

New England Reliability and Transmission Planning – The Need for Reform

New England Clean Energy Transmission Summit

January 23, 2012

Boston, MA

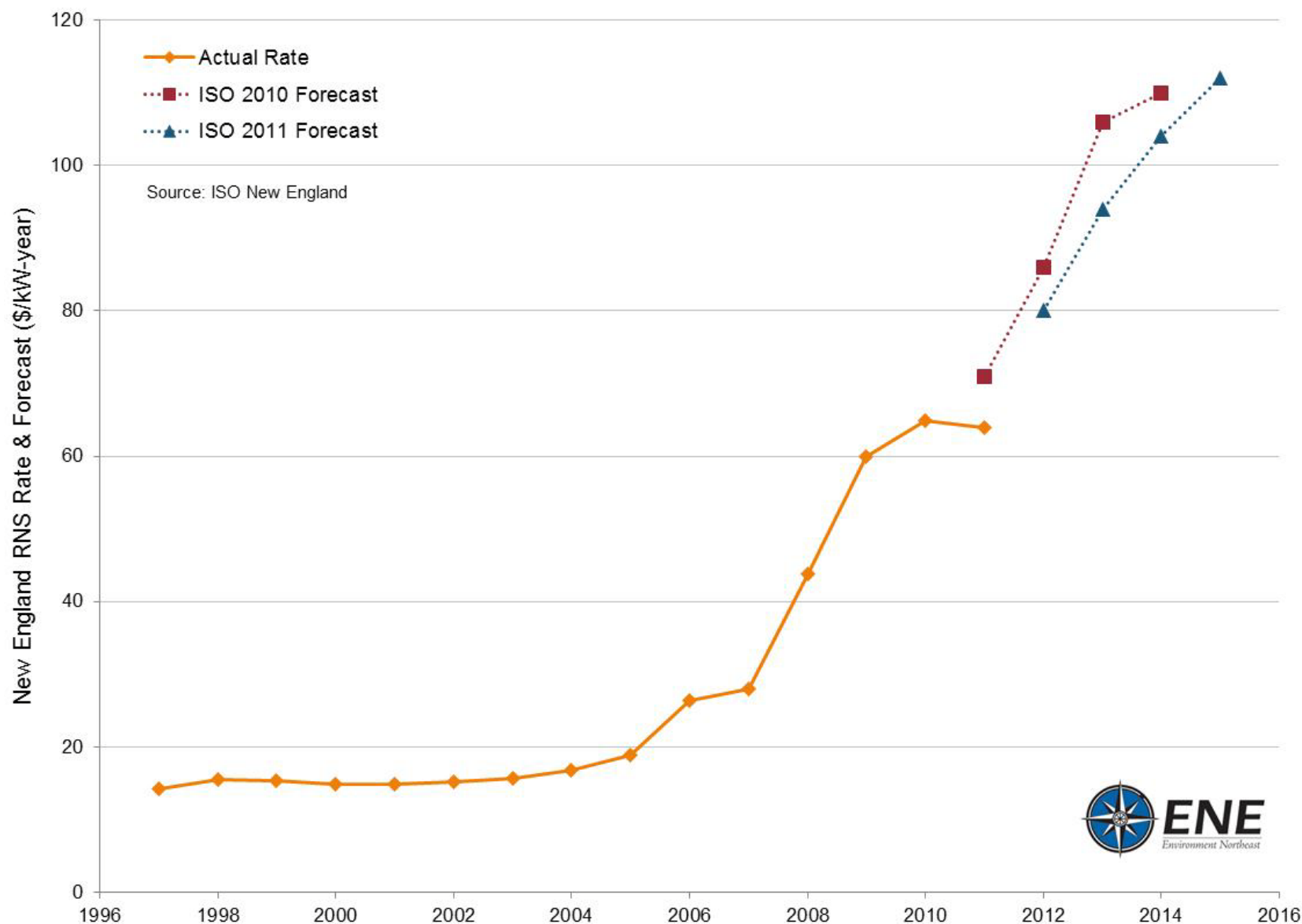
Derek K. Murrow, Energy & Climate Policy Director



