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From: Meyer, David

Sent: Friday, November 02, 2018 3:51 PM

To: congestion.study2018 <[congestion.study2018@hq.doe.gov](mailto:congestion.study2018@hq.doe.gov)>

Subject: FW: Comment by Keryn Newman

From: Keryn Newman [<mailto:keryn@stoppathwv.com>]

Sent: Friday, November 02, 2018 2:32 PM

Comment:

While the FPA requires DOE to go through the motions of conducting triennial congestion studies, we all know this is simply an exercise in futility, and a gigantic waste of taxpayer money. Any corridors designated as a result of said study, and projects proposed as a result of corridors, are still subject to state jurisdiction. A state may simply deny a project application and that's the end of it. This section of the FPA no longer functions as intended as an end run around state jurisdiction.

Transmission congestion is a fleeting phenomenon when not enough transmission capacity exists to wheel the cheapest power available to all users. It doesn't mean that someone's lights will go out if this power can't be transmitted from point A to point B. It simply means that the user may have to pay slightly more for power produced locally, instead of relying on "cheaper" generators hundreds or thousands of miles away. Economic congestion is a constantly shifting premise that can never be entirely eliminated. At some point, the cost of building new transmission to ship power from point A is going to obviate any cost savings at point B. Trying to build new transmission to solve an ever-changing economic and demand situation is like trying to herd cats.

PJM Interconnection's first ever competitive market efficiency project stands as an example of the futility of building simply to alleviate congestion. The Transource Independence Energy Connection is the result of a competitive project window opened in 2013 to alleviate congestion on the AP South Interface. PJM's Board of Managers approved the project with a benefit cost ratio of 2.48:1 in 2016. Since then, benefit cost has tanked as the congestion has lessened on its own. The last benefit cost update showed a 1.4:1 ratio (and previous updates showed benefit as low as 1.3:1). This project is currently before state regulators in Maryland and Pennsylvania and testimony filed in Pennsylvania Docket No. A-2017-2640195 demonstrates that when increased costs to other PJM zones are figured into a correctly done benefit cost ratio, the IEC project actually only returns 3 cents on every dollar spent. Let's face it, this project is never going to be approved by the states and will be booted back to PJM where it will die a slow, wasteful death.

If PJM Interconnection cannot plan and undertake a market efficiency transmission project to ease congestion, what makes the DOE think it can do it better? DOE has less tools, expertise and authority than PJM. The long time-line on congestion projects will always obviate them before they can be built. Meanwhile, thanks to generous FERC incentives that guarantee utilities may collect all their prudent sunk costs, ratepayers bear all the financial risk for abandoned projects.

DOE's last congestion study was so uneventful, and its data so out of date, that it was useless. Bringing in the possibility that DOE may designate corridors to coincide with a utility's desired project is not going to save this study. Congestion relief is best left to the regional grid operators and state regulators. That's where approval begins and ends. DOE is a paper tiger that is simply wasting taxpayer funds chasing its tail.