

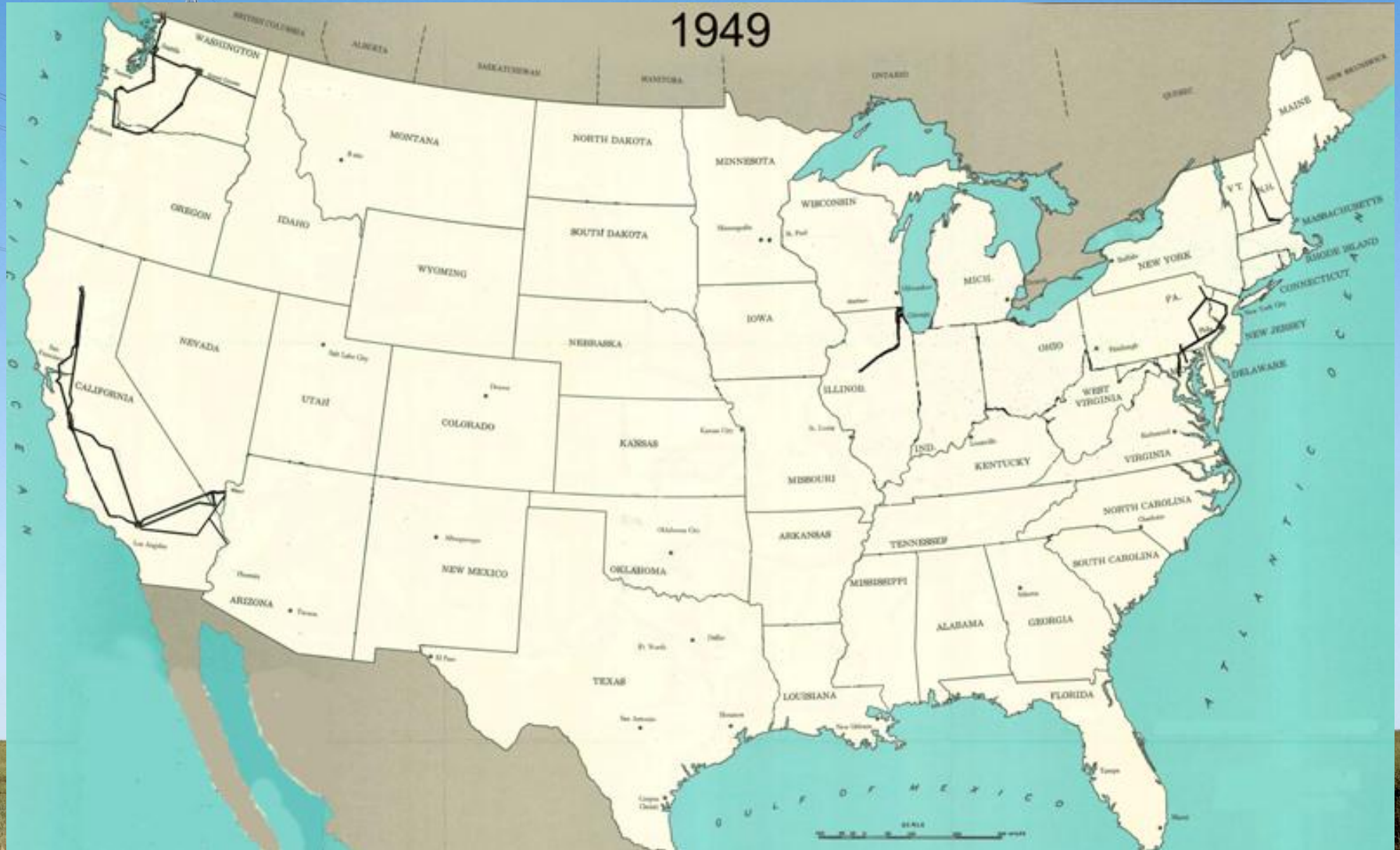


Remarks of Jim Hoecker
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