

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Competitive Transmission Development            )  
Technical Conference                                    )**

**Docket No. AD16-18-000**

**OPENING REMARKS OF LAWRENCE WILLICK ON BEHALF OF LSP  
TRANSMISSION HOLDINGS, LLC**

My name is Lawrence Willick and I am Senior Vice President with LS Power Development. We are an active independent transmission developer in all markets in the U.S. We would like to thank the Commission for continuing its efforts in implementing and improving Order 1000 and allowing us to participate in this technical conference.

LS Power does not see a direct link between FERC’s incentive policy and competitive processes. LS Power finds transmission to be an attractive investment under traditional cost of service regulation. We find it attractive enough to be aggressively competing, taking on additional risk, and providing ratepayer benefits, such as through a binding cost cap. We are providing competitive proposals with a binding cost cap in order to earn the right to undertake a cost of service regulated investment opportunity.

The other side of the coin is that winners of competitive projects should not have different rate treatment, including less access to the Order 679 incentives, than that for non-competitive projects. Non-incumbent developers undertaking a transmission project face at least the same risks as a traditional utility. The ability to receive abandonment recovery in the event a project is cancelled for reasons beyond the developer’s control is equally applicable to a non-incumbent utility looking to undertake investment in a project. Other rate incentives should apply equally to a competitive project and a non-competitive project. Certainly, a winner of a competitive project should not be penalized, for creativity or taking on more risk, with lesser

incentives than are available to a traditional utility for a non-competitive project. This should only be the case if the developer voluntarily agrees to forego incentives as part of its proposal.

Overall, the Commission's transmission rate policies drive the level of competition. To the extent changes in policy serve to make transmission investment itself, or opportunities for transmission investment, less attractive, there will be fewer competitors, and less robust competition. Successful bidders for a competitive project should be no worse off than an entity that is building transmission under a right of first refusal. The Commission should continue its efforts to encourage transmission investment and create more opportunity for investment by non-incumbent developers in order to attract robust competition.

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon each person listed on the official service lists maintained by the Secretary of the Commission in the above-captioned proceedings.

Dated this 22<sup>st</sup> day of June, 2016.

/s/ Michael R. Engleman  
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