

Newsline
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NERC to call for massive transmission investment **Reliability, renewables depend on transmission capacity**

From the Associated Press

The North American Electric Reliability Corp. (NERC) is expected to release an annual report today that will call for "massive investments in transmission capacity" to keep up with growing electricity demand and the need to grow renewables as a significant source of power. NERC President Rick Sergel stated, in an advance copy of the report obtained by the AP: "Renewable energy initiatives can't succeed unless new transmission infrastructure also is built. You can't have one without the other."

Even without an increase in the country's dependence on renewables, NERC said electricity use is growing twice as fast as the resources used to generate and transmit it, and power companies will need significantly more transmission capacity to ensure high levels of service reliability. Although NERC would not provide a cost estimate for meeting this goal, the utility industry expects to spend \$38.1 billion on transmission projects between this year and 2010, compared with \$37.8 billion spent since 2000.

This accelerated spending is driven mostly by overall energy demand, not renewables, according to a spokesman for the Edison Electric Institute, a trade group that represents about 70 percent of the nation's electric power industry.

Editor's note: Over the last decade, APS invested almost \$3 billion (about \$400 million in 2006) on transmission and distribution infrastructure to keep pace with customer growth and maintain reliability. By comparison, APS expects to spend almost that much — \$2.6 billion — in just the next five years alone (\$470 million budgeted for 2007) on transmission and distribution infrastructure.