

## Public Rights on Private Lines: Is FERC's Gen-Tie Policy Placing Renewable Energy Development at Risk?

JUNE 9, 2011

Winston & Strawn presented an eLunch titled "Public Rights on Private Lines: Is FERC's Gen-Tie Policy Placing Renewable Energy Development at Risk?" on Thursday, June 9, 2011 at 12:15 p.m. (Central).

The Federal Energy Regulatory Commission (FERC) has expanded the requirement that merchant generators provide open access transmission rights on their otherwise private tie lines. As highlighted at a recent utility industry technical conference, this policy has created uncertainty about the rights of gen-tie owners to use their lines for new projects when a third-party developer asks for service.

The issues involve two competing visions about the public's right to use private generation tie lines. On the one hand, tie line owners want to preserve the ability to use available capacity to serve their own projects. They worry that a third-party developer can create a cloud over capacity rights on the line, interfere with commitments under their power sales contracts, and cause costs to comply with FERC's transmission service regulations. On the other hand, merchant generation developers believe transmission capacity is a scarce commodity that should be available to all transmission customers. The developers contend the obligation to provide transmission service on request promotes competitive power markets.

The debate has gained importance as state incentives have boosted the development of renewable energy projects that are often located far from population centers, which is leading to the need to build thousands of miles of new transmission lines across the country. Merchant generator-owned tie lines are a significant part of the expanding transmission system.

Winston & Strawn attorney Margaret Claybour led a practical, interactive discussion that reviewed:

- the policy behind FERC's open access rules;
- the sources of FERC's authority under the Federal Power Act to require public utilities to provide transmission service;
- key FERC rulings such as Aero Energy, Milford Wind, and TGP Development; and
- the real world consequences of FERC's policies for generation owners, developers and investors.

An eLunch is a complimentary, interactive seminar where participants watch and listen to a presentation given by Winston & Strawn attorneys over the Internet.

*Clients and friends of the firm are invited to attend seminars and events. We reserve the right to limit attendance at any firm event.*

NOTE: CLE credit is not available for listening to our pre-recorded eLunch or webinar briefings

2 Min Read

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## Related Locations

Washington, DC

## Related Capabilities

Environmental

Energy Regulatory & FERC