

Comments to CETA Community Engagement Principles Document

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Comments:

The efforts of the CETA are important to the State of Colorado to ensure fair and effective development of transmission assets to benefit all Colorado residents. Thank you to the CETA for its groundbreaking efforts in this regard.

With respect to the draft community engagement principles document, I provide the following comments and feedback for your consideration.

Information Sharing section, Principle 1:

Would it be possible to define or clarify the term “partners” as it is used in this section? For example, do partners include regulated electric utilities, non-regulated utilities, resource developers, load-serving entities, NERC Registered Entities, Market Operators, FERC Order 1000 Transmission Planning Groups and Regional Transmission Organizations (RTOs)? It appears from context in the draft that “partners” is a distinction from the community being engaged with information from CETA and the potential ambiguity of this term warrants elaboration.

Also in this section, I recommend that CETA elicit information to determine if the proposed transmission projects being developed are necessary based upon the current “stand-alone” paradigm used by electric transmission utilities¹, and to require a comparison of the transmission development that would be needed if there was a joint transmission tariff access method, as is administered under the auspices of a Regional Transmission Organization. Given that the State of Colorado is currently in a phase of regulatory evaluation of the benefits and costs of RTO participation for jurisdictional utilities, it seems like eliciting this sort of transmission planning contrast would be in the public interest.

Community Benefits section:

¹ In a stand-alone paradigm, transmission assets are planned by a transmission provider solely considering the delivery capability of their own wires, while in many cases parallel capabilities of another transmission provider could mitigate the requested transmission development.

Should this section include discussion of the potential regional cost allocation for the transmission project? Today, most bulk transmission system developments are cost allocated into one of two buckets. The first bucket is called Generator Interconnection Upgrade costs, which are borne solely by the resource developer or load-serving entity. The second bucket is called Network Upgrade costs, which are allocated to all transmission customers in the transmission provider's tariff footprint. Is the cost recovery avenue clear for transmission assets developed through CETA? If a third party constructs the transmission assets through CETA, should it be eligible to have the cost recovery for those assets included in the network charges of the proximate existing transmission service provider? These considerations are particularly needed in portions of Colorado that may not find themselves under the auspices of an RTO Transmission Tariff and where the associated uncertainty related to cost recovery could result in delays or failure of the transmission development.

In areas of Colorado where an RTO Transmission Tariff may apply, one anticipates that some of the cost allocation and recovery details are already established in principle. Since RTO West, to be operated by SPP, is forecast to begin operations in Colorado in 2026, this is a material element to the benefits determination. Some RTO tariff regions that undertake transmission asset development with identified broad reliability benefits may allocate a network project cost recovery on a larger footprint than just the transmission provider zone where the new facilities are developed. For example, the Southwest Power Pool RTO regional transmission cost allocation for very high voltage projects in the Eastern Interconnection includes a broad regional cost allocation.

The applicable cost allocation details, whatever they may be, could influence a community's evaluation of net project benefits.

Accountability section:

Should CETA or its partners have any accountability to the entities that are seeking transmission resource development? For example, if a resource developer needs the CETA-supported transmission for a new source of power supply to serve the wholesale electricity market or a specific load-serving entity, then delay or imprecise timing expectations to render the necessary transmission asset(s) could jeopardize the commercial feasibility of the project and impair effective wholesale electricity competition. One could imagine the resource development would have difficulty in securing project finance if the associated necessary transmission facility development had no clear commercial readiness commitment.

Or in the alternative, should the principles document include a clarification of who would hold the obligation to render the transmission assets within the expected timeframe?

Thank you for the opportunity to provide input to this process.

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