



WIRES: Voice of the Electric Transmission Industry

<http://www.wiresgroup.com>

Twitter: @wiresgroup

FOR IMMEDIATE RELEASE
January 9, 2018

For further information, contact: Jim Hoecker
202-378-2316 / contact@wiresgroup.com

WIRES' NEW STUDY MEASURES LIFE-CYCLE BENEFITS OF TRANSMISSION INVESTMENT

WASHINGTON, DC – WIRES today published a new white paper by economists at London Economics International (LEI) that demonstrates how the diverse benefits of transmission investment that consumers receive during a transmission line's useful life can be quantified. LEI modeled and analyzed the economic and societal benefits of two projects that are indicative of the types of interregional transmission that will be needed to sustain the highly electrified economy of the future. LEI's methodology is a guide for planners, policy makers, regulators and energy companies seeking to identify the wide-ranging benefits that an integrated grid will deliver to diverse and geographically dispersed energy markets.

This report **["How Does Transmission Benefit You? – Identifying and Measuring the Life-Cycle Benefits of Infrastructure Investment"](#)** is the latest in a series of groundbreaking WIRES studies about the benefits of transmission investment. The new analysis examines a hypothetical transmission project designed to enhance market efficiency in the Eastern Interconnection and another that delivers diverse new resources to distant markets in the Western Interconnection. By employing tools that make more sophisticated forecasts about the benefits generated from investments in the short, intermediate, and long terms, planners have a basis for developing or approving projects that will have the greatest benefit for the greatest number of consumers. Armed with such information, we can better prepare for a fundamentally different electric economy driven by new technology, changing public policies, and foreseeable growth areas for electric power such as transportation, heating, and communications devices and their support systems.

The LEI analysis shows immediate impact on jobs as well as local and regional economic activity. In mid-life, transmission results in major cost savings, increased generator revenues, production cost savings, emission reductions, and quality of life improvements. Economic benefits in various locales and reliability benefits from avoiding costly outages arise during a project's entire life, which can exceed 40 years. The benefits can vastly exceed costs because they are long-lasting, they reflect the low cost of transmission compared to other components of the power system, and because of the positive impacts that

transmission has on markets and the environment without major impacts on the electricity bills of consumers. For example, the Western Interconnect project – a new \$3 billion transmission line that delivers Wyoming wind to California energy consumers – generates local spending for generation and transmission that exceeds \$2 billion, creates over 5,000 new jobs, provides cost savings of nearly \$1.2 billion/year, increases regional economic growth nearly \$2 billion/year, and reduces carbon emissions valued at \$23 million/year or more.

“While there is considerable focus on the cost of transmission investment, the benefits are often undervalued or not recognized. Investment in transmission infrastructure delivers a continuum of benefits over time to customers, ranging from when workers first arrive in a community through the lifetime performance of these vital assets,” said President of WIRES group Nina Plaushin, Vice President, Federal Affairs, **ITC Holdings Corp.** “Transmission investment brings new jobs and multiplier spending to regional economies in the short-term construction phase. Then, through its decades of service, transmission investment lowers the cost of electricity to energy users of all types while improving the quality of life through reduced carbon emissions, improved electric system reliability and economic development.”

WIRES’ past President and Director Kathy Shea of **Eversource Energy**, added, “LEI’s paper clearly illustrates the wide-ranging and long-lasting benefits that come from investing in transmission infrastructure. Well-planned transmission projects bring wide-ranging benefits including job creation, lower energy prices, and access to new energy resources. WIRES advocates that the full extent of these benefits be recognized.”

Jim Hoecker, WIRES’ Counsel and former Chairman of FERC, stated, “We want electric transmission to be part of the conversation about investment in modern and robust infrastructure in North America. Our competitiveness depends on it. LEI’s work should give policy makers the needed reassurance that investments in transmission will bring long-term benefits to local, state, or regional economies and consumers of electricity commensurate with the cost. Given the lengthy permitting process associated with building or expanding transmission facilities, WIRES argues that the merits, benefits, and costs of such considerable investments deserve reasoned evaluation, informed by an understanding of transmission’s fundamental role in the present and future electrified economy.”

* * * * *

About WIRES

WIRES is an international non-profit trade association of investor-, publicly-, and cooperatively-owned transmission providers, transmission customers, regional grid managers, and equipment and service companies. WIRES promotes investment in electric transmission and progressive state and federal policies that advance energy markets, economic efficiency, and consumer and environmental benefits through development of electric power infrastructure. For more information, visit www.wiresgroup.com or contact Jim Hoecker at 202-378-2316.