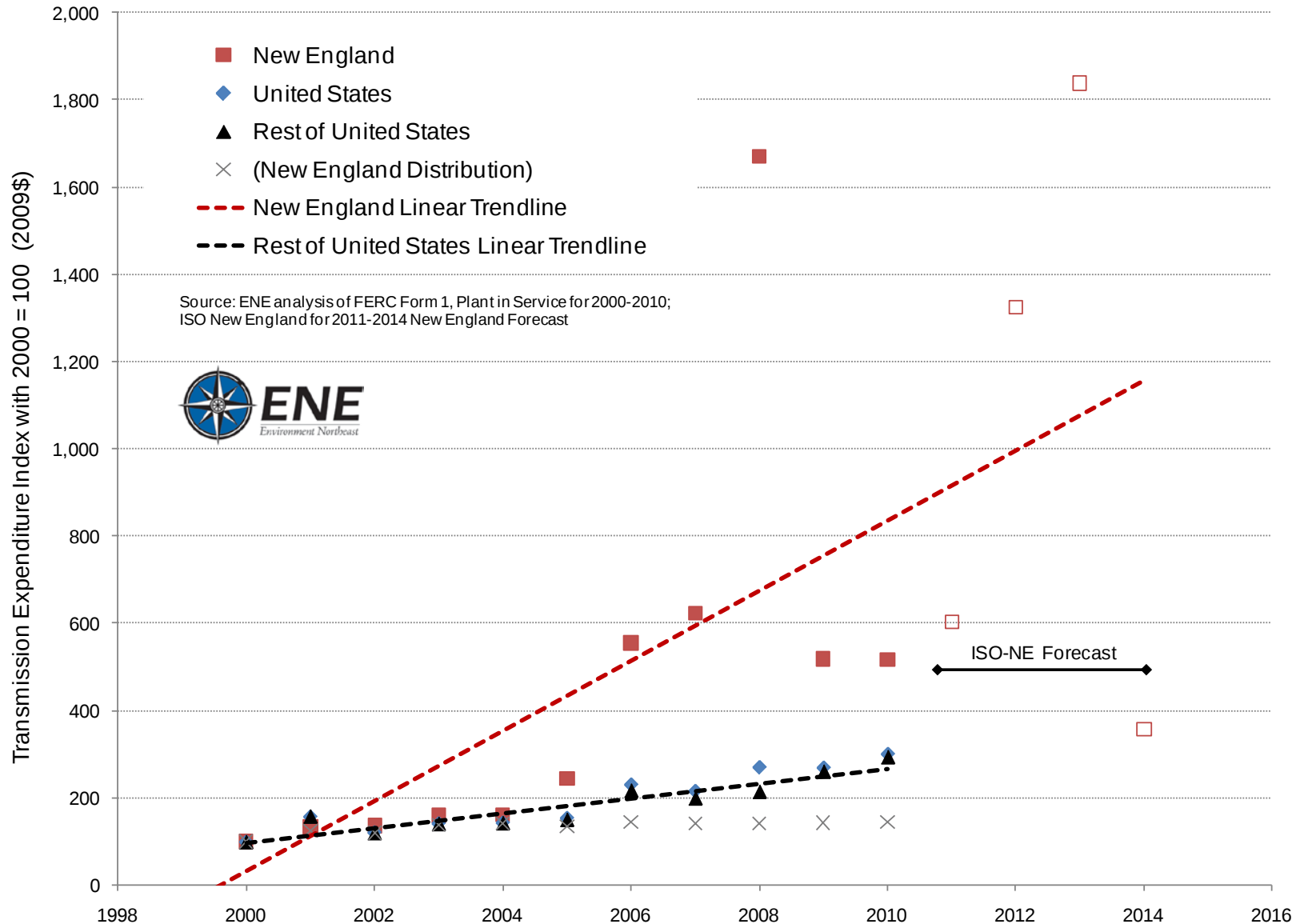
Issues in New England

- Skyrocketing Costs for Transmission to Address Reliability
 - Addressing the Drivers of Higher Costs
 - Impacts on other Clean Energy and Environmental Goals
- Reliability Planning only Allows for Transmission Solutions
- Building Needed Renewables and associated Transmission

Skyrocketing Costs in New England – Rates



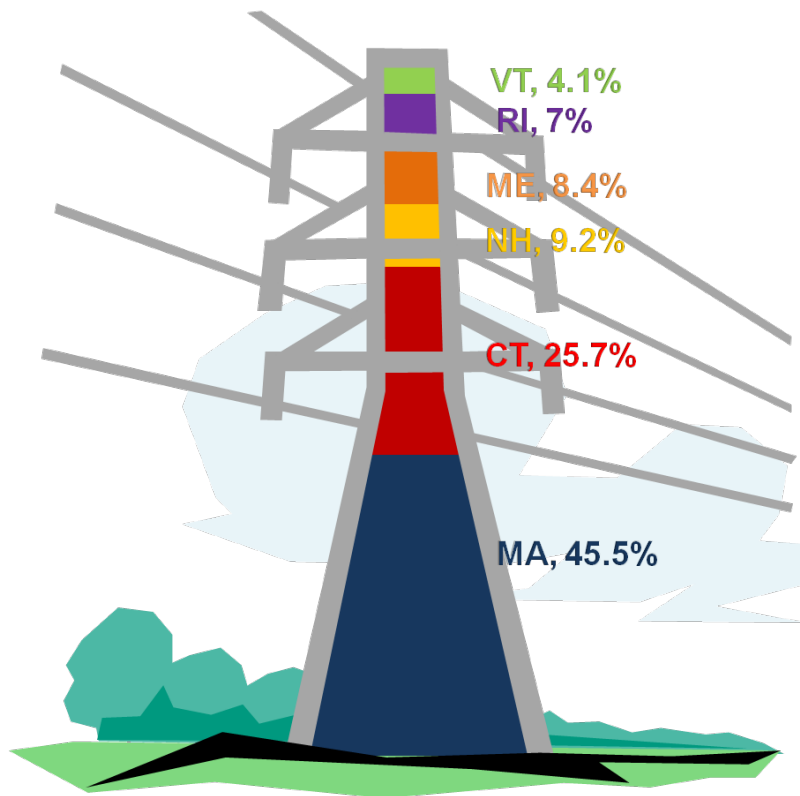
Skyrocketing Costs in New England vs. Rest of U.S.



