Planning in the 21st Century: The Black Sheep or the Crown Jewel of the Electric Industry

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PLANNING----LIVING THE DREAM
PLANNING -- NIGHT OF THE LIVING DEAD

“Regulation by Fad”
PLANNING IN THE ELECTRIC INDUSTRY

- Utility-Only Planning
  - The “Hands Off” Regulator
- Integrated Resource Planning
  - The “Group Grope” for Perfection
- Competition in Generation
  - Transmission Planning Focus on Interconnection and Price Signals
- Transmission “Corridors”

- Planning to address reliability violations
  - Short vs. Long Term Solutions
  - Changing Load Forecast
  - Difficult to rely upon demand side response
- Economic Planning
  - FERC rejects exercise of discretion—Clear formulas
  - Cross-Border---”Layering of approved criteria”
• The Transmission Superhighway

LEGISLATIVE SOLUTIONS

• FERC sets the planning principles
• Interconnection Wide Planning
  – Return to IRP Process
  – Add-on: Land Use Analysis
  – “Rolling up” the regional plans
• Interconnection Wide Planning Entities
The elegant solution or....a ship too heavy to leave the dock...

- Clear National Policy
- Consistency Across Regions
- Planning Principles---Formulaic or the exercise of discretion?
- Recognizing limitations---Only transmission is regulated...
• Avoiding a regulatory morass---Sorting out what is the level of coordination needed across the interconnection?
• Ability to effectuate the plan
• Cost allocation/siting reform

“Hanging in mid-air”: a dangerous place
• A restructured industry or “Golden memories of yesteryear…”

  – The choice is ours

Let's Talk

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