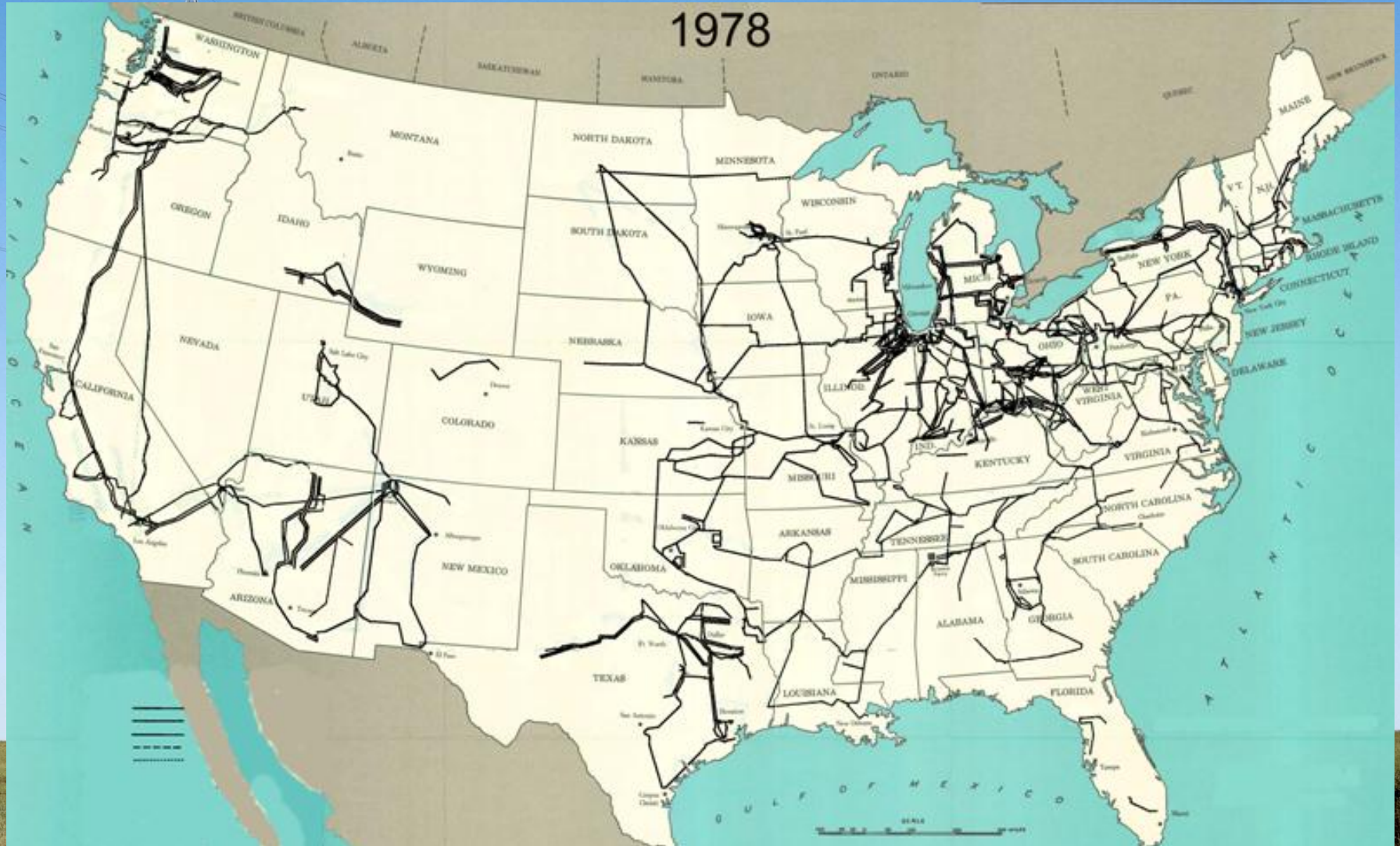
**Southeast Clean Energy Transmission
Summit**