Transmission Investment Drivers: Socialization & State Oversight

Transmission Line Costs vs. Non-transmission Alternative

Paid for by All States Costs Are Borne Entirely by One State

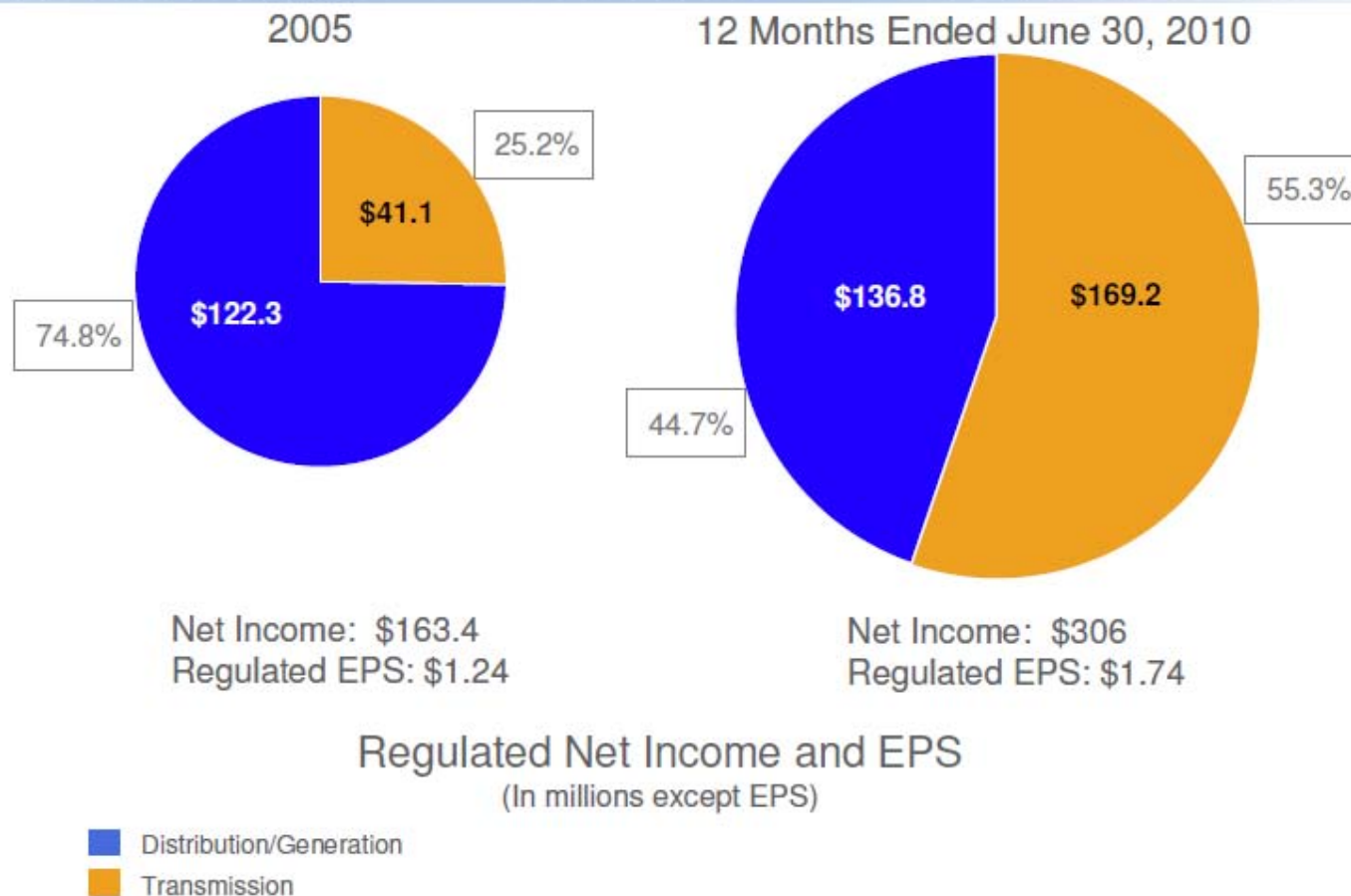


Transmission Investment Drivers: ROE & Utility Incentives – 13%!!

Transmission Now Represents More Than
50% of Regulated Earnings



Northeast
Utilities



Policy Changes

- Improve Regulatory Oversight: prudence, just and reasonable rates, and a larger role for state regulators
- Level the Playing Field: the backstop planning and cost allocation formula should allow for all resources (transmission and non-wires), w/ market changes
- Reform Utility Incentives: ROE and address cost overruns
- Improve Renewables Contracting: increase long-term contracting regionally for both generation and transmission

Contact Info

Derek K. Murrow

Energy & Climate Policy Director, ENE

Phone: (203) 285-1946

Email: dmurrow@env-ne.org