concluded that there are no significant short-term or long-term effects to the environment or surrounding populations. After careful and thorough consideration of the facts herein, the MDA finds that the proposed Federal action is consistent with existing national environmental policies and objectives set forth in section 101(a) of NEPA and that it will not significantly affect the quality of the human environment or otherwise include any condition requiring consultation pursuant to section 102(2)(c) of NEPA. Therefore, an EIS for the proposed action is not required.


L.M. Bynum,
Alternate OSD Federal Register Liaison Officer. Department of Defense.

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DEPARTMENT OF ENERGY

Designation of National Interest Electric Transmission Bottlenecks (NIETB)

AGENCY: Office of Electric Transmission and Distribution, Department of Energy.

ACTION: Notice of inquiry and opportunity to comment.

SUMMARY: The Department of Energy (DOE) seeks comments on issues relating to the identification, designation and possible mitigation of National Interest Electric Transmission Bottlenecks (NIETB). This inquiry is DOE's initial step in seeking to identify and designate NIETBs. By publicly identifying and designating NIETBs, DOE will help mitigate transmission bottlenecks that are a significant barrier to the efficient operation of regional electricity markets, threaten the safe and reliable operation of the electric system, and/or impair national security. DOE seeks comments on the questions posed below and welcomes other pertinent comments or proposals.

DATES: Written comments are to be filed electronically by e-mailing to: bottleneck.comments@hq.doe.gov no later than 5 p.m. e.d.t. September 20, 2004. Comments can be filed at the address listed below.


Note that U.S. Postal Service mail sent to DOE continues to be delayed by several weeks due to security screening. Electronic submission is therefore encouraged.


SUPPLEMENTARY INFORMATION: The Nation's electric system includes over 150,000 miles of interconnected high-voltage transmission lines that link generators to load centers. The electric system has been built by electric utilities over a period of 100 years, primarily to serve local customers. Until recent years, electricity trade among electric utilities was modest. With the advent of wholesale electricity markets, trade has increased exponentially, and utilities now shop for the lowest cost power from suppliers reachable through the transmission network. The increase in regional electricity trade saves electricity consumers billions of dollars, but it places significant additional loads on the transmission facilities over which this trade is conducted. Steady growth in demand for electricity also has contributed to the growth in demand for transmission service.

While transmission service has become more important economically and operationally, investment in new transmission facilities has not kept pace. Over the past 25 years, investment in new transmission facilities has significantly declined. Today, bottlenecks in the transmission system impede economically efficient electricity transactions and potentially threaten the safe and reliable operation of the transmission system. DOE estimates that these bottlenecks cost consumers several billions of dollars per year by forcing wholesale electricity purchasers to buy from higher-cost suppliers. This estimate does not include the reliability costs associated with such bottlenecks.

The National Energy Policy (May 2001), the Department's National Transmission Grid Study (May 2002), and the Transmission Grid Solutions Report (September 2002) issued by the Secretary’s Electricity Advisory Board, recommend that the Department initiate a process to determine how to identify and designate transmission bottlenecks of national interest, as a first step toward mitigation of them.

Specifically, the Grid Study states: Transmission bottlenecks affect national interests by increasing the cost of electricity to consumers and the risk of transmission system reliability problems in various regions throughout the United States. Relieving transmission bottlenecks is a regional issue. DOE will work in partnership with FERC, States, regions, and local communities to designate significant bottlenecks and take actions to ensure that they are addressed.

The report of the Electricity Advisory Board states:

We would urge the Secretary to develop the criteria and process for determining which existing bottlenecks should qualify for special status as “National Interest Transmission Bottlenecks” because the bottlenecks affect the reliability and security of the nation's electric grid. The DOE must work with State, regional and local government officials to encourage proposals from industry participants and to monitor progress toward elimination of designated bottlenecks.

The Electricity Advisory Board goes on to recommend that to be designated