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FERC Order 1000

The Coalition for Fair Transmission Policy (CFTP) today told the House Subcommittee on Energy and Power that costs of new transmission projects driven by economic needs or public policy requirements must be allocated to customers in a manner proportional to the measurable benefits that customers receive from those projects.

"We thank the Committee for holding this hearing and their timely consideration of the broad implications of FERC's Order 1000 for the reliability and economics of our nation's electric systems," said Steve Transeth, representing the Coalition and principal partner at Transeth and Associates. "Order 1000 is deficient not so much for what it says, but more for what it doesn't say."

In his testimony, Transeth raised important concerns and questions regarding the Order, in particular: the definition of "benefits," potential conflicts between required regional planning processes and local policies, and questions regarding the boundaries for the legal authority to implement the proposed changes.

The hearing focused on topics related to siting, planning, and allocation of costs for electricity transmission infrastructure as part of the Federal Energy Regulatory Commission's (FERC) Order 1000. In addition to CFTP, the subcommittee heard testimony from two panels of witnesses, including FERC Chairman Jon Wellinghoff, Lauren Azar, Senior Advisor to the U.S. Secretary of Energy, state commissioners from Michigan and Washington, utilities, and regional transmission organizations. Steve Transeth, a principal partner at a Michigan-based law firm specializing in energy issues, addressed today's subcommittee hearing on electric transmission.

The Order's lack of guidance to regions as to how benefits should be defined, "will leave open the very real possibility that regions can adopt extremely broad definitions that result in unfounded conclusions that everyone benefits from new transmission and all should pay - thus socializing all transmission costs within a region - resulting in higher costs to customers who will subsidize large remote renewable projects and merchant transmission developers."

"The Coalition believes that transmission planning must be initiated at the local utility and state level, in a bottom-up manner, based on and driven by the needs of customers who bear the burden and received the benefits of new transmission," he continued.

As to how the Order can and will be implemented, particularly outside of areas served by regional transmission organizations, Transeth called attention to more than 60 rehearing petitions filed in response to the Order and stated "there are numerous questions and concerns remaining as to the boundaries of the Commission's legal authorities."

Electricity Pricing Areas - Oct 18, 2011

LMP Zone	Per kWh
Com Ed	\$.02939
PJM	\$.03905

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
Oct 1 - Oct 31, 2010	\$.02702
Nov 1 - Nov 30	\$.02778
Dec 1 - Dec 31	\$.03545
Jan 1 - Jan 31, 2011	\$.03871
Feb 1 - Feb 28	\$.03581
March 1- Mar 31	\$.03668
April 1 - April 30	\$.03448
May1- May 31	\$.03954
June 1 - June 30	\$.03851
July 1 thru July 31	\$.05170
Aug 1 - Aug 31	\$.04064
Sep 1 - Sep 30	\$.03058
Oct 1 thru Oct17	\$.02948

Weather Wed: Showers in the morning, becoming a steady rain in the afternoon. Windy. High 49F. Winds N at 25 to 40 mph. Chance of rain 80%. Rainfall around a quarter of an inch. Winds could occasionally gust over 50 mph. **Thu:** Windy with occasional rain. High 49F. Winds NNW at 25 to 35 mph. Chance of rain 70%. Rainfall around a quarter of an inch. **Fri:** Windy with periods of rain. Highs in the upper 40s and lows in the low 40s. **Sat:** Sunshine. Highs in the low 50s and lows in the upper 30s.

