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**For immediate release
January 1, 2014**

**For further information, contact: Brent Gilroy
301-466-9197 / brent@wiresgroup.com**

WIRES Looks Ahead to 2014

2014 is here. **WIRES** embarks on its mission this year with a renewed sense of optimism. Re-investment in electric transmission is back on the nation's energy agenda and the economic indicators for 2014 point in the right direction. Commentators see domestic financial institutions "awash" in cash and looking for places to invest. Glimmers of hope exist even on the political front; for example, the *The Wall Street Journal* reports former President Bill Clinton's recent prognosis about possible energy legislation this way: "There's a chance that [Administration newbie John Podesta] could put together, or help the White House and the Republicans and Democrats put together, a coalition to put some more money into modernizing the electrical grids so you can connect the places where the sun shines and the wind blows to where the people are."

WIRES is naturally gratified by the surge in attention to infrastructure generally and the high-voltage grid in particular. But, with due respect to the former President, the path to greater resource diversity is not through taxpayer pocketbooks. And legislation that would create consistent infrastructure policies is always a tall order.

Systemic change is needed, however. The private financial wherewithal needed to expand and improve the grid remains largely on the sidelines. Why? In our view, not enough people – including planners and policymakers and the public – understand the many economic and environmental benefits of transmission projects or the unprecedented operation of today's regional power markets. Moreover, the bulk power delivery system is still subject to a bewildering, risky, and complex regulatory system and self-defeating competition among regional resources. As a result, long-term planning and investment in the enabling technologies required to replace and upgrade today's aging and outdated grid is chronically undervalued.

But, there is good news. FERC and many elements in the industry itself may yet overcome the inertia of past practices and achieve a truly 21st Century transmission system that is animated by new technologies, low-cost domestic natural gas, consumer choice and clean energy policies, and founded in part on new business models. It will ultimately take closer state-federal collaboration and a more consistent vision of competitive wholesale power markets, to encourage more investment in the grid and to make it less risky.

Whether by helping the dust settle around FERC's Order 1000 processes or by promoting adequate returns on equity, better facilities siting on federal lands, or planning processes that genuinely take account of transmission's many potential benefits, **WIRES** will continue working hard to advance the public interest in stronger transmission infrastructure. ***We appreciate your support and wish you Happy New Year!***

WIRES (Working group for Investment in Reliable and Economic electric Systems) is a non-profit trade association of investor-, publicly-, and cooperatively owned transmission providers, transmission

customers, regional grid managers, and equipment and service companies. WIRES promotes 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 or contact Jim Hoecker at 202-378-2316.