



FEDERAL ENERGY REGULATORY COMMISSION

September 18, 2008
Docket Nos. EL08-39-000
Item No. E-31

Commissioner Philip D. Moeller

Statement of Commissioner Philip D. Moeller on New York Regional Interconnect (NYRI)

"I would like to highlight our action today in response to the New York Regional Interconnect's petition seeking incentive-rate treatment for a proposed high-voltage transmission line. At an estimated cost of approximately \$2 billion, the project is substantial in magnitude as it involves constructing a 190-mile DC line that will traverse dozens of municipalities across upstate New York. Moreover, the significant regulatory risk that the line will encounter, as well as the risk associated with siting the line on private lands are factors that were considered before reaching the decision to support the conditional approval of incentive rate treatment for this project.

And while the Commission has not been unanimous in its support for incentives in recent cases involving transmission projects, I should recognize that this order gained the support of all the voting commissioners. Again, I stress that NYRI's proposal is both ambitious and fraught with risks, and in light of the circumstances presented in its application I believe that the particular incentives that we're conditionally approving will achieve the purposes of FPA section 219.

As I've stated previously, our country needs to play some serious catch-up in building the transmission infrastructure that is needed to deliver reliable and reasonably-priced power to market. Providing incentives to utilities, as authorized by Congress, has proven to be an effective way to encourage utilities to invest their dollars in new transmission infrastructure. Perhaps, so much so that we've seen an increase in the number of public utilities seeking incentive rate treatment. And while I will continue to judge the merits of each request on a case-by-case basis, consistent with the statute and our policies, I'd like to emphasize my belief that the Commission's ability to provide incentives has spurred needed investment in transmission."