News & Insights

Jonathan Schneider Highlights Need for Cost Control in Transmission Planning Ahead of FERC Final Grid Rule

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Stinson LLP Partner Jonathan Schneider is featured in an *S&P Global Market Intelligence* article, "Broad coalition floats cost containment proposal as FERC eyes final grid rule," highlighting the need for stronger cost containment measures in FERC's upcoming final rule on long-range transmission planning and cost allocation.

Schneider helped a coalition of power sector groups develop and submit a supplemental proposal urging FERC to adopt stricter cost controls, specifically addressing the period in which a project is selected based on a consideration of benefits and costs but the project has yet to start construction, as acquiring land can take significant time. "It's pretty clear that in the course of those years, the assumptions on which major projects in the billions of dollars are planned — those assumptions may change meaningfully," Schneider says.

The proposal from the coalition aims to address cost escalations leading up to the start of a project's construction activities. If adopted, it would require periodic reports of projected benefits versus estimated costs and provide a mechanism for the project to be reconsidered if deviations occur.

Schneider says this proposal closely resembles an earlier filed proposal by firm client Large Public Power Council (LPPC). He states that although this proposal was submitted late in the rulemaking process, "You could certainly make a case that the commission would fall short without a proposal to manage costs." Schneider has helped LPPC express support for FERC's anticipated rule, believing that significant transmission resources are needed in order to support electric load growth and the transition of the electric grid to a lower carbon future.

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Schneider has over 30 years of experience providing strategic counseling needed to achieve complex energy regulatory objectives. He counsels clients across the spectrum of electric and natural gas regulation and advises on a wide array of regulatory issues associated with electric and natural gas utility regulation, market oversight, asset purchase and sale and project development. Schneider is also widely recognized for his strategic policy advocacy and extensive experience as an administrative litigator and appellate advocate in the energy industry.

Read the full article.

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