

FERC advances offshore Atlantic project

Hannah Northey, E&E reporter

Federal regulators today approved the incentive rate for a proposed \$5 billion, 250-mile offshore transmission backbone that would connect up to 6,000 megawatts of offshore power in the eastern United States.

The Federal Energy Regulatory Commission's approval will allow the developer of the project, the Atlantic Wind Connection, to recover costs associated with the multi-phased, sub-sea high-voltage direct-current transmission system. The incentive rates include an overall return on equity of 12.59 percent.

FERC Chairman Jon Wellinghoff acknowledged the incentive rate was lower than what the developers had requested.

The transmission backbone will extend from northern New Jersey to southern Virginia to connect offshore wind farms to the onshore transmission grid.

FERC also approved incentives for Desert Southwest Power's proposed 118-mile, 500-kilovolt transmission line to move wind power into Southern California.

FERC is currently conducting a rulemaking to determine how new power lines are planned and financed. Today, the commission launched a comment-gathering process on how to provide incentive rates for new transmission projects.