UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
GRID DEPLOYMENT OFFICE

National Interest Electric Transmission Corridor Designation Process	))	Preliminary List of Potential NIETCs

COMMENTS OF THE COLORADO ELECTRIC TRANSMISSION AUTHORITY

The Colorado Electric Transmission Authority (CETA) appreciates the opportunity to submit comments to the U.S. Department of Energy (U.S. DOE), Grid Deployment Office (GDO) on its Preliminary List of Potential National Interest Electric Transmission Corridors (NIETCs) issued pursuant to Section 216(a) of the Federal Power Act.

CETA is an independent, political subdivision of the state of Colorado. It was created in 2021 to enable the development of electric transmission facilities that will deliver clean energy resources to Coloradans and our neighbors. The powers of CETA are vested in its nine-member Board of Directors, as described below. CETA has the power to:[1]

- Engage in transmission planning activities that would increase grid reliability, help Colorado meet its clean energy goals, and aid in economic development.
- Identify and establish corridors for the transmission of electricity with the state.
- Coordinate, investigate, plan, prioritize, and negotiate with entities within and outside Colorado for the establishment of interstate transmission corridors.
- Consider options and alternatives to increase the efficient use of the transmission system. Options and alternatives may include storage and advanced transmission technologies.
- Issue and sell electric transmission bonds to undertake projects.
- Exercise the power of eminent domain for acquiring property or rights-of-way necessary for projects.
- Enter into partnerships with public or private entities to develop projects.
- Conduct a transparent and competitive process to select a qualified transmission operator to carry out all required financing, planning, acquisition, maintenance, and operation of electric transmission facilities and related infrastructure.
- Collect payments of reasonable rates, fees, interest, or other charges from operating or leasing existing facilities to finance future projects and render other services.

The U.S. DOE GDO has set forth a four-phase process for the designation of NIETCs. A NIETC is "any geographic area that – (i) is experiencing electric energy transmission constraints or congestion that adversely affects consumers; or (ii) is expected to experience such energy

[1] Sect. 40-42-104(1), C.R.S.

transmission capacity congestion."[2] NIETC designation enables U.S. DOE and the Federal Energy Regulatory Commission (FERC) to use valuable federal financing and permitting tools to spur construction of transmission projects within a NIETC. In recognition of the close alignment between CETA's mission and the goals of NIETC designation, CETA submitted comments in response to DOE's NOI in Phase 1 of the NIETC Designation Process.[3]

On May 8, 2024, the U.S. DOE GDO released a preliminary list of potential NIETCs and invited public comment in Phase 2 of the NIETC Designation Process. CETA offers the following comments and recommendations on the preliminary list of NIETCs. CETA confines its comments to the four preliminary NIETCs that overlap or physically abut each other near the southeast corner of Colorado. As requested, CETA's comments focus on the transmission needs and consumer harms within the potential NIETCs and the geographic boundaries of the potential NIETCs.

Transmission Needs and Consumer Harms

The Colorado Legislature has tasked CETA with conducting a study of the need for expanded transmission capacity in Colorado.[4] The study will consider the ability to expand transmission capacity through the construction of new transmission lines, improvement of existing transmission lines, and connections to organized wholesale electricity markets. CETA's consultant, Energy Strategies, has completed a draft 20-year reliability assessment and identified a draft portfolio of transmission projects to address system needs. The initial report is to be presented to the Colorado Public Utilities Commission before September 1, 2024.[5] Although the study is not complete, its reference case assumptions and preliminary reliability assessment provide support for CETA's comments and recommendations on the preliminary list of NIETCs.

First, Colorado has established an aggressive goal of 100 percent clean energy by 2050 with an interim goal of an 80 percent reduction in greenhouse gas emissions from 2005 levels by 2030.[6] The draft capacity expansion results from CETA's transmission study suggest Colorado will need to add 7 GW of wind, 3 GW of solar, 2 GW of storage, and 3 GW of new firm resources between 2035 and 2045 to achieve Colorado's clean energy goals and maintain resource adequacy.

