

NLH 35 (Re: p. 8, lines 6-9) What is the cost driver, for example, peak demand or energy throughput, that is the determinant of investment in a transmission system? If the above answer is energy or a combination of energy and demand, how does a change in energy throughput that does not change peak demand, cause a change in transmission design?

RESPONSE:

Both peak demand and energy requirements determine transmission investment requirements. While peak demand obviously affects capacity requirements, that is not fully determinative of costs. Other factors, such as the type and location of generation facilities, which are greatly influenced by energy requirements, also influence the design and costs of the transmission system.