

Connecticut lawmakers, officials slam electric line project costs

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[Energy Policy Transmission Connecticut](#)

*“While you may need transmission upgrades from time to time, that doesn’t mean that you should give the utilities a blank check on the scope of the construction costs,” Dornbos said. Blumenthal said Hartford-based **Eversource Energy** has been a significant beneficiary of the escalation of transmission costs.*

HARTFORD – Connecticut officials and environmental advocates want federal regulators to pull the plug on rapidly increasing energy costs by taking steps to reduce the cost of transmission line projects.

U.S. Sen. Richard Blumenthal, D-Conn., was joined Friday by Connecticut’s Consumer Counsel Elin Swanson Katz and Bill Dornbos, the state director of Acadia Center, in calling for action by the Federal Energy Regulatory Commission. Blumenthal, Katz and Dornbos spoke during a briefing at the state’s Legislative Office Building. “Consumers have been paying too much for electricity,” Blumenthal said. “We have the second-highest electric rates in the nation and the cost of these (transmission) projects have risen by nearly 600 percent since the year 2000. That increase has contributed to our electric rates.”

Connecticut’s senior senator said the companies that build the transmission lines, which deliver electricity of over long distances, are given an 11.74 percent rate of return on their expenditures on new power lines. If a transmission project comes in over budget, Blumenthal said, the companies doing the work shouldn’t be getting that level of return on investment for the amount that is in excess of original cost projections.

“This is a profiteering boondoggle,” he said. “That rate of return is a glaring incentive to cost overruns and excessive costs.”

Since 2002, consumers have footed the bill for \$12 billion in transmission projects across New England, Blumenthal said. Connecticut ratepayers have have been responsible for approximately 25 percent of those costs, he said.

Katz said transmission line builders had been getting a rate of return as high as 14 percent until a lawsuit for a reduction to the current level.

“We’re calling for more transparency around transmission costs,” she said. “A lot of people don’t know that there is higher rate of return on transmission projects than you do with non-transmission alternatives.”

Dornbos said that one reason for the high transmission costs is that the forecasting of future needs for electricity is overestimated.

“There is a 20 percent over-estimation of future demand,” he said.

Dornbos said the concerns being raised by he, Katz and Blumenthal shouldn’t be seen as an attempt to weaken the regional electric grid.

“While you may need transmission upgrades from time to time, that doesn’t mean that you should give the utilities a blank check on the scope of the construction costs,” Dornbos said.

Blumenthal said Hartford-based **Eversource Energy** has been a significant beneficiary of the escalation of transmission costs. **Eleven transmission projects managed by Eversource and National Grid during a period from 2004 to 2012 came in an average of 79 percent over budget.**

“Cost overruns should be penalized,” Blumenthal said.

Frank Poirot, a spokesman for Eversource Energy, said officials with the utility were unsure where Blumenthal was getting his numbers from.

“All of our projects have come in on time and either on or under budget,” Poirot said. “Investing in the electric grid is crucial to deliver reliable power to our customers. This investment also supports the region’s economic growth and environmental goals through greater access to newer, more efficient, and cleaner generating plants.”

The transmission rates that FERC approves for New England reflect “a specific regional need, Poirot said.

“FERC sets different rates elsewhere in the country reflecting the needs of those regions,” he said.