November 14, 2012
Nashville, TN

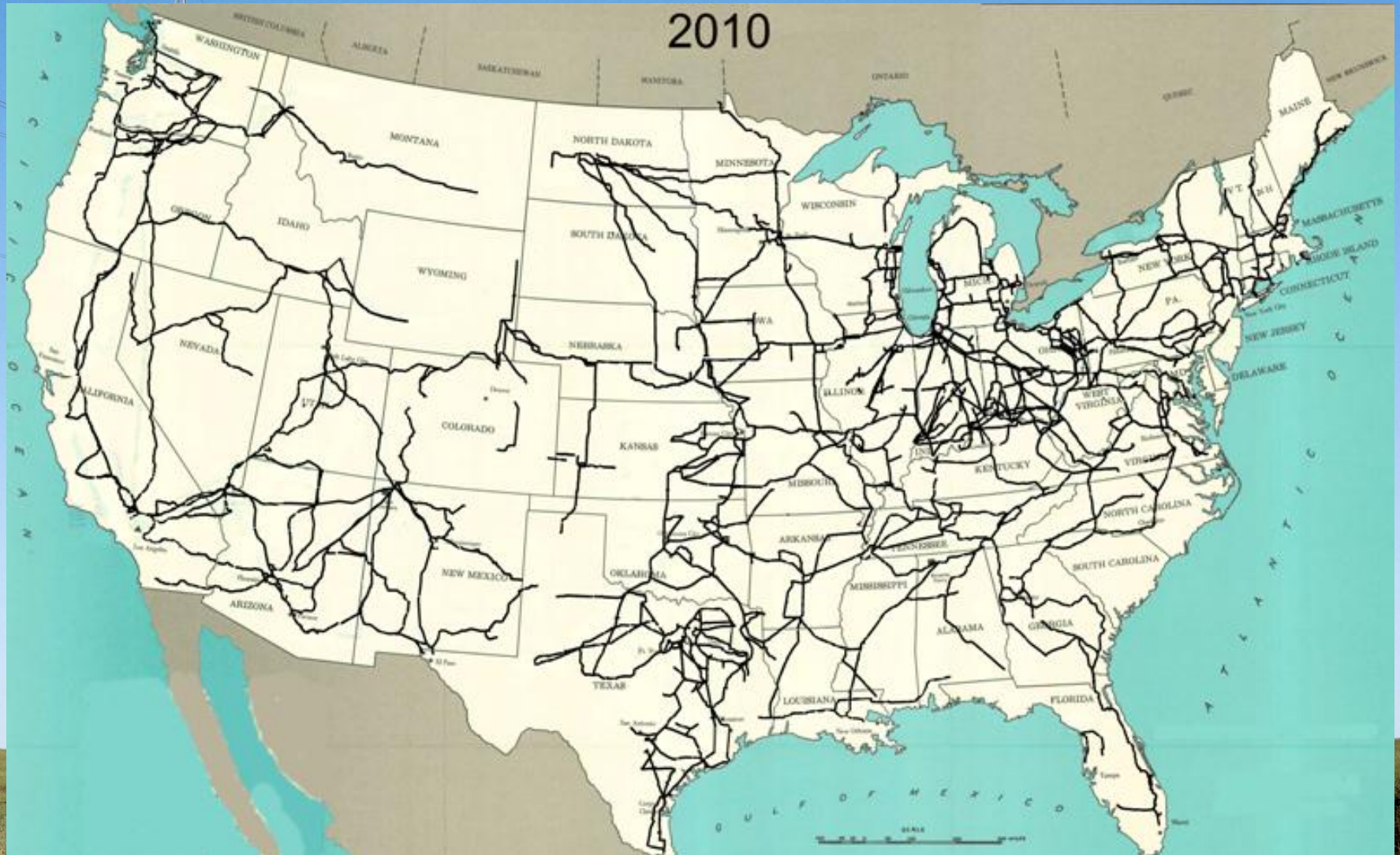
EHV Transmission Growth (300 kV +)



