June 24, 2009

ENERGY ALERT

OBAMA ANNOUNCES INTENT TO NOMINATE JOHN R. NORRIS TO FEDERAL ENERGY REGULATORY COMMISSION

On Wednesday, June 10, 2009, President Obama announced his intent to nominate John D. Norris to fill the vacant seat on the Federal Energy Regulatory Commission (White House press release and official Norris bio available here). Set forth below are several statements by Norris during conferences at the Commission, from comments filed with the Commission on behalf of the Iowa Utilities Board and the Organization of Midwest ISO States and as chairman of the Iowa Utilities Board, highlighting certain of Norris's energy policy positions. The statements are organized by issue, and they address transmission grid expansion and modernization, renewable energy and renewable portfolio standards, energy efficiency, coal-fired generation, the interconnection queue process and states' rights in transmission siting.

TRANSMISSION GRID EXPANSION AND MODERNIZATION

In a statement before the Commission at a November 12, 2008, technical conference regarding the Midwest ISO (available here, see pp. 32-36), Norris stated that he supports and prioritizes the expansion of the transmission grid, referring to it as "the key fundamental question" toward developing "competitive markets." Norris added: "We have to accelerate expansion of the transmission grid for both reliability and economic reasons."

RENEWABLE ENERGY AND RENEWABLE PORTFOLIO STANDARDS

Norris has made several references to removing barriers to further development of wind energy, as well as to existing state Renewable Portfolio Standards (RPS) and potential state and federal RPS:

- In a statement before the Commission at the same November 12, 2008, technical conference referenced above regarding the Midwest ISO (available here, see p. 36), Norris said: "[I]t is going to be increasingly important that we get to economic benefits, especially as we look at getting wind out in the system and levels to meet the possible state and federal RPS."
- In a statement before the Commission at a December 11, 2007, technical conference regarding interconnection queuing practices (available here, see pp. 14-18), Norris said: "It has become broadly recognized that the interconnection queue process has become a serious impediment to the development of the new generation resources."

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ENERGY EFFICIENCY

Norris made several statements and presentations as the former chairman of the Iowa Utilities Board praising Iowa's energy efficiency efforts (an example is available here). His discussion in this presentation focuses upon Iowa Utility Energy Efficiency, including a chart supporting his claims that Iowa is a "national leader" in utility energy efficiency spending per capita (see slide 4).

COAL-FIRED GENERATION

In an Iowa Utilities Board decision regarding whether to allow Interstate Power and Light Company (IPL) to construct a coal-fired power plant in Marshall County, Iowa (available here), Norris voted to grant IPL conditional approval of its proposed plant. Norris voted in favor of conditions that 5 percent of the plant's electric generation be from biomass within two years and 10 percent within five years and also that 10 percent of IPL's generation in Iowa be from renewable sources by 2013, with an increase to 25 percent by 2028.

INTERCONNECTION QUEUE REFORM

In a statement before the Commission at the same December 11, 2007, technical conference addressed above regarding interconnection queuing practices (available here, see pp. 14-16), Norris stated: "It has become broadly recognized that the interconnection queue process has become a serious impediment to the development of the new generation resources. ... Currently MISO has over 71,000 megawatts in the active queue process. Of these 55,000 megawatts are wind projects. ... This queue backlog will have serious consequences, real consequences for states with newly enacted RPS standards and goals."

STATES' RIGHTS IN TRANSMISSION SITING

In comments on behalf of the Iowa Utilities Board filed in Commission Docket No. RM06-12 (Regulations for Filing Applications for Permits to Site Electric Transmission Facilities) (available here), Norris argued in support of states' rights in the transmission siting process, stating that the Commission should impose backstop transmission siting authority for proposed projects only in cases in which "regulatory failure" occurs at the state level. Norris stated that the Commission's backstop siting authority should not preempt state authority or timely action on proposals to construct transmission projects and that a timely state denial of an application for a proposed project does not constitute regulatory failure. Norris further stated that the Commission should clarify how it will implement the one-year timeline for state action established by the Energy Policy Act of 2005.

CONTACT INFORMATION

If you have questions regarding this alert, please contact—