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**For immediate release
June 17, 2010**

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WIRES LAUDS FERC'S RULEMAKING ON REGIONAL TRANSMISSION PLANNING, COST ALLOCATION

WASHINGTON, DC – WIRES welcomed today's vote by the Federal Energy Regulatory Commission to propose a major rulemaking initiative that builds on its Order No. 890 open access transmission reforms by moving to improve regional electric transmission planning and cost allocation. WIRES has advocated clearer federal principles governing the allocation of costs of electric transmission upgrades for years and had asked FERC in late 2009 to conduct such a rulemaking.

"I applaud FERC for recognizing that we must have a 21st century regulatory system to facilitate construction of a 21st century grid," said WIRES President Paul McCoy of Trans-Elect Development Company. "With the demand for power projected to increase across the country, and the emerging public policy favoring clean, renewable generation resources which often are far from load, it is essential that we modernize the nation's approach to enhancing this critical infrastructure network."

"It appears that the Commission has determined that leaving the formulation of transmission plans and allocation methodologies entirely to individual utilities or a variety of regional groups, with no common rules of the road, has serious limitations," said Jim Hoecker, Counsel to WIRES. "WIRES welcomes the Commission's leadership on these issues. It may even facilitate the advancement of energy regulatory reform legislation, which has been slowed by debate over how to allocate costs based on the immediate and long-term benefits of grid upgrades and expansions."

In November 2009, WIRES formally called on FERC to create a "clearer path to cost recovery" that helps facilitate growth of America's electric transmission grid to meet its challenges. Read the petition: http://www.wiresgroup.com/images/WIRES_Petition_on_Cost_Allocation_111209.pdf

In a related matter, in April 2010 WIRES called on Senate leaders to remove from S. 1462, a key energy bill, language that would limit regulators' discretion to allocate transmission costs based on consideration of all the facts in specific cases. Read the April 13 letter to Senate leaders: http://www.wiresgroup.com/images/WIRES_Senate_Letter_Release_041310.pdf

Also, read the WIRES blue ribbon panel report on cost allocation (2007): http://www.wiresgroup.com/images/Blue_Ribbon_Panel_-_Final_Report.pdf

WIRES (Working group for Investment in Reliable and Economic electric Systems) is a non-profit trade association of transmission providers, customers, and equipment and service companies formed to promote 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 202-639-6500.