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Comments on BPA's draft discussion paper "Transmission Adequacy Standards: Planning for the Future."

1. The issue of setting transmission adequacy standards is almost impossible to address properly until we have a functioning RTO. Much of the discussion in the paper ties in very well to the discussions that have been held in the Grid West negotiations about whether and why an RTO is necessary. The question of the adequacy of the grid requires addressing whether capacity is used efficiently. There is a general consensus that it is not. Rights are closely held, frequently withheld, and are non-fungible. Capacity often goes unused or is available only on non-firm basis. An adequacy calculation that indicates a problem under current management practices is first and foremost a signal to reform grid management rather than a signal to build additional capacity.
2. The discussion of congestion in the paper needs to recognize the complexities of congestion, in nature, location, timing, duration and extent. The cholesterol analogy is inapt.
 - a. Nature: Congestion can be defined as no space available for purchase (rights are fully allocated and not for sale), or no space available for scheduling (the path is fully scheduled on a contract path basis), or no space available for loading (the path loading is equal to the path rating in one direction or the other).
 - b. Location: Congestion generally affects particular rated paths; an entire injection/withdrawal pair may be blocked because one path is congested.
 - c. Timing: Congestion may occur on peak or off peak, depending on the nature of generation patterns, and the cost of congestion and of alleviating it may be quite different depending on the timing.
 - d. Duration: A path may be congested for only a few hours a year, or it may be congested for a significant portion of the year. Again, the costs of congestion and costs of alleviating it will be very different.
 - e. Extent: the extent of congestion is difficult to measure under current management methods, but in concept relates to the amount of excess demand for path capacity. The greater the excess demand for use of a path, the greater the cost of congestion and the greater the cost of alleviating it by counter schedules.

Congestion carries costs, and eliminating congestion carries costs, and it cannot be determined, *a priori*, whether the congestion is worth eliminating by expanding capacity until they can be compared.

3. The brief mention of the connection between need and siting was right on but needs to be expanded. Depending on the geographic and socio/cultural characteristics of the area through which a line will run, siting may be easy or it may be contentious. Landowners and neighbors may or may not be easy to deal with but it is likely that the more pressing a case can be made for the need for a line, the less difficulty will be incurred in siting. This is particularly likely to be the case if resort has to be made to the power of eminent domain to force a right of way through an unwilling landowner. But it will also be the case if public lands must be crossed and there is significant public opposition.
4. I suggest that you be very cautious about the "Other Public Purpose" elements listed in Appendix C, as this may be a catchall for parties seeking public subsidy of private interests, and may lead to difficulties in siting (see discussion above). I suggest that this is particularly the case for economic development, but it may also be the case for the other items listed if they cannot be strongly supported. Any transmission project proposed simply as a good idea will likely engender distrust and opposition from landowners and neighbors on the route and from the affected public. These items will only add to the fury without adding anything to the content of the discussion.