



# Briefing Notice

## Electric Transmission 201: Cost Allocation

Tuesday, March 9, 2010

2:00 – 4:00 p.m.

325 Russell Senate Office Building

The **Environmental and Energy Study Institute (EESI)** and **WIRES** (Working group for Investment in Reliable and Economic electric Systems) invite you to a briefing on a major challenge facing the modernization of our nation's high voltage grid: cost allocation. Regional transmission organizations (RTOs) and individual utilities in bilateral markets are devising various methods of allocating grid expansion and upgrade costs in light of local political, regulatory, and grid operational realities. If methodologies vary widely in their objectives and results, how will federal regulators apply the requirements of the Federal Power Act to them? This briefing will explore the basic concepts of cost allocation, why the issue is critical to the future of the grid, and what needs to be resolved by the Congress, Federal Energy Regulatory Commission (FERC), and other stakeholders to reduce the regulatory uncertainty about who will pay for the coming build-out. Speakers for this event include:

- **James Hoecker**, former Chairman, Federal Energy Regulatory Commission; Counsel to WIRES
- **Delphine Hou**, Associate, The Brattle Group
- **Cynthia Bogorad**, Counsel, Transmission Access Policy Group
- **Jimmy Glotfelty**, Executive Vice President of External Affairs, Clean Line Energy
- **Steve Kozey**, General Counsel, Midwest ISO
- **Craig Glazer**, Manager of Regulatory Affairs, PJM Interconnection
- **Jonna Hamilton**, Legislative Assistant, Office of Senator Byron Dorgan (D-ND)
- **Mary Cain**, Legislative Fellow, Office of Senate Majority Leader Harry Reid (D-NV)

Multiple factors are changing and intensifying the demands on our aging grid infrastructure, including a projected 20+ percent growth in power demand over the next 20 years, a focus on bringing more renewable energy to market, and an ongoing effort to foster workable interstate power markets. The necessary upgrades and additions to the transmission network are estimated to cost up to \$300 billion by 2030. The cost of reliability projects within a single utility or state are usually recouped from ratepayers who are directly served by the utility. But in the absence of clear policy or agreed-upon methodologies, cost allocation debates have become barriers to development for lines that are built for economic purposes, are proposed to cross multiple systems or states and serve many markets, or are built to serve location-constrained renewable resources.

**This briefing is free and open to the public. No RSVP required.**

**For more information, please contact Laura Parsons at [lparsons@eesi.org](mailto:lparsons@eesi.org) or (202) 662-1884.**

*This briefing is the fourth in a series co-sponsored by EESI and WIRES. Information from Electric Transmission 101-103, conducted in January-June 2009, is available at [www.eesi.org/briefings](http://www.eesi.org/briefings).*