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JAMES J. HOECKER
WASHINGTON:
202.378.2316
JAMES.HOECKER@
HUSCHBLACKWELL.COM

Penn Energy: Husch Blackwell's Jim Hoecker Examines FERC Order No. 1000 and Its Effect on Hydroelectric Projects

On July 21, 2011, the Federal Energy Regulatory Commission (FERC) issued Order No. 1000, which amended the transmission planning and cost allocation requirements established in Order No. 890 that ensures that Commission-jurisdictional services are provided at just and reasonable rates and not on an unduly discriminatory or preferential basis. According to *Penn Energy's* article, the order "aims to give public utility transmission providers in a region a common method for allocating the costs of new transmission facilities." The article quotes Husch Blackwell attorney and former FERC Chairman Jim Hoecker, who believes the amended rule is a step in the right direction. "One of the biggest challenges is that hydroelectric projects tend to be location constrained," Hoecker said, but the new rule will encourage transmission expansion that facilitates access to larger markets by remotely located resources like hydroelectric generation. "Order 1000 is completely consistent with previous Commission policy and its efforts to promote integration of diverse resources into the energy market and foster competition among those resources," Hoecker said. While the Order symbolizes progress for renewable energy efforts, there is still a lot of work to be done, concludes Hoecker. "The Order is not the entire solution, but in terms of reinforcing transmission and hydro, it's important."