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July 26, 2012

## MEMORANDUM

**TO:** Council Members

**FROM:** Ken Dragoon and Howard Schwartz

**SUBJECT:** Introduction to Transmission Planning

Staff will briefly review developments in transmission planning and how they may affect Council's work and plans. Transmission planning has been undergoing substantial changes over the past several years. Construction of new transmission facilities, nearly moribund for more than a decade, has become critical for system reliability and important to accessing renewable energy in remote locations. Two major, and not completely consistent, efforts have been underway to improve the planning and execution of new transmission construction.

The American Recovery and Reinvestment Act of 2009 (ARRA) made funds available through the US Department of Energy to develop new transmission planning processes. That money funded transmission planning activities under the Western Electricity Coordinating Council (WECC). WECC has been relatively successful in developing 10 (and soon 20) year transmission plans that span the western interconnection (roughly the western third of the US). The planning process incorporated policy, environmental, reliability, and cost objectives.

Separately, the Federal Energy Regulatory Commission (FERC) has issued rules directing the development of regional transmission power planning entities. FERC's new rules direct transmission construction resulting from the new planning processes. Among the FERC requirements is that transmission plans be cognizant of public policy objectives and take account of efficiencies gained through coordinating with neighboring regions. One interpretation of these requirements is to more closely incorporate Council planning processes with the regional transmission plans.