

June 18, 2009

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

Dear Madam Speaker,

We are a diverse group of electric utilities and regional transmission organizations that have widely varying opinions with respect to H.R. 2454, The American Clean Energy and Security Act of 2009 as reported by the House Energy and Commerce Committee. In spite of this diversity of views, we are all united in support of the transmission planning provision of the bill (Section 151). This Section requires the Federal Energy Regulatory Commission to adopt national grid planning principles to facilitate the development of renewable and other zero or low-carbon energy sources, to ensure reliability, and to reduce congestion on the nation's transmission systems. Transmission planning entities with the existing responsibility to develop local and regional transmission plans are to incorporate these principles into their own planning processes. In this manner, we can be assured that the nation's transmission systems will be planned with due consideration of all opportunities to improve reliability, reduce costs, and encourage the development of renewable resources.

We are concerned that as this bill continues through the legislative process, there will be attempts to change this provision to require "top down" interconnection-wide planning. Although we agree with continued coordination of regional plans, efforts to move toward top down planning could significantly change the careful balance that has been reached in the bill and in practice. Local and regional planning authorities are much more in tune with local and regional needs, and these existing processes have continually demonstrated their value. In some regions of the country, a new planning process on top of the existing processes is more likely to slow down, rather than expedite the expansion of the nation's transmission systems. In other regions, top-down planning will likely result in unneeded transmission. Either way, the result is certainly increased costs to consumers, and in some cases harm to development of local renewable resources.

Thus, we urge you to maintain the current language of Section 151 of H.R. 2454. This provision provides a balanced way to enhance interregional coordination and ensure the continued development of renewable, non-carbon, and low-carbon energy sources while protecting the interests of consumers and respecting the current planning processes established by states and the FERC that are working well.

Sincerely,

American Transmission Company LLC
Duke Energy Corp
Entergy Corp
Large Public Power Council (LPPC)
National Grid
Northeast Utilities
PJM Interconnection LLC
PPL Corp
Progress Energy Inc
Public Service Enterprise Group
Santee Cooper
Southern Company

cc. The Honorable Steny Hoyer
The Honorable James Clyburn
The Honorable Henry Waxman
The Honorable Ed Markey
The Honorable Joe Barton
The Honorable Fred Upton
The Honorable John Larson