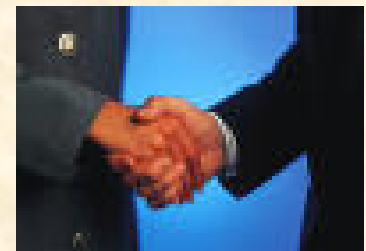

The Consumer Energy Council of
America's
Transmission Infrastructure Forum
Policy Recommendations

Presented to
NARUC Committee on
Energy Resources and the Environment

By
John Derrick
Chairman, PEPCO Holdings Inc (retired)

Who is the Consumer Energy Council of America

- A bridge between the energy industry, government and public interest sector groups
- A consensus-builder on energy policies, focusing on bottom-line costs and benefits to consumers



CECA

Transmission Infrastructure Forum

- 70 participants
- Launched in November 2003
- Developed consensus on common policies
- 30 recommendations for Congress, Administration, States/Regions and the Energy Industry

The Need for a Transmission Infrastructure Forum

- U.S. transmission system is the backbone of the economy
- Challenges are immediate and consequential
- To keep the power flowing reliably, a broad spectrum of actions by government and industry is needed
- *Consumers have a stake in decisions*

A Broad Call to Action



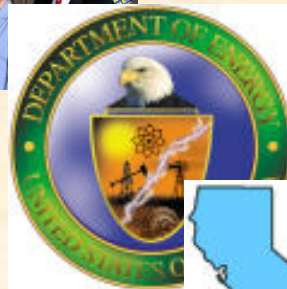
Congress



FERC



Department
of Energy



States/Regions



Industry

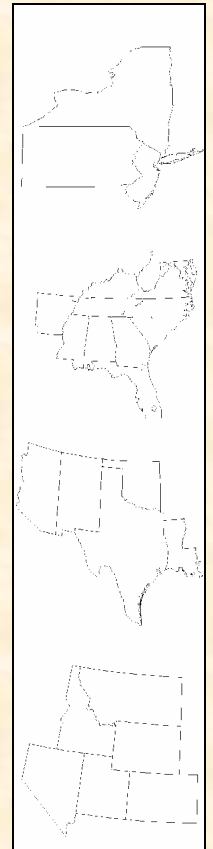
CECA Call to Action: Congress

- Clarify jurisdictions/roles
- Mandatory reliability standards
- Authorize multi-year funding for R&D
- Clarify tax policies that address investment in transmission and energy technologies



CECA Call to Action: States/Regions

- Create more opportunities for consumer input
- Establish cost-recovery and cost-allocation procedures
- Establish performance-based regulatory incentives
- State PUCs should participate in early-stage planning



CECA Call to Action: FERC

- Require state and regional plans to include consumer input
- Encourage effective regional entities
- Support state actions on cost issues
- Engage in cross-border transmission planning



CECA Call to Action: DOE

- Facilitate consumer understanding on issues
- Clarify, expedite and coordinate national security planning
- Seek industry input into R&D decisions
- Streamline process for siting on Federal Lands
- Conduct National Power Survey



CECA Call to Action: Electric Power Industry

- Leadership on consumer education efforts
- Adhere to operational best practices
- Industry must keep focus on transmission
- Incorporate “non-wires” options in transmission planning
- Ensure consumers understand the impact of other factors:
 - Fuel price/availability
 - Generation retirements/additions
 - Environmental impacts



Transmission Infrastructure Forum

Conclusions

- Call for Congressional Action on Transmission Policy
 - CECA's Top Legislative Priorities:
 - Mandatory Reliability Standards
 - Clarification of Jurisdictional Roles
- Coordination of Regional Transmission Planning Critical
- Importance of Raising Consumer Awareness on Transmission Issues Essential