Second, Colorado has set a requirement for all transmission utilities to join an organized wholesale electricity market on or before January 1, 2030.[7] Several of Colorado's utilities have committed to joining Southwest Power Pool's RTO.[8] However, as DOE found in its October 30,

[2] 16 U.S.C. 824p(a)(2).
[3] CETA Phase 1 NIETC Designation Comments: https://www.cotransmissionauthority.com/resources
[4] Sect. 40-42-109, C.R.S.
[5] CETA Transmission Study information: https://www.cotransmissionauthority.com/transmission-study
[6] Sect. 40-2-125.5(3), C.R.S.
[7] Sect. 40-5-108(2)(a), C.R.S.
[8] SPP press release, SPP RTO will expand with commitments from western utilities, Sep. 14, 2023.

2023 Transmission Needs Study,[9] the electric power transfer capacity between Colorado and its neighboring states and organized wholesale electricity markets is limited. It is widely recognized that Colorado is an "electrical island" with weak interstate electrical ties. To examine this weakness, the CETA transmission study includes a regional integration scenario to identify the need for interregional transmission. This scenario assumes the state of Colorado procures 2,000 MW of SPP Wind resources in 2035. The CETA transmission study assumes all Colorado balancing authorities will join the Southwest Power Pool's RTO by 2045.

Finally, based on the preliminary reliability assessment and discussions that have taken place at CETA's three stakeholder meetings, and based on the findings of the DOE Transmission Needs Study, CETA anticipates working with public and private partners to further explore opportunities for increased cross-interconnection transmission capacity between Colorado and the Eastern Interconnection. Importantly, this transmission expansion will likely need to extend hundreds of miles to adequately diversify load and generation across a large geographic footprint. This long- distance transmission expansion can lead to increased system flexibility, improved resource adequacy and reliability, a better system response to extreme weather events, and mitigation against spikes in wholesale electricity market prices.

CETA therefore agrees that the preliminary list of potential NIETC designations is warranted and satisfies several of the relevant factors listed in section 216(a)(4) of the Federal Power Act. In particular, the four proposed NIETC corridors that have a nexus with Colorado are likely to facilitate new interstate and cross-interconnection transmission solutions that will enable Colorado to access diverse generation resources for reliability purposes, meet its clean energy and decarbonization goals, establish needed connections to wholesale markets, and ensure least cost energy supply.

Geographic Boundaries and Recommendations

The Mountain – Plains – Southwest preliminary NIETC is the only NIETC that extends into Colorado. It extends 540 miles from Colorado in the north to New Mexico in the south along the Oklahoma and Texas borders. It has the potential to facilitate increased transfer capacity between Colorado and the Eastern Interconnection but will not unlock this potential on its own.

For the NIETC designation process to spur construction of cross-interconnection transmission capacity between Colorado and the Eastern Interconnection, the U.S. DOE must designate the Mountain – Plains – Southwest preliminary NIETC in conjunction with either the Delta Plains preliminary NIETC or both the Plains – Southwest and Midwest – Plains preliminary NIETCs. CETA recommends that U.S. DOE GDO advance all four of these potential NIETCs to Phase 3 of the NIETC designation process.

[9] DOE, National Transmission Needs Study (October 30, 2023), at pages 19, 42 – 43, and 51 ("In the non-RTO/ISO West, heavy traffic of energy moving from the Northwest into load centers in California and the Southwest causes congestion. As of the publication of this report, the most congested paths are between Oregon and California and between Colorado and its three neighbors in the Western Interconnection, Wyoming, Utah, and New Mexico.").

CETA has partnered with the Oklahoma Department of Commerce and NextEra Energy Transmission on a Grid Resilience and Innovation Partnerships (GRIP) application for funding to develop the Heartland Spirit Connector (HSC) Project. The HSC Project is under development near or within the Mountain – Plains – Southwest and Delta – Plains preliminary NIETCs. The HSC Project is expected to triple the transfer capacity between the Eastern and Western Interconnections, unlock a pathway for Colorado utilities to join an RTO, and help Colorado meet its statutory clean energy goals. At a minimum, U.S. DOE GDO should advance the Mountain – Plains – Southwest and Delta – Plains preliminary NIETCs to Phase 3.

CETA is committed to participating in the Phase 3 DOE-led community engagement activities in Colorado. Thank you for the opportunity to submit comments to inform the designation of National Interest Electric Transmission Corridors.

/s/ Kathleen Staks

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