UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Advanced Notice of Proposed Rulemaking Implementation of Dynamic Line Ratings Docket No. RM24-6-000

<u>COMMENTS OF THE NATIONAL ASSOCIATION OF</u> <u>STATE UTILITY CONSUMER ADVOCATES</u>

The National Association of State Utility Consumer Advocates (NASUCA) respectfully submits these Comments in response to the Federal Energy Regulatory Commission's (FERC or "Commission") June 27, 2024, Advance Notice of Proposed Rulemaking (ANOPR)¹ in the above-captioned docket, in which FERC seeks additional comments regarding potential reforms to implement dynamic line ratings (DLRs).

NASUCA is a voluntary association of state utility consumer advocate offices that represent the interests of utility consumers in 45 states, the District of Columbia, Puerto Rico, Barbados and Jamaica across 61 different consumer advocate offices.² NASUCA member offices represent consumers who ultimately pay for the costs of transmission infrastructure and bear the brunt of any failures in the reliability of the electricity supply.

NASUCA's members share a vested interest in transmission planning policies that benefit and protect customers. These comments are not intended to address each issue raised in the ANOPR but seek to generally support the implementation of DLRs where they offer cost

¹ Implementation of Dynamic Line Ratings, Advanced Notice of Proposed Rulemaking, 187 FERC ¶ 61,201 (2024) (ANOPR).

² NASUCA's full members are designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal utility regulators and in the courts. NASUCA's associate and affiliate members are recognized utility consumer advocate organizations in their respective jurisdictions.

effective solutions to grid congestion and reliability, increase transparency regarding transmission lines, and result in just and reasonable rates.

Background

In Order 881, the Commission found that inaccurate transmission line ratings result in unjust and unreasonable Commission-jurisdictional rates and revised its regulations to improve the accuracy and transparency of transmission line ratings.³ The Commission acknowledged the potential benefits of DLR at that time but declined to adopt reforms that would mandate DLR implementation due to an insufficient record to evaluate the benefits, costs, and challenges of DLR implementation.⁴ This ANOPR seeks to expand upon the Commission's prior inquiries, examines whether transmission line ratings should be further refined using DLR, and queries whether transmission line ratings without DLR may be insufficiently accurate and may unjustly and unreasonably increase costs to customers.⁵

NASUCA Position on DLR

The ANOPR outlined several domestic and international examples of DLR projects which indicate that DLR can increase transmission line rating accuracy, increase transmission capacity, reduce congestion, and avoid transmission line reconductoring or replacement.⁶ The ANOPR also noted costs savings to customers through reduced or eliminated congestion costs and avoided transmission line reconductoring and replacements that, in some cases, would have been orders of magnitude more expensive than the cost to install DLR.⁷ DLR sensors can also

⁴ ANOPR ¶ 7.

³ ANOPR \P 2.

⁵ ANOPR ¶ 54.

⁶ ANOPR at 37-43.

provide real-time operational awareness and monitoring to grid operators.⁸ In many cases, implementing DLR appears to provide significant benefits to customers at lower cost than transmission line reconductoring or replacement.

NASUCA supports policy changes where the changes benefit customers, ensure that the future grid is designed appropriately and cost-efficiently, maintain reliable and resilient service, and result in just and reasonable rates.⁹ NASUCA's first and foremost concern with transmission policy is that transmission policy maximizes the use of the existing assets that retail ratepayers are currently paying for before building new resources.¹⁰ To the extent that DLR increases the value and prolongs the use of existing assets, and does so in a cost-beneficial manner, it should be the Commission's policy priority to enable DLR implementation. Additionally, given the Commission has found that inaccurate transmission line ratings result in unjust and unreasonable rates, it should require line ratings that are as accurate as reasonably possible. NASUCA, therefore, supports requirements to implement cost-beneficial DLR so that transmission line ratings accurately reflect solar heating and wind speed, where applicable.

Concerns

NASUCA supports the expansion of transmission line ratings to include requirements for DLR but has concerns with the proposed self-exception mechanism. The ANOPR does not directly address the cost-effectiveness of installing DLR on individual transmission lines but establishes criteria-based thresholds and the flexibility of self-exceptions that acknowledge DLR

⁸ ANOPR ¶ 27.

⁹ See NASUCA Resolution 2022-01 Urging Development of Consumer Protection Policies for Interconnection and Electric Transmission and Distribution Planning and Development, (June 12, 2022), <u>https://www.nasuca.org/wp-content/uploads/2021/10/2022-01-Consumer-Protection-Policies-for-Transmission-and-Distribution-Planning-6-12-2022.pdf</u>.

¹⁰ See id. at Resolution 11.

may not be appropriate or beneficial for all transmission lines. The self-exception mechanism allows a transmission provider to demonstrate that compliance with the proposed wind speed requirement would not produce net benefits and requires the provider to document the basis for the exception along with the net benefit analysis, calculation, methodology, and assumptions.¹¹

NASUCA maintains that investments ultimately borne by customers should be costeffective and that costs are transparent to all stakeholders. NASUCA, therefore, supports the use of a net benefit analysis to prevent the installation of DLR that would not produce benefits for customers. The self-exception process, however, presumes that an exception claim is accurate and prudent unless challenged through a Federal Power Act section 206 complaint.¹² This shifts the burden of proof onto consumer advocates and other stakeholders who may not have sufficient resources to file such a complaint. NASUCA requests that the Commission modify the selfexception process to require a transmission provider to seek a determination by the Commission that its exception claim is accurate, prudent, and in the public interest. This modification would shift the burden of proof back onto the party seeking exemption.

Conclusion

Given the significant potential benefits of DLR, NASUCA supports the expansion of transmission line rating requirements to reflect solar heating and wind speed requirements to the extent that the new requirements lead to the cost-effective deployment of DLR. NASUCA, however, recommends that the self-exception process be modified to require transmission providers to seek an affirmative determination by the Commission that an exception claim is accurate, prudent, and in the public interest.

¹¹ ANOPR ¶ 144.

¹² See ANOPR ¶ 149.

Respectfully submitted,

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