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ELECTRIC TRANSMISSION 301: New Business Models

Cary J. Kottler

General Counsel

CLEAN LINE ENERGY PARTNERS

What's Driving Transmission Investment?

Aging Infrastructure

Growing Demand for Renewable Energy

New FERC Policies

Other Regulatory Drivers

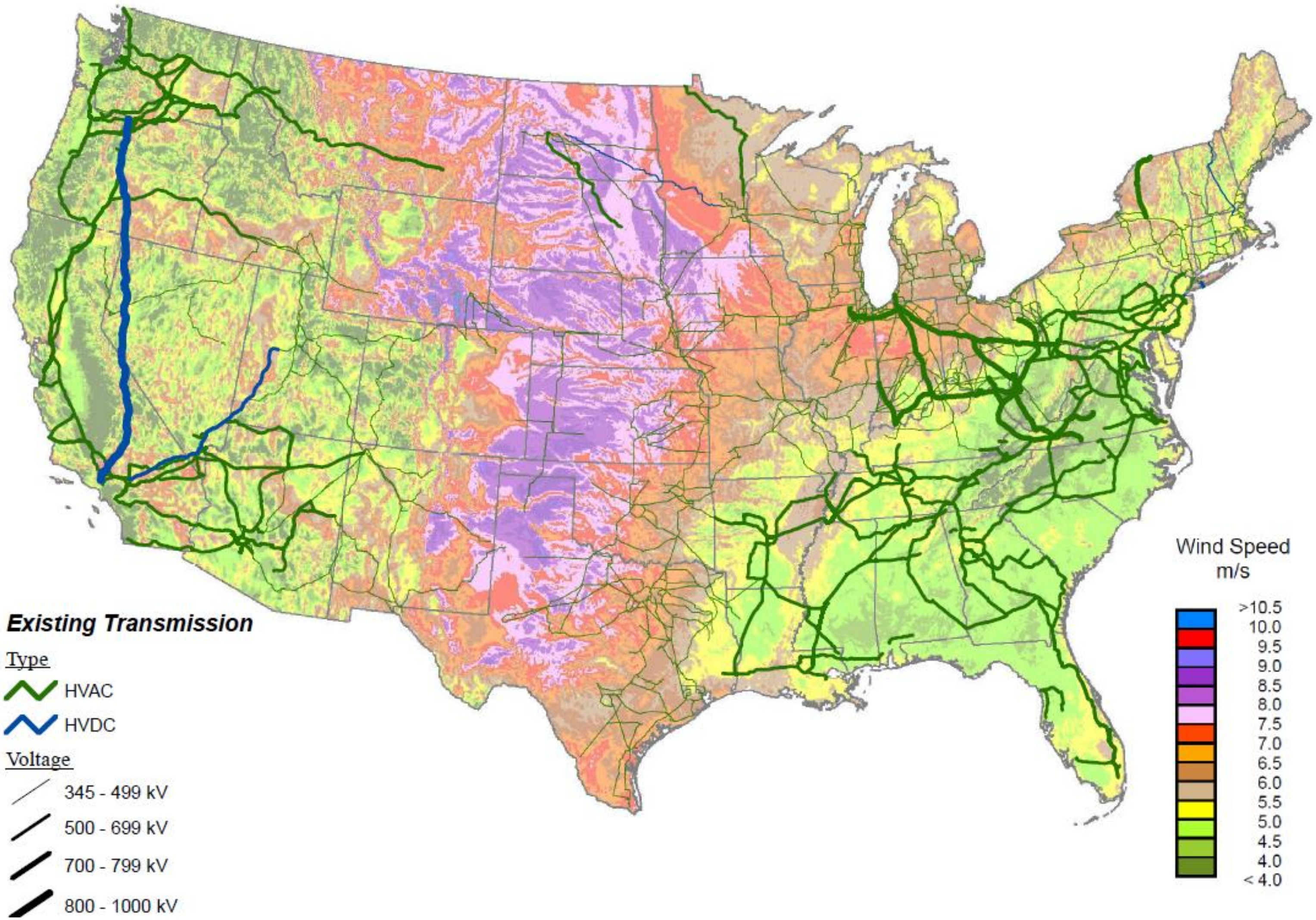
U.S. transmission investments by FERC-jurisdictional providers increased from $2 billion/year in the 1990's to $10-13 billion/year in the last several years*

Projected $120-160 billion of investments over the next decade (for reliability, integration of new resources, upgrading/replacement of facilities built in 1950-70's)*

