



For Immediate Release

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## **LEI projects billions of dollars of electricity cost savings for New York and New England ratepayers as a result of the proposed Champlain-Hudson Power Express Project**

BOSTON, February 26<sup>th</sup>, 2010 – Customers will save millions per year as a result of a proposed new transmission project, according to analysis performed by global economic and financial consulting firm London Economics International LLC, otherwise known as LEI.

On February 23<sup>rd</sup>, 2010, Transmission Developers Inc. (“TDI”) announced plans to develop the Champlain-Hudson Power Express (“CHPE”) project, a 355 mile High Voltage direct current (“HVdc”) transmission line designed to bring up to 2,000 MW of renewable power from the US-Canadian border to the New York and New England power markets. LEI assisted TDI in its development of the project through economic analysis of this merchant HVdc transmission project, and impact analysis on ratepayers. When asked about the recent announcement, Julia Frayer, LEI Managing Director, noted that “the CHPE project has potential to transform markets for Northeast consumers. While benefiting from savings, because of the project’s merchant status, the cost of construction will not be passed on to utility customers. This project epitomizes how competitive markets are intended to work and how private investment should respond to the market signal for new investment.” The CHPE has applied for DOE loan guarantees and is beginning its regulatory siting processes. TDI anticipates that the final permits will be issued in mid-2011, with cable construction and installation beginning later that year.

LEI forecast the impact of the CHPE development on electricity prices for the ten-year period from 2015 to 2024. LEI found that, because the transmission line increases the amount of low-cost, low carbon electricity available to the region, average electricity prices in New York State and across New England would decrease, saving ratepayers billions of dollars over the first ten years of the commercial operation of the project. Studies detailing these savings will be released in conjunction with upcoming regulatory filings. LEI also found that CHPE has important environmental benefits. CHPE provides Northeast consumers with access to renewable energy that would displace older, less efficient fossil fuel fired technology and therefore decrease emissions of sulfur dioxide, nitrous oxide, and carbon dioxide. Further

details on the development process and the transmission line itself can be found at [www.chpexpress.com](http://www.chpexpress.com).

LEI analysis has been used to demonstrate the economic benefits of a number of proposed transmission lines across North America. LEI uses a suite of proprietary modeling tools to perform before and after analysis of the impacts of the proposed lines, taking into account existing system capacity, expected fuel price trends, new build, and changes in market participant behavior as a result of the new lines. The firm has over two decades of experience in competitive electricity markets worldwide.

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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. The firm combines detailed understanding of specific network and commodity industries, such as electricity generation and distribution, water and wastewater provision, and natural gas distribution, with a suite of proprietary quantitative models to produce reliable and comprehensible results. For further information on LEI, please contact Keiko Nomura at (617) 933-7200 or go to [www.londoneconomics.com](http://www.londoneconomics.com).

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