

Times Union
December 6, 2011

Power talks turn a corner

Negotiations over electric transmission line to New York from Canada move forward
By Larry Rulison, Business writer

ALBANY — A 1,000-megawatt underground electric transmission line from Quebec to New York City may be closer to becoming a reality as negotiations with governmental and environmental groups have taken on a more positive tone.

The proposed \$2 billion project — which has the financial backing of private equity giant The Blackstone Group of New York City — involves two cables, each five inches in diameter, buried under Lake Champlain and the Hudson River, with some of the 330-mile route along railroad beds.

Similar cable technology has been used for decades to transmit power across large bodies of water like the English Channel.

And because they are buried, the cables provide an aesthetic advantage over traditional transmission lines strung from large metal towers.

It was hoped that negotiations with various environmental, government and business groups held as part of the state regulatory process would have wrapped up in the summer. But they have dragged on over a contentious yet undisclosed issue, according to filings made with the state Public Service Commission, the five-person board that must approve the project.

But it looks like those talks — which involve not only the developer and state and local agencies but also environmental groups like the Adirondack Council, — may have turned the corner, according to a filing with the PSC late last month.

Lawyers for the developer told the PSC that "substantive discussions" are taking place on the main point of contention and that the various groups are "narrowing their differences" on other issues.

The lawyers also said it's possible that a settlement agreement could be reached before their next status report is due to the PSC on Jan. 10.

"We continue to work with all parties to reach a joint proposal and we are optimistic we will reach a settlement that will bring us another step closer to making this very important and innovative transmission project a reality," said Andrew Rush, a spokesman for Transmission Developers Inc., the Albany-based company that manages the project.

Such closed-door settlement talks are an alternative to having the PSC conduct a more lengthy review of the project that would be conducted much like civil litigation in which a formal series of written submissions are made to an administrative law panel that usually makes its own recommendation to the PSC.

If the private settlement talks are successful, the developer and others involved will submit their own settlement proposal to the PSC for its consideration. That is usually the preferred method in large energy projects because it is quicker and less expensive and offers a degree of control to the company trying to build the project.

Reach Larry Rulison at 454-5504 or at lrulison@timesunion.com.

Read more: <http://www.timesunion.com/business/article/Power-talks-turn-a-corner-2352000.php#ixzz1frQMyEYn>