



March 30, 2011

Hon. Ron Wyden
U.S. Senate
223 Dirksen Senate Office Building
Washington, D.C. 20510-3703

Dear Senator Wyden,

We write to urge you to reconsider your proposal to amend the Federal Power Act through the Electric Transmission Customer Protection Act. Our experience as public utility commissioners tells us this proposal will undermine and delay delivery of low cost, more secure and sustainable power to consumers.

We applaud your attempt to ensure that Oregon consumers are protected from unjustified charges that do not reflect benefits they enjoy. But we do not believe your amendment serves consumers to that end.

The West largely lacks regional transmission organizations. Without such central authority to plan, approve and even require transmission expansion, it is up to transmission development companies, some independent, to make a case to both investors and regulators. FERC's proposal to spread costs for transmission lines that access clean and renewable energy resources will greatly help make the case for new investment in transmission necessary to deliver expanded benefits to consumers, in Oregon and across the country.

In a complex infrastructure network like bulk power transmission, expansion of the network usually improves reliability and lowers congestion, thus enhancing commerce, beyond that identifiable in a business plan for a new line.

Further, modernizing and expanding the U.S. transmission grid is essential to the work of providing true energy security for all Americans. Building our independence from imported energy requires increased reliance on our indigenous and inexhaustible biomass, geothermal, solar and wind resources. Energy security requires price stability that fossil fuels cannot provide. It requires the electric sector to reduce toxic emissions, water use and carbon emissions, to protect public health and ecosystem functions.

As with the interstate highway system, the public and national security benefits of greater electrical interconnectedness are material and far-reaching. They are difficult to quantify only because markets do not price such benefits, and because energy market participants do not pay the costs of the material damages current electricity generation and resource extraction creates.

Such market failures are no reason to ignore the benefits improved electrical interconnectedness will provide.

The benefits of providing more secure and sustainable electric service can be quantified through integrated resource and transmission planning. Oregon's leadership in implementing Integrated Resource Planning (IRP) has saved the state's consumers money. IRP, expanded to include transmission planning, can identify the least-cost ways to provide affordable and more secure power for consumers. Just and reasonable allocation of the costs of new transmission, in light of the broad public benefits carefully designed projects create, can be determined through the process outlined by FERC in its Notice of Proposed Rulemaking on Transmission Planning and Cost Allocation.

Investing in a clean energy economy provides the best basis available for creating jobs and revitalizing our economy, in Oregon and nationally. The many jobs associated with large-scale renewable energy development require expansion of the transmission grid in the West. FERC's transmission funding proposals are necessary for the realization of this nation's clean energy future.

The Electric Transmission Customer Protection Act, while obviously well intended to protect electricity consumers, is misdirected and will only serve to undermine FERC's attempt to reform financing mechanisms that will ultimately advance clean energy development. It would dampen investment in transmission expansion and harm the interests of customers, renewable resource developers, and the environment.

Thank you for your engagement on this vital issue and for considering these views.

A handwritten signature in cursive script that reads "Roger Hamilton". The signature is written in black ink and is positioned above the typed name and address.

Roger Hamilton
Western Grid Group and former OPUC commissioner
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