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NASUCA sets out consumer-friendly transmission planning and development principles

Washington, DC – June 18, 2010 – Primary authority and control over the siting of electric transmission facilities should remain at the state level, according to the National Association of State Utility Consumer Advocates (NASUCA). Congress should refrain from passing legislation that would shift this authority to Federal Energy Regulatory Commission (FERC) or another federal agency.

“If Congress passes legislation overriding state control, NASUCA urges lawmakers to develop a robust process for state input, eliminate FERC ratemaking incentives and ensure that transmission is built at the lowest possible cost to consumers,” said Mary Healey, president of NASUCA and consumer counsel for the state of Connecticut.

In a resolution passed this week, NASUCA supported transmission expansion and improvement projects that:

- Embrace the principle of least cost for consumers where the benefits are clearly identified and the project is recognized by the state siting authority as necessary to meet reliability standards; or
- Are shown to provide consumer access to the lowest-cost sources of generation where the benefits outweigh the costs and risks.

“NASUCA believes that FERC incentives under Order 679 should not be granted where there is no need or justification, where the project would have been built without such incentives and where the incentives only serve to unnecessarily increase the cost to consumers of building needed transmission,” Healey said.

“Consumer advocates are concerned that Order 679 could be a recipe for unjustified rate increases to consumers throughout the country,” said Bill Fields, chair of NASUCA’s electricity committee and senior assistant people’s counsel in the state of Maryland.

FERC Order 679 provides for a variety of highly lucrative ratepayer-subsidized incentive payments to transmission owners. Examples of incentives include higher profits for transmission facilities or guaranteed recovery for abandoned projects.

The resolution was adopted as part of NASUCA’s mid-year meeting in San Francisco on June 13-15. A copy of the NASUCA resolution will be available at www.nasuca.org.

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About the National Association of State Utility Consumer Advocates (NASUCA)

NASUCA is a non-profit, national organization of more than 40 state offices designated to represent consumers in state and federal utility proceedings. NASUCA regularly participates in proceedings before the Federal Energy Regulatory Commission and Federal Communications Commission and other federal regulatory agencies and Congress.