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## **WIRES Petitions FERC, Calling for Aggressive Action On Cost Allocation Principles to Help Speed Grid Development**

**WASHINGTON, DC** – WIRES today formally called on the Federal Energy Regulatory Commission to create a “clearer path to cost recovery” that helps facilitate growth of America’s electric transmission grid to meet its numerous challenges.

In the 15-page *Petition for Rulemaking on Electric Transmission Cost Allocation Principles*[\[link\]](#), WIRES asks that FERC institute a rulemaking proceeding and act promptly to clarify its transmission cost allocation approach as the nation moves to bolster an aging grid and transmit power from a growing array of renewable generation sources to energy-hungry but distant population centers.

WIRES’ leaders said the petition responds to numerous industry developments, to the disparate approaches ratified by FERC in the past, and to the resulting regulatory uncertainty. It is also part of WIRES’ response to staff’s October 8, 2009, Notice of Request for Comments in Docket No. AD09-8-000 (“Staff Notice”).

“WIRES believes that transmission providers, customers, and the economy in general would benefit from a stronger transmission investment response fostered by a more coherent regulatory framework for cost allocation decisions,” according to the petition.

WIRES’ Petition “does not advocate any single cost allocation approach,” the document states. “Nor does it contend that one-size-fits-all with respect to how to accommodate important differences in regional transmission operations that may affect who benefits from new facilities.” However, the fact that cost allocations can be adapted to grid operations and conditions must not deter FERC from being clearer about what the public interest and national policy require when it comes to who pays for new transmission, stresses the document..

WIRES President Paul McCoy, also President and Chief Operating Officer of Trans-Elect Development Company, said “transmission providers of all stripes are preparing to address the well-recognized challenges to the adequacy of the high-voltage network. It is time for FERC to do its part, within its existing authority, by providing a greater level of certainty about who will pay for new or upgraded facilities in the future. All the beneficiaries of transmission investments should share the cost of those facilities. At the same time, customers who can never benefit from a new transmission line over its useful life should not be burdened with its costs.”

“It is critical that the Commission advance development of the nation’s integrated high voltage transmission infrastructure by establishing and applying ‘rules of the road’ on cost allocation,” McCoy said.

“Americans depend on reliable electricity. They are coming to the realization that access to diverse resources, including renewable energy, is important and they will soon want to manage their own electricity usage and carbon footprints. That is why WIRES is also persuaded that a smart grid must also be a strong grid. We are simply trying to get clarity on who pays for that sense of security.” McCoy observed.

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*WIRES (Working group for **I**nvestment in **R**eliable and **E**conomic electric Systems) is a non-profit trade association of transmission providers, customers, and equipment and service companies formed to promote 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](http://www.wiresgroup.com) or contact Jim Hoecker at 202-639-6500.*