

Issues in Electricity

AEP position

As the nation's transmission leader, AEP is a strong proponent of a robust EHV transmission grid. EHV transmission facilitates many societal agendas, including energy efficiency, access to renewables, interstate commerce and national security. We believe cost recovery for needed transmission should be included in all federal clean energy legislation mandating an RPS.



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Transmission and renewables

The earliest generation fuel sources used in the U.S. were largely transportable fossil fuels. Power plants were built near load centers, and the fuel was transported to where it was needed. With growing concerns about climate change and desire to reducing the nation's greenhouse gas (GHG) emissions, renewable energy resources are becoming an ever-larger portion of our fuel portfolio. The complication with renewable resources is due to the fact that – because communities typically choose to locate where the wind doesn't howl and the sun doesn't blaze – resources are often located far from load centers and cannot be transported like so many lumps of coal, or a BTU of natural gas. As a result, electric transmission is needed to move renewable power to places where it can be put to use.

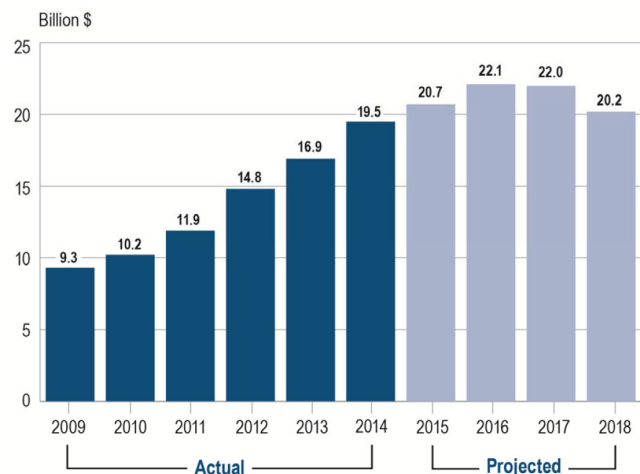
Integration through transmission

Over the past several decades, regulatory uncertainty has resulted in inadequate upgrades and expansions of the existing transmission system into one that is better suited for its current and future roles. Meanwhile, we have seen a massive growth in renewable generation, especially wind and solar. Both of these resources are variable, meaning humans cannot control their production levels. And that

means that additional base load generation (traditional fuel sources) still must be built and interconnected to balance the system during unexpected swings in output from renewable facilities.

Although the majority of the industry agrees that more extra-high voltage (EHV) transmission is needed, especially for access to renewables, there is disagreement as to the best way to achieve it. AEP maintains that a national renewable portfolio standard (RPS) would eliminate that possibility.

Historical and Projected Transmission Investment (Nominal Dollars)



Source: EEI