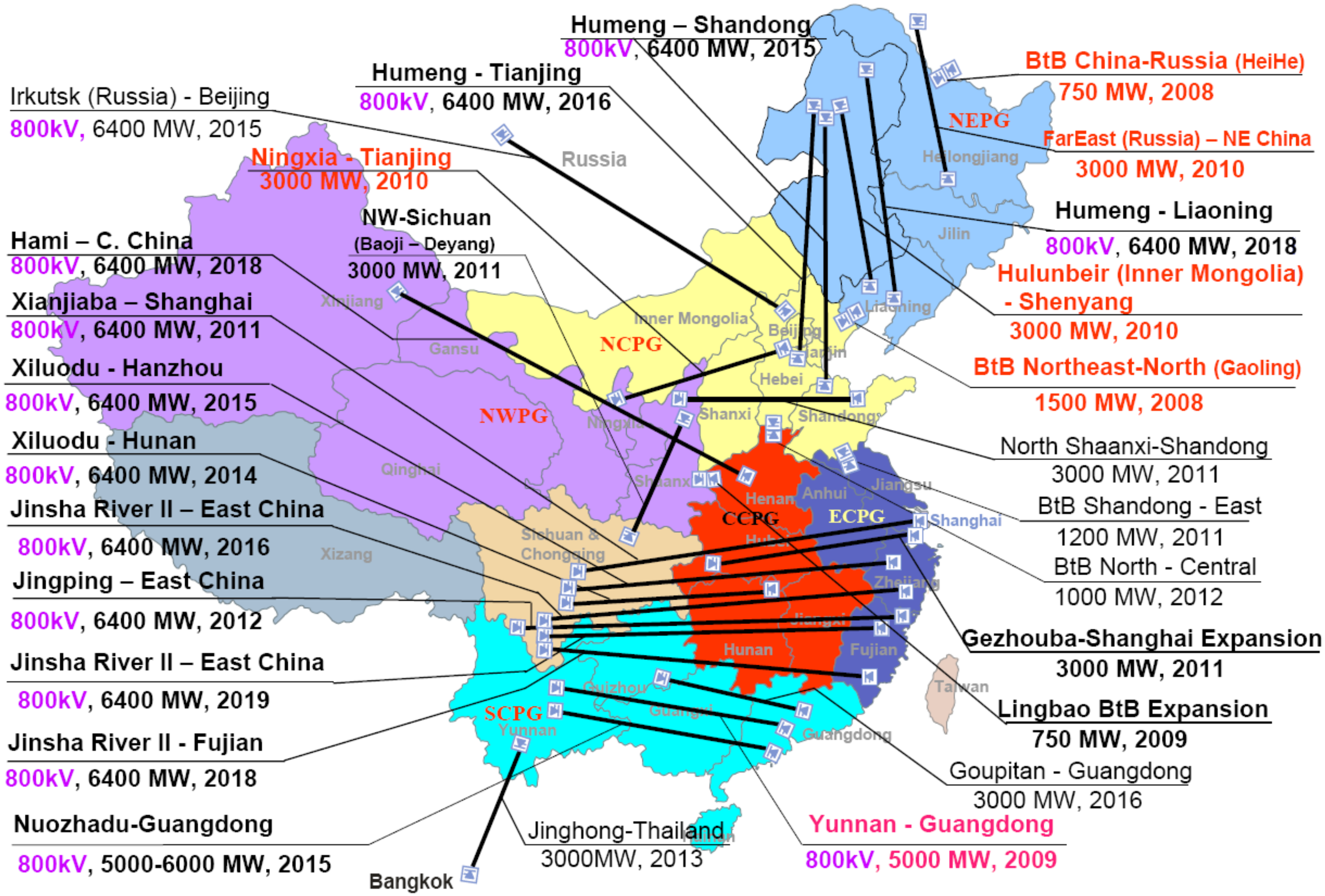
New Business Models

- Transmission Subsidiaries (Transcos)
- Joint Ventures
- Public-Private Partnerships
- Independent Transmission Companies
- Merchant Transmission
- Passive/Financial Investment

Clean Line's projects connect the best wind resources to load centers



HVDC in China



HVDC transmission lines bring economic, environmental and electric reliability benefits

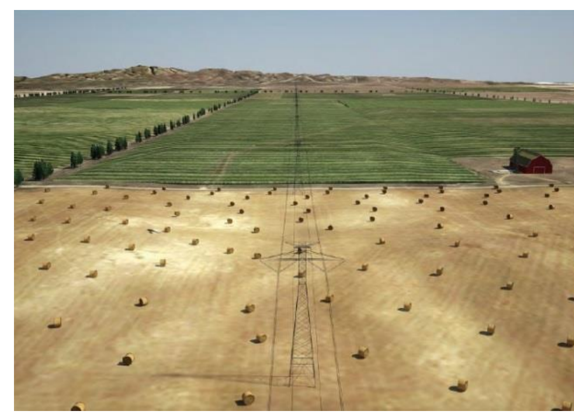
Greater Efficiency	Lower line losses
Reduced Cost	Requires less infrastructure, results in lower costs and lower prices for delivered renewable energy
Improved reliability	Control of power flow enhances system stability and lowers cost of integrating wind
Smaller footprint	Use narrower right-of-way than equivalent alternating current (AC)

3000-4000 MW Capacity

AC

Three 500 kV lines

DC



One ± 500kV bipole

Key Issues in effectively siting multi-state transmission lines

- Varying Legal Requirements by State
- Environmental Permitting
- Federal, State, & Tribal Land Issues
- Coordinating Interconnection, Regulatory, & Financial Timelines