

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Transmission Planning Process

Docket No. AD09-8-000

Comments of Clean Line Energy Partners, LLC

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INTRODUCTION

Clean Line Energy Partners, LLC (“Clean Line”) submits the attached comments in response to the Federal Energy Regulatory Commission’s (“Commission”) Notice of Request for Comments, dated October 8, 2009. The Commission’s request for input regarding the regional transmission planning process is appropriate as our nation struggles with the challenges of siting, building, and paying for the thousands of miles of new transmission necessary to achieve the country’s goals of increasing the amount of renewable energy in our nation’s supply mix while achieving reductions in greenhouse gases and other pollutants and striving to better secure America’s energy future.

The Request for Comments provides all interested parties with the opportunity to make suggestions that will improve our nation’s transmission planning process. Clean Line believes that the planning process must be enhanced and expanded in two critical respects. First, the process must be more transparent and inclusive, especially regarding the inclusion of projects proposed by independent transmission companies on a merchant basis. Allowing the developers of such projects to participate in regional transmission planning and development on an appropriate basis – and specifying clearly the manner in which they will be included – will dramatically speed up the development of new transmission lines and minimize risks to transmission customers, who are not asked to bear the costs of the projects. Second, the planning

process must make specific provision for the expeditious consideration and inclusion of transmission projects that traverse multiple planning areas, which is often critical for high-voltage direct current (“HVDC”) transmission lines designed to bring renewable energy to distant loads.

The Commission has the opportunity to reshape transmission development for many decades. By specifying how merchant and participant-funded transmission projects are to be incorporated into regional and inter-regional transmission planning, the Commission can speed up the process of the transmission enhancement and expansion that is vital to the development of thousands of megawatts of wind and solar energy across America. Success of these new independent transmission companies will improve our environment, attract new sources of capital to the transmission industry, reduce electricity costs to consumers, spur much-needed innovation, and foster tens of thousands of green jobs in rural cities and counties around the country.

BACKGROUND ON CLEAN LINE ENERGY, LLC

Clean Line is an independent developer of high voltage transmission lines. Clean Line focuses on connecting the best renewable resources in North America with large population centers. Clean Line does not participate in generation, distribution or retail electricity and is focused solely on providing transmission solutions to generators and load-serving utilities to efficiently interconnect clean energy with consumers. Clean Line is backed by leading private-equity investors who share the vision that independent transmission developers can and should contribute to the development of our electric grid. Clean Line is developing several high voltage

transmission lines that will export wind and solar energy from some of America's best resources to load centers and customers in regions where renewable development is lacking.

COMMENTS OF CLEAN LINE

Clean Line's comments primarily focus on the need to ensure that transmission planning processes (1) provide clear and appropriate opportunities for the consideration and inclusion of merchant and participant-funded transmission projects that do not depend upon financial support from captive transmission customers and (2) accommodate HVDC and other transmission projects that traverse multiple planning areas in order to economically and reliably transport large amounts of renewable energy over long distances.

1. The Commission Should Require Transmitting Utilities and Regional Planning Authorities To Provide Specific and Appropriate Opportunities for Merchant Transmission Projects and Participant Funded Transmission Projects To Participate

Clean Line is eager to participate in regional as well as interconnection-wide planning processes by submitting proposals for HVDC lines that will transmit large amounts of renewable energy over long distances on a merchant or participant-funded basis. Transmission customers will not be asked to bear the costs and risks of these projects. Rather, Clean Line will solicit interest among developers of renewable resources and their purchasers to support its projects and to demonstrate their value through the market.

However, it is unclear under most current planning processes how such projects will be considered. A few regional transmission organizations, such as PJM, specifically provide for the consideration of merchant transmission proposals through the interconnection processes set forth in their tariffs. The *pro forma* tariff prescribed by the Commission, though, does not require public utilities to include merchant or participant-funded transmission projects under their Large Generator Interconnection Procedures ("LGIP") and most regional transmission organizations

and transmitting utilities outside of such organizations do not do so. Neither do they provide any other clear mechanism for the incorporation of such projects into the transmission planning process. This creates uncertainty for independent developers of merchant and participant-funded transmission projects and can delay their development.

