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Slides courtesy of The Brattle Group
Drivers of Transmission Investment

- Renewable Generation Additions
- Aging Facilities
- Interregional Buildout
- Coal Plant Retirement and Clean Power Plan
- Reliability Upgrades, Gen Interconnection, Load Serving
- Pockets of High Load Growth (e.g., Oil & Gas Development)

Nationwide Transmission Investments: $120-160 billion/decade
Considering All Transmission Benefits

1. Traditional and Additional Production Cost Savings
2. Reliability and Resource Adequacy Benefits
3. Generation Capacity Cost Savings
4. Additional Market Benefits
5 + 6. Environmental & Public Policy Benefits
7. Employment and Economic Stimulus Benefits
8. Project-Specific Benefits
Why Considering All Benefits Is Important

With current economic transmission planning approaches the project is rejected. Adding other savings significantly increases overall benefits.

- Annualized Cost of Transmission Project ($71 Million)
- Production Cost Savings - Base Case
- All Savings - Base Case

Benefits Breakdown:
- Competitiveness
- Reduced Emissions/Losses
- Operational
- Generation
- Production Cost
The High Risks and Costs Of Sub-Optimal Planning

- Compartmentalization -- “reliability” “market efficiency” “public policy” “multi-value” – creates barriers, esp. for Interregional/seams projects
- Failure to account for long-term risks
- Assumes normal system conditions; ignores extreme market conditions/challenges
- No evaluation of how less robust infrastructure forecloses lowest-cost options
- No risk mitigation or consideration of insurance value
- “Wait and see” or “least regrets” limits future options

Will QER’s “national review” of planning and barrier assessment help improve our ability to develop the most beneficial projects for regional and interregional markets?