



Steering Committee

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Executive Director

Reid Detchon

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Jeff Bingaman
Chair, Senate Energy and
Natural Resources Committee
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Lisa Murkowski
Ranking Member, Senate Energy and
Natural Resources Committee
United States Senate
Washington, DC 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Bingaman, and Ranking Member Murkowski:

The undersigned renewable energy developers and advocates, labor unions, environmental and science-based organizations, and electric utilities are writing to urge you, as part of comprehensive climate and clean energy legislation, to undertake meaningful reforms in the law that governs planning, siting and paying for electric transmission investments to support development of domestic renewable energy resources. Voters overwhelmingly support developing domestic renewable energy resources rapidly and at large scale to create jobs, reduce our dependence on foreign energy sources, and clean up our environment. More than 300,000 megawatts (MW) of proposed wind projects and over 15,000 MW of proposed solar projects cannot move forward because of the inadequacy of our current grid. Comprehensive climate and clean energy legislation should incorporate strengthened provisions of the American Clean Energy Leadership Act (S. 1462), which was reported by the Senate Energy and Natural Resources Committee, to ensure that critical infrastructure for renewable energy can be thoughtfully planned, paid for, and permitted in a timely fashion.

The “measurable” standard adopted by the Senate Energy Committee is transparently anti-renewable energy, and will further delay renewable energy investments that are already moving too slowly. The standard adopted by the Senate Energy Committee requiring renewable energy developers to prove that transmission costs “are *reasonably proportionate to measurable economic and reliability benefits*” would (1) not allow consideration of the enormous environmental, climate change, and energy security benefits of transmission to access renewable energy, and (2) impose on renewable energy developers an anti-competitive test never applied in ratemaking for transmission serving incumbent power plants, while trapping renewable resources indefinitely in analytical gridlock. The Federal Trade Commission (FTC) cautioned the Federal Energy Regulatory Commission (FERC) on the difficulty of even identifying beneficiaries, much less meeting such a test: “Identifying who will benefit from a specific transmission investment is complex, and the accuracy of any such determination may well be ephemeral and sensitive to modeling assumptions.”

This restrictive and unprecedented test is a particular threat to renewable energy because resources like wind, solar, and geothermal are: (1) location constrained; (2) largely concentrated in remote areas not currently served by the electric grid; and (3) most efficient when balanced over large areas. We urge you and your colleagues to reject the “measureable” standard and to return to widely accepted principles of transmission planning and cost allocation by: (1) including language that would authorize FERC to allocate costs as it does now within RTOs; and (2) requiring FERC to consider the full range of benefits – environmental, climate change, and energy security – when making these decisions.

Participatory, transparent, and analytically robust transmission planning is the best way to meet national renewable energy goals. Planning must consider new large-scale transmission facilities in addition to, not in lieu of, energy efficiency, local clean energy, smart grid upgrades, and demand response resources. An inclusive planning process with technical integrity will ensure that the right combination of resources is identified to develop and reliably deliver renewable energy. Given our ambitious goals and the interconnected nature of the grid, we cannot afford to have any utility or region “opt out” of planning for national goals or, worse, allow narrow interests to erect barriers to renewable energy. S. 1462 builds on existing local and regional planning, while giving FERC oversight authority to ensure that coordinated interregional plans are produced that will support achievement of our vital national goals.

Beneficial transmission solutions with broad public economic and environmental benefits could be rendered infeasible without broad cost allocation. Solutions that enable the development and use of more renewable resources, and that reduce the land and wildlife impacts of transmission lines – such as flexible routing, maximizing the use of existing rights of way, and advanced technologies to reduce impacts and losses – may not be employed without broad cost allocation. By excluding consideration of the broad environmental benefits of lower impact transmission, the restrictive Amendment adopted by the committee invites increased environmental harm, project controversy, and costly delays. It will prevent development of needed large scale renewable energy projects and reduce employment benefits in rural communities.

Transmission reforms are critical for substantial development of renewable energy resources. Our group is motivated by the common goal of updating the transmission grid in ways that will be necessary to develop America’s vast, untapped renewable energy resources, such as wind, solar, geothermal, and biomass. Last week, 29 Governors called on Congress and the President to “Develop new interstate electric transmission system infrastructure as needed to provide access to premier renewable energy resources both on-shore and offshore.”

The findings of DOE’s Eastern Wind Integration and Transmission Study (EWITS), released in January, strongly support the essential role of transmission in scaling up renewable energy:

- All scenarios – land-based wind in the Midwest, offshore wind in the East, and combinations of wind power resources – require transmission infrastructure upgrades for which planning should start immediately.
- The cost of aggressively expanding the existing transmission grid represents less than 15% of total costs in all scenarios studied.
- Wind energy development is a highly cost-effective way to reduce carbon emissions.

Consumers can save money when they have access to more renewable energy choices. Transmission gives consumers access to more renewable electricity suppliers, allowing them to save money. The FTC concurred in this conclusion in recent comments to FERC, noting that transmission congestion “limits

competition and increases power costs and prices, to the detriment of consumers.” In addition, DOE’s EWITS Study found that accessing wind energy from a larger geographic area makes it both less expensive and a more stable energy source.

Decisive action is needed. Developing the broadest range of clean energy resources will create jobs, enhance national security, and help mitigate climate change. We therefore need reasonable reforms to the transmission regulatory framework to support the clean energy transformation of our power generation sector. While local input and engagement are essential, incumbent utilities and other special interests cannot be allowed to thwart the achievement of vital national economic, environmental and national security goals. We thank you for your attention, and we look forward to working with you on this important legislation.

Sincerely,

Abengoa Solar
Alliance for Clean Energy New York
American Electric Power
American Wind Energy Association
Blue Green Alliance
BrightSource Energy
Center for Energy Efficiency and Renewable
Technology
Clean Up our River Environment in Minnesota
Clipper Windpower Development Company, Inc.
Colorado Independent Energy Association
Communications Workers of America
Conservation Law Foundation
Energy Future Coalition
eSolar
First Solar
Fresh Energy
Gamesa Energy USA
Iberdrola Renewables, Inc.
Interwest Energy Alliance
Invenergy LLC
Iowa Environmental Council
ITC Holdings Corp.
Lincoln Renewable Energy
LS Power

MasTec, Inc.
Mortenson Construction
NextEra Energy Resources
Ohio Environmental Council
Pattern Energy
Project for Sustainable FERC Policy
Renewable Energy Systems Americas
Renewable Northwest Project
REpower USA
Rural Advantage (MN)
Sierra Club
Solar Energy Industries Association
SunPower
Terra-Gen Power, LLC
Tessera Solar
The Wind Coalition
Tradewind
Trinity Structural Towers Inc.
Trinity Transmission Structures LLC
Union of Concerned Scientists
United Steelworkers
Utility Workers Union of America
Vote Solar
Western Grid Group
Western Independent Transmission Group
Wind on the Wires