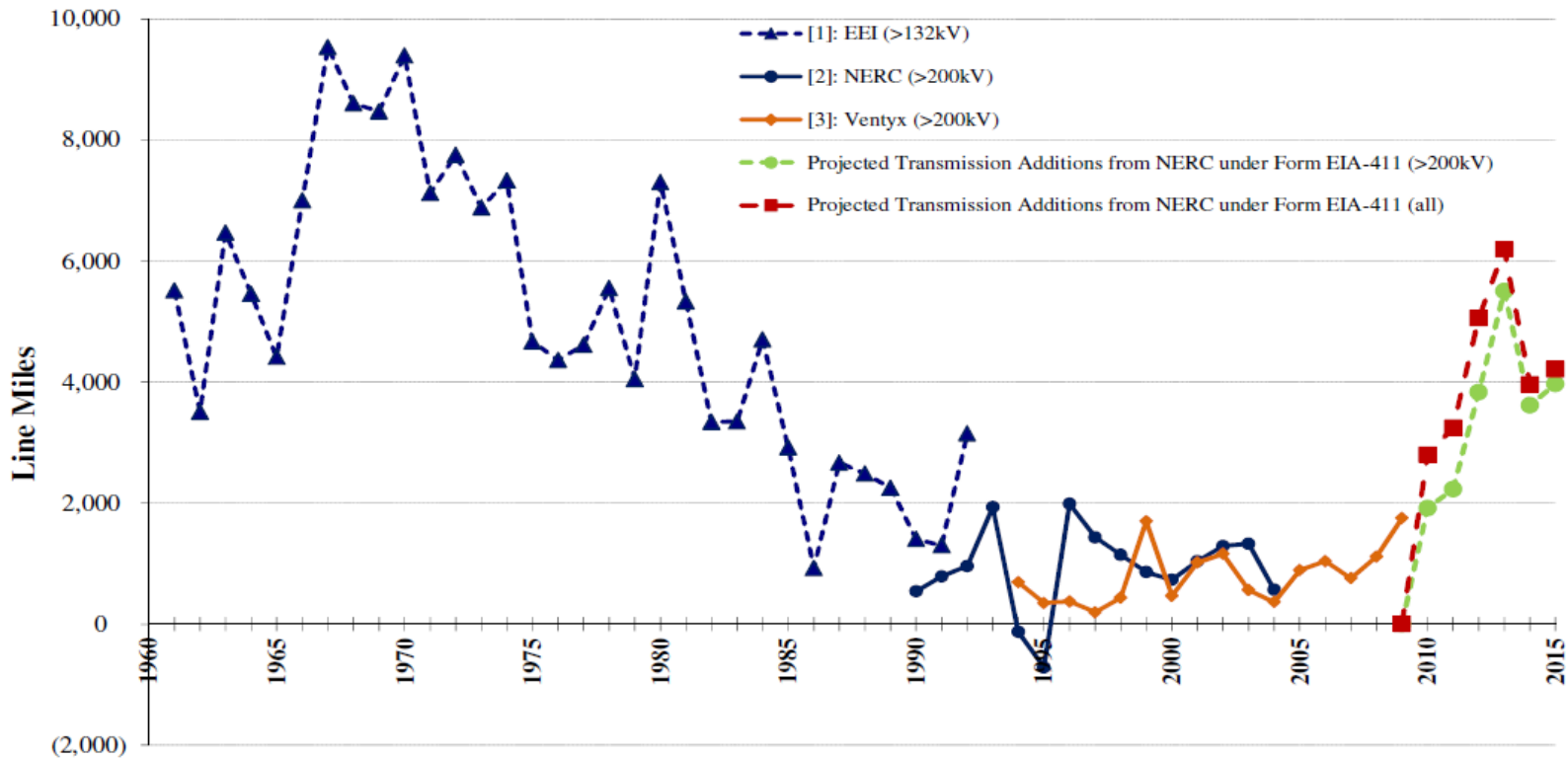
EHV Transmission Growth (300 kV +)



EHV Transmission Growth (300 kV +)



Current Investment Doesn't Measure Up



[1]: Circuit miles of overhead electric lines from EEI's Historical Statistical Yearbook. Data excludes REA cooperatives.

[2]: Courtesy of the North American Electric Reliability Corporation. NERC data is only available for lines 200kV and above. Note: transmission line additions are calculated as the difference in existing transmission between the current and prior year (i.e. 2003 additions = 2003 miles - 2002 miles).

[3]: Ventyx Suite.

Barriers to Adequate Transmission Infrastructure Persist

- Lack of established regional and inter-regional transmission planning processes
- Unresolved cost allocation and recovery for multi-state and inter-regional projects
- Largely uncoordinated and uncertain state-by-state permitting
- Uncoordinated state public policy requirement
- Nationally, climate is bad for independent transmission and RPSs
- What is our national policy toward transmission infrastructure?

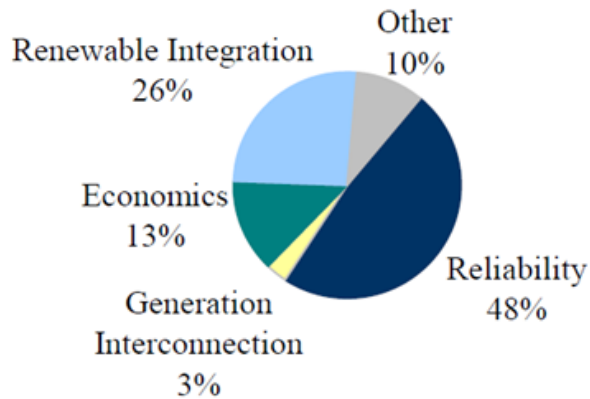
Benefits of More Transmission Investment

- NREL: 20% wind by 2030 or roughly 300 GW – 2/3 of which require new transmission; reduced integration costs from larger balancing areas
- Implementation of 30+ state renewable portfolio standards
- Reduced transmission congestion and generation costs
- Increased system reliability; operational benefits; “insurance” benefits
- Reduced system-wide production costs
- Increased electricity market competition and liquidity
- Reduced emissions and fossil fuel consumption
- Tax benefits to states and local jurisdictions
 - JOBS and ECONOMIC STIMULUS –
 - 150,000 -200,000 full-time jobs each year as construction proceeds
 - \$30-\$40 billion in annual economic activity (direct, indirect, and induced impacts of manufacturing and construction)

