



For Immediate Release

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## **LEI report proposes framework for incorporating consideration of new technologies into transmission planning**

BOSTON, October 6, 2014 – London Economics International LLC (“LEI”) has issued a report that describes the role of Market Resource Alternatives (“MRAs”) in system planning. “Although FERC has required that MRAs be considered in system planning, to date there has not been a lack of industry consensus on what qualifies as an MRA or how MRAs should be evaluated in the system planning process,” explained Julia Frayer, Managing Director of LEI. “We hope that this report remedies the situation and serves to augment the resource kit available to system planners.”

Commissioned by WIRES, the report explores the services, benefits and challenges associated with different types of MRAs – such as distributed generation, energy efficiency, demand response, energy storage, and smart grid technologies – on a side-by-side basis with transmission investment. The report also contains suggested analytical tools and modeling techniques that planners can adopt for evaluation of MRAs on equal footing with transmission.

The report recommends that MRAs and transmission be evaluated on the same comprehensive criteria, and that the operational uncertainties and risks be considered explicitly within the economic analysis of the benefits and costs of proposed investment. “As the analysis in the report shows, transmission and MRAs have distinct characteristics and provide specific benefits. Seldom are MRAs perfect substitutes for transmission investment and vice versa,” noted Ms. Frayer. “However, we should not also overlook the possibility that MRAs and transmission are complements – both are necessary to support the reliable and cost effective operation of the electric system.”

The full report is available at: <http://www.londoneconomics.com/about-us/publications.php>  
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London Economics International LLC (“LEI”) is a global economic, financial, and strategic advisory professional services firm specializing in energy and infrastructure. LEI has extensive experience performing market impact analysis of new investment in the power sector, with prior engagements including economic cost-benefit analysis for transmission assets, generation feasibility studies, and economic analysis of demand-side resources and smart grid technologies. For further information, please contact Julia Frayer at (617) 933-7200 or visit [www.londoneconomics.com](http://www.londoneconomics.com).

WIRES is a non-profit trade association of investor-, publicly-, and cooperatively owned transmission providers, transmission customers, regional grid managers, and equipment and service companies. For more information, visit [www.wiresgroup.com](http://www.wiresgroup.com).