

Controversial Highland Transmission Line, a 'Superhighway' to Deliver Low-Cost Power?

Opponents point to conference transcript, arguing that power grid reliability is a smoke screen

By **Tom Johnson**, September 23 in **Energy & Environment**

On a Friday morning in early May 2005, the Federal Energy Regulatory Commission convened a conference of coal industry executives, utility officials and power grid operators at the 16-story Charleston Marriott Town Center in the downtown of the West Virginia capital.

It was one of a series of conferences the federal agency had been putting on to find ways to increase the production of electric-generating capacity. This one had a mouthful of a title: "Conference on Promoting Regional Transmission Planning and Expansion to Facilitate Fuel Diversity, Including Expanded Uses of Coal-Fired Resources."

If the controversial Susquehanna-Roseland transmission project, which cuts through the heart of the New Jersey Highland, had a birth date, its opponents would probably mark it back to that spring day. It was there that the president of PJM Interconnection, the operator of the regional power grid, talked about Project Mountaineer, a series of west-to-east transmission lines.

During the conference, PJM executive Karl Pfirman said his organization was proud of what has been accomplished to date to open up markets to coal "but there is much more that we and others in this region can do to further enhance that use of coal." According to a transcript of the conference, he then described using PJM's regional transmission expansion planning process to develop a "transmission superhighway" to deliver low-cost coal resources.

To opponents of the project, the transcript deflates arguments by PJM, Public Service Electric & Gas (PSE&G) and other transmission line advocates that expanding the power lines is needed to avoid reliability problems on the regional grid. To Kevin Pflug, an attorney for the Eastern Environmental Law Center, it shows the true nature of the push for the transmission line project. The center is representing **the New Jersey Highlands Coalition**, the Sierra Club's New Jersey chapter and other state environmental organizations,

"Project Mountaineer, the power companies' overarching plan of attack, will do nothing more than line the pockets of power industry executives while doing environmental damage to our nation's National Parks," he wrote in a brief to the National Park Service, where the project is now pending.

But PSE&G, one of the project's prime developers, argued Project Mountaineer had nothing to do with its Susquehanna-Roseland expansion. Karen Johnson, a spokeswoman for the Newark utility, said the transmission project is intended to bolster reliability and not meant to import any specific type of electricity into the region. That view was also expressed by the Board of Public Utilities (BPU) when it approved the project earlier this year.

In addition, Johnson noted that Project Mountaineer never advanced beyond a concept and was not on the agenda of PJM or the Federal Energy Regulatory Commission (FERC).

The \$750 million New Jersey project, approved by the state BPU earlier this year, is being reviewed by the National Park Service because a portion of the 45-mile transmission line cuts through lands it administers, including the Delaware Water Gap National Recreation area and the Appalachian Trail. The service is preparing a draft environmental impact statement, which is expected to be released next year.

The service also has prepared a number of alternative routes but has yet to study the option favored by project opponents: the so-called No-Build Alternative. In his brief, Pflug argued a “careful examination of emerging trends in the energy industry will reveal that applicants can satisfy peak demand without expanding the transmission line, and that the reliability concerns cited by the power companies are nothing more than public-relations spin to justify their goals of financial gain.”

Instead of constructing the transmission line, its foes urged the National Park Service to study whether the growing use of demand response -- programs designed to have large users of electricity reduce consumption during times of peak demand -- and energy efficiency measures could be a viable alternative to expanding the transmission line.

Opponents also contended that previous demand projections supposedly backing the need for the expansion failed to include new power generation projects that have been proposed, including one to generate 1,000 megawatts of power from offshore wind farms off the Jersey coast. They also noted the reliability concerns focused on less than two dozen days in the summer during times of peak demand, and even those may be overblown.

PSE&G's Johnson said PJM identified the need for this transmission upgrade in 2007, and reaffirmed that need in subsequent reviews in 2008 and 2009. “Nothing has changed -- the reliability problems are still expected to exist in 2012.