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Strengthening the Electric Transmission Grid Would Be a Boon to the Economy, WIRES Study Finds

NOTE: Representatives of WIRES and The Brattle Group will be available at 11:00 a.m. EDT today to discuss the findings of this study and the importance of a robust transmission network. Use this [LINK](#) to access the Webinar's visual component and this dial-in information to access the audio and participate in the Q&A: (954)797-1657 / Conference Code 129584.

WASHINGTON, DC – A new analysis commissioned by WIRES shows that annual investment in new electric transmission facilities could soon reach \$12-\$16 billion in the United States, resulting in \$30-\$40 billion in annual economic activity. This translates into support for 150,000-200,000 new full-time jobs in the U.S. in each of the next 20 years and between 20,000 and 50,000 new jobs each year in Canada.

The study can be downloaded at
http://wiresgroup.com/images/Brattle-WIRES_Jobs_Study_May2011.pdf

The study, conducted for WIRES by senior economists at The Brattle Group, an international economic consulting firm experienced in electricity industry matters, finds that expanding and upgrading the grid to meet identifiable economic and reliability needs, as well as state renewable energy mandates, will help drive economic recovery and set the stage for the electric economy of the 21st century. In addition to the employment and downstream economic impacts of transmission manufacturing and construction, investment in needed transmission will annually support 130,000-250,000 full-time U.S. jobs in the emerging renewable energy industry to which transmission capacity is so critical.

"This report provides strong evidence that meeting the grid's challenges – including delivery of power from remote renewable generation to load centers far away – is good for the economy and will help create jobs," said WIRES President Jolly Hayden, Vice President of Transmission Development at NextEra Energy Resources. "Strengthening the transmission grid will also address major reliability issues, reduce production costs, enhance competition for customers in wholesale power markets, contribute to fuel diversity, and help reduce wholesale power prices. *Brattle's* analysis should give policy makers confidence that the benefits will exceed the costs."

The study's positive outlook is nevertheless contingent on solving several nettlesome regulatory problems. "We are not looking to government to do anything but take a fresh look at how the grid is planned, permitted, and paid for today under procedures that pre-date the emergence of modern electric generation technology and regional power markets," Hayden added. "Although

transmission investment is on the rise, there is plenty of evidence that good projects are falling victim to duplication and delay, lack of regional coordination, and parochial interests. That means the economy suffers too. If regulatory risk can be diminished, private capital will do the rest. Today, many utilities, developers, and technology firms are trying -- often in vain -- to participate in strengthening our energy infrastructure.”

The Brattle Group analysis suggests that total U.S. transmission investment could reach \$240 billion to \$320 billion (in 2011 U.S. dollars) between 2010 and 2030 and that Canadian transmission investments could total C\$45 billion through 2030.

The principal authors of the study are Hannes Pfeifenberger, Principal, and Delphine Hou, Associate, of The Brattle Group. www.brattle.com.

WIRES (Working group for Investment in Reliable and Economic electric Systems) is a non-profit trade association of transmission providers, customers, and equipment and service companies that promotes investment in electric transmission and progressive State and Federal policies toward that end.

The Brattle Group provides consulting services and expert testimony in economics and finance to corporations, law firms, and public agencies worldwide. For more information, please visit www.brattle.com.