

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

**Application of PPL Electric
Utilities Corp. for Approval
to Rebuild Approximately
Six Miles of the Breinigsville-
Alburtis 500 kV
Transmission Line in Lower
Macungie and Upper
Macungie Townships, Lehigh
County, Pennsylvania**

**Public Meeting: July 11, 2019
3007945-TUS
Docket Number: A-2019-3007945**

STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE

Before the Commission for consideration is PPL Electric Utilities Corporation's Application requesting approval to rebuild the existing single-circuit Breinigsville-Alburtis 500 kV transmission line in Lehigh County into a double-circuit line. I believe that this project should have been filed as a baseline project at PJM, and not as a supplemental project, subject to PUC oversight.¹

When prompted by this Commission's data requests, both PPL and PJM stated that if the project is not constructed, voltage violations to the bulk electric system could manifest in 2023.² The fact that the violations impact the bulk electric system three years in the future is reason enough to include this project as a baseline solution in PJM's 2019 Regional Transmission Expansion Plan (RTEP) for a full reliability analysis to study how this project fits into the regional transmission plan and consider all viable alternatives, efficiencies, and costs. An added benefit of the RTEP process is that if PJM concludes that the project solves regional baseline violations and selects PPL's proposed solution of a 500 kV transmission line, 50% of costs is allocated regionally, 50% is allocated to the PPL zone, and the project is put out for competitive bid to discipline cost.

¹ For supplemental projects such as this, PJM performs an abbreviated "do no harm" review.

² PPL's analysis which identifies violations during the 2021 summer peak has not been verified by PJM.

While our siting regulations in Chapter 57³ do not discuss cost allocation since they predate the FERC Orders⁴ which provide for transmission planning and cost allocation, I believe that ratepayer costs are, and should always be, one of this Commission's top priorities. Caselaw supports the premise that the Commission can consider costs when ruling on a siting application.⁵ I note that this project is estimated to cost \$33 million and that construction costs for transmission projects often exceed cost estimates. That is \$33 million that will be placed into PPL's transmission rates until this line is fully depreciated at least 40 years from now - for a line that is only midway through its useful life and more importantly, that has had zero unplanned outages.⁶

PPL states that this line will be a 3rd 500 kV source of power to the Breinigsville Substation which currently has two 500 kV sources, and that this third line will be co-located on the poles carrying one of the other two existing 500 kV sources. Should a catastrophic weather event occur, it is very likely that two 500 kV lines will go down, instead of one, because they are located on the same poles. Also, in the event that a severe weather event occurs that causes the loss of both lines, the damage to the distribution system would likely be equally, if not more severe, reducing load on the 138 kV and 69 kV systems, thereby avoiding the voltage fluctuation that PPL seeks to avoid with this project. Based on the foregoing, I do not believe that PPL has met its burden under 52 Pa. Code § 57.72(c)(5) to establish need and satisfy the engineering justification requirement for the proposed line.

³ 52 Pa. Code §§ 57.71-57.77.

⁴ FERC Order Nos. 888, 890, and 1000.

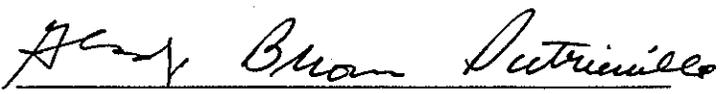
⁵ *Bd. of Sup'rs of Springfield Twp. v. PUC*, 41 A.3d 142, 146, 147 (Pa. Cmwlth. 2012). See also *Hess v. Pa. PUC*, 107 A.3d 246 (Pa. Cmwlth. 2014), *Energy Conservation Council of Pa. v. PUC*, 25 A.3d 440, 452 (Pa. Cmwlth. 2011); *Hillman Coal & Coke Co. v. Pa. Public Util. Com.*, 61 Pa. Cmwlth. 355, 361 (1981); *Paxtowne v. PUC*, 40 Pa. Cmwlth. 646, 649-50 (1979); *Re Pennsylvania Power And Light Company*, 50 Pa. PUC 480 (January 5, 1977); *Commonwealth, Dep't of Environmental Resources v. PUC.*, 18 Pa. Cmwlth. 558, 563-564 (1975).

⁶ PPL states that it has an average of zero unplanned and 22 planned outages on the 500 kV lines involved in the subject N-1-1 scenario and that it has not had an occurrence where the two lines were out of service at the same time.

I understand and advocate for our electric utilities to be pro-active in maintaining and hardening their distribution and transmission systems. However, I would be remiss if I did not note that supplemental project costs in PJM are on the rise while baseline project spending with the built-in cost controls have declined.⁷ Since 2005, PPL has spent \$3.1 billion on supplemental transmission projects, some of which are subject to state oversight, and \$1.4 billion on baseline projects which undergo PJM's rigorous reliability analyses.⁸ It goes without saying that our utilities must invest in the electric grid; but I encourage them to utilize the appropriate processes developed in the RTEP and approved by FERC so that ratepayer monies are used prudently, and that critical work is done efficiently. Utilizing the appropriate processes would allow the Commission to more readily meet its regionalism and reciprocity obligations in Chapter 28 of the Public Utility Code.⁹

Given the cost of this project and because the primary drivers for the project address baseline bulk electric system violations, it should be resubmitted as a baseline project for a full evaluation by PJM pursuant to the RTEP process. Should PJM's evaluation result in the selection of the same solution that PPL has proposed, I would be more likely to examine it favorably. Because PPL has not established the need for this project at this juncture, I will vote to deny the Application.¹⁰

July 11, 2019
Date


Gladys Brown Dutrieuille, Chairman

⁷ New baseline spending in PJM in 2018 was \$2.1B, new supplemental spending in PJM in 2018 was \$5.7B. (PJM Transmission Expansion Advisory Committee, January 10, 2019).

⁸ *Id.* at 13.

⁹ 66 Pa. C.S. § 2805(a), “[t]he Commission and Pennsylvania electric utilities shall work with the Federal Government, other states in the region and interstate power pools to accomplish the goals of restructuring and to establish independent system operators or their functional equivalents to operate the transmission system and ... to ensure the continued provision of adequate, safe, and reliable electric service to the citizens and businesses of this Commonwealth.”

¹⁰ 52 Pa. Code § 57.76(a).