INTERREGIONAL TRANSMISSION

Macro Grid Working Group August 28, 2023

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Introduction

ELCON is the national association representing large industrial and commercial consumers of electricity focusing on policies that affect availability, reliability, and affordability of electricity service.

ELCON represents its members before FERC, NERC, Congress, and other state and federal agencies. ELCON members benefit from ELCON's advocacy efforts, its technical resources and educational Workshops, and the ability to network with others involved in corporate energy management.

To learn more, contact konaran@elcon.org

U.S. Transmission Grid





Interregional Transmission

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Incremental Build

Inefficient

- Solving for one contingency
- Fails to consider larger projects of multi-value
- Fails to take into account potential load growth

Costly

- Multiple small builds fail economies of scale
- Requires generation build to serve load
- Inability to share lower cost resources
- Congestion costs
- Outage costs



Winter Storm Uri



Creator: Joe Raedle | Credit: Getty Images Copyright: 2021 Getty Images

Outages cost \$80 billion and contributed to over 200 deaths in Texas

MISO imports were consistently over 13,000 MW during the most challenging period from midday February 15 to midday February 16.

ERCOT was able to import 800 MW

Each additional gigawatt of transmission ties between ERCOT and the Southeast could have saved nearly \$1 billion



The transmission grid must be bigger than the weather







Interregional Transmission



Benefits

- Access to broader resource portfolio
 - Lower cost resources
 - Lower carbon resources
 - Online resources in outage situations
 - Decreased price volatility
- Increased reliability through resource adequacy/pathways
- Larger high-voltage, multi-value projects
- Cost savings
 - Lower congestion costs/scarcity pricing
 - Production savings
 - Capital cost savings
- Accommodate future load growth/electrification
- Reduce curtailment





Interregional Transmission

Increasing interregional transmission results in the largest benefits. Historically, the largest benefit in new interregional transfer capacity additions is across the interconnection seams – between the Mountain and Plains regions and between Texas and all its neighbors (Southwest, Plains, and Delta regions). Large interregional transmission benefit is also found between the Plains and its two eastern neighbors, the Midwest and Delta regions.

(DOE Draft 2023 National Transmission Needs Study)



Interregional Transfer Capability

Congress

- BIG WIRES
- Charge Act
- Debt Ceiling Bill

FERC

National Transmission

DOE

Needs Study

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Technical Conference
AD23-2

NERC

• Interregional Transfer Capability Study





Obstacles

- Siloed/myopic transmission planning
- Siting and permitting
- Political resistance
- No mandate from FERC for interregional planning
- Triple-hurdle approach to interregional coordination
- Generator interconnection driving transmission build
- Cost allocation
- Order No. 1000 competitive process



Solutions?



Interregional Transmission

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THANK YOU





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