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WIND INDUSTRY CALLS FOR IMPROVED TRANSMISSION PRICING AND PLANNING PROCESSES IN COMMENTS TO FERC; ALSO REQUESTS RECONSIDERATION OF HARMFUL FERC ORDER

The American Wind Energy Association (AWEA), in two separate filings on related transmission issues, (1) welcomed the Federal Energy Regulatory Commission's (FERC) recognition of the need for transmission pricing and planning reform and called for transmission cost allocation rules that address long-standing grid needs and remove barriers to renewable energy development; and, (2) requested that FERC reconsider its recent harmful order on cost allocation that threatens renewable energy development in the Upper Midwest.

"The time has come when FERC must recognize that reforming cost allocation is the single most important action it can take to address longstanding grid needs and support state, regional, and national energy objectives," said AWEA Senior Vice President for Public Policy Rob Gramlich. "The wind energy industry calls on FERC to broadly spread costs of transmission to all beneficiaries, thereby unleashing the renewable energy investment potential that is waiting in the wings and ready to be deployed. We also ask that, consistent with this request, FERC reconsider its harmful and ill-informed decision to assign virtually all the costs of transmission upgrades in the Upper Midwest to generators."

The first set of comments filed with FERC were in response to a request by FERC for views on whether its current transmission planning and pricing policies, under FERC rule 890, were in need of reform. The comments note that "many cost allocation methodologies, as they are applied today, are flawed . . . because they too narrowly define the beneficiaries to whom such costs should be assigned." This, coupled with needed reforms to current transmission planning regimes, has stifled investment in the nation's transmission network and led to the inadequate expansion of the nation's grid, threatening our country's ability to achieve energy security, reliability, and environmental objectives.

To ensure that the needed transmission is to be constructed in the right amount and at the right time, AWEA, in its comments, requests that FERC initiate a rulemaking to require that regional planning be performed proactively (i.e., by projecting and planning for the region's long-term needs), establish a record that would fully consider the many system-wide benefits that transmission expansions provide, and, in recognition of the multiple beneficiaries of these benefits, spread costs broadly across users.

In the second filing, AWEA and Wind on the Wires (WOW) request FERC to rehear and reconsider its controversial October 23, 2009 ruling approving a transmission cost allocation method for the Midwest Independent System Operator (MISO) that discourages wind power development in the Midwest, one of the nation's most wind-rich regions. AWEA and WOW find that the decision by FERC to place virtually all the costs for transmission upgrades on the projects requesting interconnection is discriminatory to renewable resources, lacks reasoned analysis, and departs from established Commission precedent.

"Reconsideration of this decision would reopen the way for wind power development—and for manufacturing investment and job creation—in what is one of the nation's most wind-rich regions for wind energy development and manufacturing investment," said AWEA Senior Vice President for Public Policy Rob Gramlich.

AWEA is the national trade association of America's wind industry, with more than 2,500 member companies, including global leaders in wind power and energy development, wind turbine manufacturing, component and service suppliers, and the world's largest wind power trade show. AWEA is the voice of wind energy in the U.S., promoting renewable energy to power a cleaner, stronger America. Look up information on wind energy at the [AWEA Web site](#). Find insight on industry issues at AWEA's blog *Into the Wind*. Join AWEA on Facebook. Follow AWEA on Twitter.