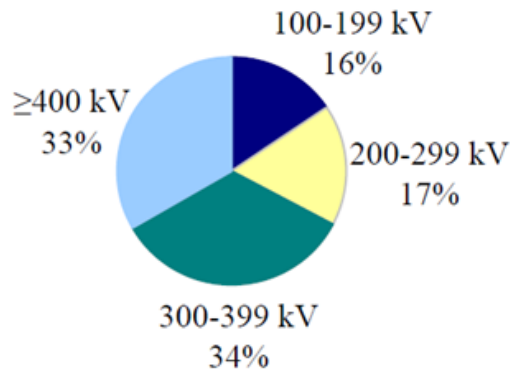
Principal Drivers Of Transmission Development

Reported Drivers of Projected Circuit-Miles of Transmission Additions
(2011-2015 as reported voluntarily to NERC and in EIA Form 411 by IOUs, coop/munis, state/federal power agencies, ISOs/RTOs, and merchant developers)

By Driver



By Voltage

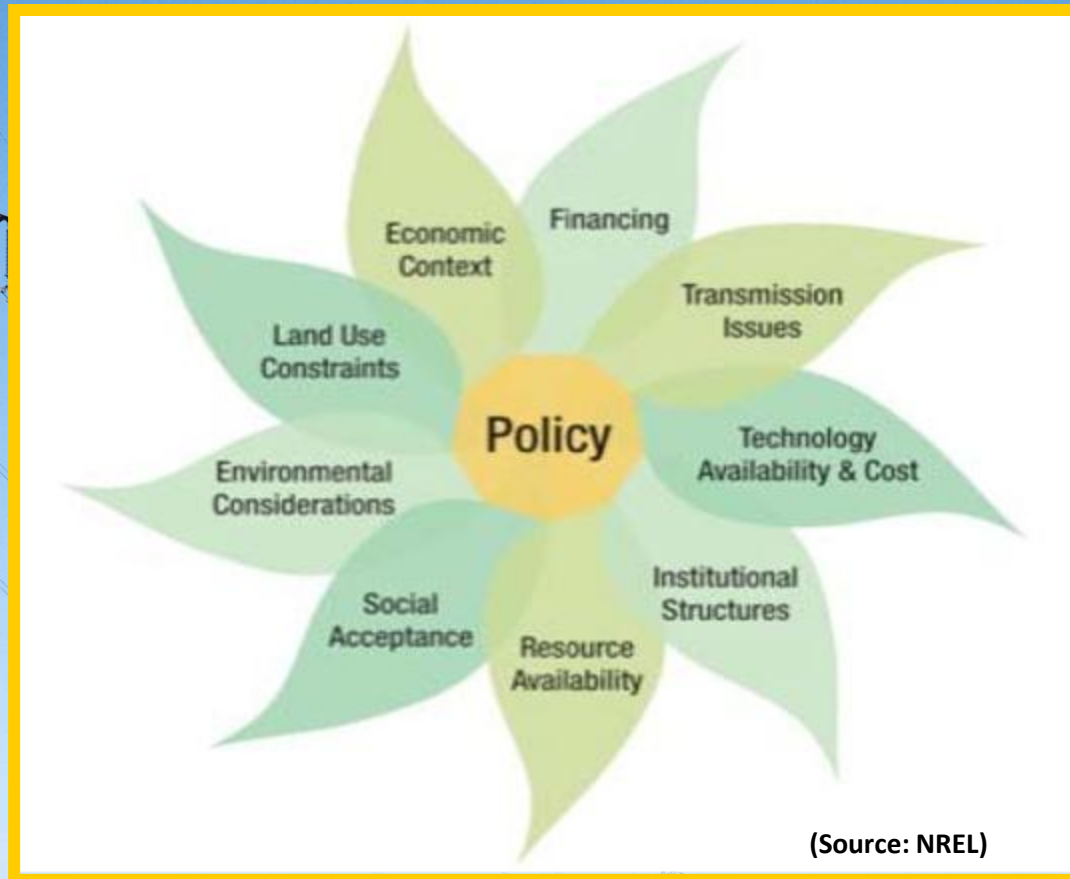


Total 2011-2015: 22,669 circuit-miles

Sources and notes:

Based on drivers as report in EIA Form 411. No adjustments have been made to projects in one category (e.g., reliability) which may ultimately be built to satisfy more than one driver (e.g., renewable integration).

Transmission Policy is Not for Sissies



**INFRASTRUCTURE DEVELOPMENT CAN BE THE
ENGINE OF STATE ECONOMIC GROWTH!**

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