



For Immediate Release
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LPPC Voices Transmission Policy Views to Obama Energy Leaders *Monthly Consumer Costs Cited*

As the Obama Administration shapes its policy on transmission planning, siting and cost allocation, the Large Public Power Council (LPPC) has sent a joint letter voicing its transmission policy views and concerns to Energy Secretary Chu, Interior Secretary Salazar, Agriculture Secretary Vilsack, FERC Chairman Wellinghoff, White House Council on Environmental Quality Chair Sutley and Presidential Energy Advisor Carol Browner.

The letter was sent to the Obama policy makers by Bob Johnston, Chair of the 23 member not-for-profit utility organization. Members of the LPPC own and operate nearly 90% of the transmission investment owned by non-federal public power entities in the United States.

The LPPC told the Obama Administration that it is “most supportive of a framework for interconnection-wide planning that addresses the growing need to interconnect renewable resources to the grid.”

“Many of our members are leaders in renewable deployment and energy efficiency. We are committed to these policy goals and closely tied to the values of our local communities,” the LPPC emphasized. “But we also believe that creating a new planning bureaucracy could be costly and counterproductive in achieving needed infrastructure development.”

The LPPC voiced strong support for the region-wide planning process recently mandated by FERC Order 890 that directed implementation of new region-wide planning processes that the LPPC claims “require an unprecedented level of regional coordination, transparency and federal oversight.”

“It seems quite clear that federal climate legislation and a national renewable portfolio standard will further focus these planning processes, the LPPC asserted. “LPPC fully expects that the regional processes to which parties have recently committed will take on new urgency and purpose. Adding a planning bureaucracy to that mix will be time consuming and will likely delay rather than expedite transmission development.”

The LPPC also told the Obama policy makers that, “it would be unnecessary, inequitable and counterproductive to allocate the cost of a new transmission superhighway to all load

serving entities without regard to their ability to use the facilities or their ability to rely on more economical alternatives to meet environmental goals.”

The LPPC contended, “that certain proposals it has reviewed to allocate the cost of new transmission on an interconnection-wide basis would provide an enormous and unnecessary subsidy to large scale renewable generation located far from load centers, at the expense of other, potentially more economical alternatives. Utilities, state regulators, and regional transmission organizations should determine how to meet the environmental goals established by Congress most effectively by making economic choices among the array of available options, without subsidy of one technology or market segment over others.”

The LPPC letter further claimed that the cost of a massive transmission build-out will be substantial and that cost estimates they had reviewed “appear to be meaningfully understated.” The LPPC estimates that nationwide costs for such a build-out “may range between \$135 billion and \$325 billion, equating to a monthly per customer cost between \$14 and \$35. This is a critical matter for LPPC members, as advocates for the consumers we serve”

The Large Public Power Council letter concluded by offering its support for additional federal siting authority for multi-state transmission facilities “in order to overcome the limited ability of individual states to address multi-state transmission projects to meet regional needs. LPPC is confident that such new authority can be undertaken in consultation with existing state siting authorities in a manner that capitalizes on existing expertise and ensures that state and local concerns are addressed in the siting process.”

The LPPC’s membership includes 23 of the nation’s largest publicly owned, not-for-profit energy systems. Members are located in 10 states and provide reliable, low cost electricity to some of the largest cities in the country including Los Angeles, Seattle, Omaha, Phoenix, Sacramento, San Antonio, Jacksonville, Orlando and Austin.

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Copies of the actual letter can be obtained by contacting Rick Morris at rmorris@smithharroff.com or by calling 703 740 1753.