The Commission should require transmitting utilities and regional planning authorities to make specific provision for independent developers of merchant and participant-funded transmission projects to be incorporated into the regional planning process. Clean Line encourages the Commission to clarify whether the LGIP is the appropriate place to file for interconnection for merchant or participant-funded transmission lines or whether utilities and planning authorities should establish parallel transmission-to-transmission interconnection processes.

Whichever approach is taken, the Commission should ensure that the manner in which these projects are incorporated takes due account of the differences between merchant and participant-funded transmission projects, on the one hand, and transmission upgrades that are included in the rates paid by captive transmission customers, on the other hand. Where an independent developer of a merchant or participant-funded transmission project is willing to assume the financial risks of the project, the planning process does not need to consider whether transmission customers are being asked to pay for transmission facilities that may not be necessary in the relevant planning horizon. Instead, the planning process should focus on ensuring that the project can be safely, securely, and reliably interconnected with the transmission system. The planning process should also recognize that flows over a transmission project that uses HVDC technology to facilitate long-distance transmission of renewable energy are physically separate from the AC transmission systems to which it interconnects. Such

projects should not be studied as though they are AC projects that necessarily have far more variable effects on existing AC transmission facilities.

2. *The Commission Should Require Transmitting Utilities and Regional Planning Authorities To Establish Procedures for the Expeditious Consideration of Long-Distance Transmission Projects.*

Clean Line is looking to transmit large amounts of renewable energy from rural areas to load centers hundreds of miles away via long-distance HVDC lines. The current lines under development do not reside within a single planning region and in fact almost always cross multiple RTOs and regions. Clean lines believes that this will often be the case for the transmission lines that will be needed to make the Nation's vision of a renewable energy-fueled future a reality. The Commission should ensure that transmission planning processes make appropriate provision for evaluating such transmission lines on an expeditious, coordinated basis so that the need for review in multiple planning processes does not create unnecessary delays.

3. *The Commission Should Require Transmitting Utilities and Regional Planning Authorities To Coordinate the Consideration of Renewable Generation and Long-Distance Transmission Projects Required To Deliver Their Energy.*

Many utilities and RTOs have very long generation interconnection queues with thousands of megawatts of wind generation pending. Much of this pending renewable generation will never be built unless HVDC lines, or other high voltage transmission lines, are developed and constructed in a timely fashion. Therefore, it is important that the Commission require transmitting utilities and regional planning authorities to consider the implications of when HVDC lines are studied and if the LGIP is the most expeditious place. Interconnection queue reform that advances consideration of renewable generation will in many cases prove pointless if the transmission needed to deliver the output of that generation remains unstudied. It

would be a very unfortunate irony if interconnection queues end up inhibiting the new HVDC lines which will ultimately unclog them.

CLOSING

Clean Line appreciates the opportunity to submit comments in this Commission proceeding. While Clean Line has not provided input on many of the challenging transmission planning issues the Commission seeks to resolve, we believe that the issues affecting merchant and participant-funded development of HVDC lines and other transmission projects that are vital to the delivery of energy from renewable generation are critically important. We urge the Commission to clarify these issues so that the development of vitally needed lines is not stifled.

Respectfully submitted,

Michael Skelly, President
Jimmy Glotfelty, Executive Vice President
Clean Line Energy Partners
1001 McKinney, Suite 1900
Houston, Texas 77002
713-265-0274
jglotfelty@cleanlineenergy.com

/s/Kenneth G. Jaffe
Kenneth G. Jaffe
Michael E. Ward
Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, DC 20004-1404
Tel: (202) 756-3300
Fax: (202) 756-3333

Counsel for the Clean Line Energy, LLC

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