

The Backbone of Energy

PSEG Chairman and CEO Ralph Izzo addressed yesterday's Transmission Siting Policy Summit in Washington, D.C. Chairman Jon Wellinghoff of the Federal Energy Regulatory Commission and U.S. Department of the Interior Secretary Ken Salazar were among the other speakers. The following is based on Izzo's remarks.

It is vital to continue investing in a strong transmission grid – the network of high-voltage lines that carry electricity from power plants to areas where the energy is needed.

Transmission is backbone infrastructure. It is a source of pride for thousands of men and women who work hard everyday to keep the grid as close to 100 percent reliable as possible around the clock and throughout the year.

Needless to say, reliability must not be subject to compromise. Transmission should continue being built where it makes sense to further strengthen reliability.

Today, however, there is a debate about the role of transmission in moving energy in a new, green direction. Clearly, transmission will have a growing part in linking renewable resources to the grid.

But this doesn't mean transmission is the only pathway to green, or necessarily the right one in all circumstances. For example, there are proposals to create a subsidized "electric superhighway" costing billions of dollars to bring wind power from the Midwest plains to the cities of the East Coast.

Midwest wind is a great resource, but it should compete on a level playing field with

renewables in New Jersey and elsewhere. Suggesting we should get our renewables from remote areas regardless of transmission costs is like saying if only we had access to free refrigerated freight trains, we should get

our ice cubes from the North Pole. Who pays to build the trains or lay the tracks? And wouldn't it be cheaper to make the ice locally?

Renewable energy needs to be encouraged everywhere, and not only in one particular area or region. Our federal government can help countless green initiatives to flourish across the country by establishing a national renewable energy standard (RES) and limits on greenhouse gas emissions.

But once these incentives are in place, we should leave it up to the creativity and entrepreneurial spirit of the American people to do the rest.

By letting the market determine which are the best technologies and locations for renewable energy projects, our nation will be in a far better position to unleash innovation, drive down costs and build the world's leading green energy sector.

For a white paper on this issue, please visit www.pseg.com/grid

What's your view? Please let us know at Opinion@PSEG.com.



Transmission can help link renewables to the electric grid, but it is not the only pathway to green.



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