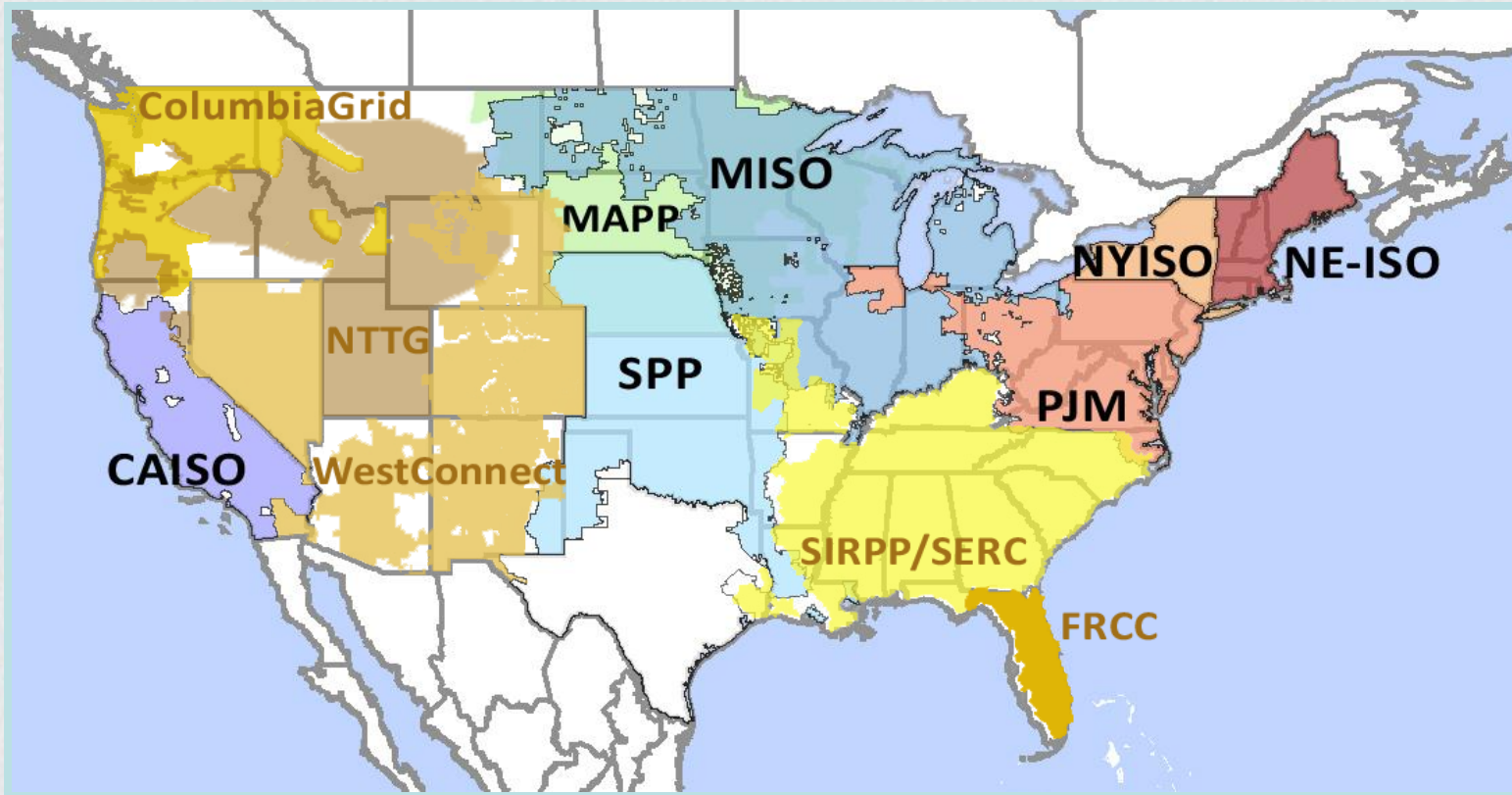




FERC'S ORDER 1000



Current Transmission Planning Regions *



- This map is for illustration purposes only. This map generally depicts the borders of regional transmission planning processes through which transmission providers have complied with Order No. 890. Those borders may not be depicted precisely for several reasons (e.g., not all transmission providers complying with Order No. 890 have a defined service territory). Additionally, transmission planning regions could alter because transmission providers may choose to change regions.
- Source: Derived from Energy Velocity



Significant Orders Leading to Order 1000

- **Order No. 888 in 1996**

Requires open access to transmission facilities to address undue discrimination and to bring more efficient, lower cost power to the Nation's electricity consumers

- **Order No. 890 in 2007**

Requires coordinated, open and transparent regional transmission planning processes to address undue discrimination



Order No. 1000 (2011)

- **Planning Requirement**

- Requires transmission planning at the regional level to consider and evaluate possible transmission alternatives and produce a regional transmission plan

- **Interregional Coordination**

- Public utility transmission providers in each pair of neighboring transmission planning regions must coordinate to determine if more efficient or cost-effective solutions are available

- **Transmission Provider Participation**

- Public utility transmission providers must participate in this process

- **Cost Allocation**

- Costs of transmission solutions chosen to meet regional transmission must be allocated fairly to beneficiaries



Cost Allocation Under Order 1000

- **Order 1000 requires a region-wide cost allocation method for any new transmission facility selected in the regional transmission plan for purposes of cost allocation**
- **If region can't decide on a cost allocation method, then FERC would decide based on the record**
- **The rule does not require a 'one-size fits all' method for allocating costs of transmission facilities**



Cost Allocation Under Order 1000

- **Neighboring transmission planning regions must have a common interregional cost allocation method for a new interregional transmission facility that the regions select**
- **Participant-funding of new transmission facilities is permitted, but is not allowed as the regional or interregional cost allocation method**
- **Cost allocation methods must adhere to six principles**



Cost Allocation Principles in Order 1000

- **Costs must be allocated “roughly commensurate” with estimated benefits**
- **Those who do not benefit from transmission do not have to pay for it**
- **Benefit-to-cost thresholds must not exclude projects with significant net benefits**
- **No allocation of costs outside a region unless other region agrees**
- **Cost allocation methods and identification of beneficiaries must be transparent**
- **Different allocation methods could apply to different types of transmission facilities**



Planning for Public Policy Requirements in Order 1000

- **Local and regional transmission planning processes must consider transmission needs driven by public policy requirements**
- **Each public utility transmission provider must establish procedures to –**
 - Identify transmission needs driven by public policy requirements
 - Evaluate potential solutions to those needs
- **Public policy requirements are defined as enacted statutes and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level**
- **No mandate to include any specific requirement**