

1 **Q: With respect to the development of marginal cost estimates, generally**  
2 **speaking, would The Brattle Group expect system reliability to remain**  
3 **unchanged with respect to the proximity of the sources of power supply**  
4 **(generation) to load centres?**  
5

6 **A.** System reliability is determined by a number of factors, which includes the  
7 potential for outages due to transmission contingencies. All else held equal, a more  
8 tightly interconnected system, which provides more routes for power to flow  
9 between generation and demand in the case of a transmission contingency, is likely  
10 to be more reliable than a less connected system, which has fewer routes for power  
11 to flow in case of a transmission contingency.  
12

13 A generator lead line typically provides a single path for power between a generator  
14 and the main interconnected power system. All else equal, the longer the  
15 transmission line (including generator lead lines), the more vulnerable the line is to  
16 contingencies simply due to its length.