



# Electric Transmission Strategic Asset and Regulatory Services



ICF International's wholesale power team supports private- and public sector clients by providing economic and technical services and policy analyses that enhance our client's ability to make the best strategic and resource development decisions.

Our transmission services include the following:

- Strategic Asset and Regulatory Services
- Transmission Congestion and Investment Analysis
- Optimal Power Flow Analysis
- Power Generation and Transmission Asset Valuation and Due Diligence

## Regulatory Impacts and Tariffs

- Market Power and Market Design
- Interconnection vs. New Transmission
- State vs. Federal Jurisdiction
- New Tariffs and Performance-Based Rates

## Asset Allocation and Strategy

- System Valuation
- Acquisition vs. Sale vs. Outsourcing
- Risk Tolerance

## Merchant Transmission

- Competitive Analysis
- Financing Challenges
- International Precedent

The world is rapidly changing for those that own, manage, and use the transmission system. The prospect of Standard Market Design, the creation of Regional Transmission Organizations, Independent Transmission Providers, Independent System Operators, and Transmission Companies, and the growth of wholesale power markets raise many questions regarding the usage and consolidation of the underlying transmission assets.

- What do the evolving state and federal regulatory changes mean for both transmission owners and generators?
- What is the best business model for transmission today?
- Are there economies of scale in transmission operation and financing, and what does that imply for asset ownership?
- What will changes in the pattern of generation ownership mean for transmission?

ICF International can answer these questions and help electric utilities, regional transmission organizations, transmission investors, and power generators assess a range of strategic and tactical options in the United States and worldwide.

## Develop a Strategy and a Business Plan

ICF can help your firm analyze its strengths to determine how to participate in the transmission business, and if so, how to deploy resources to optimize your firm's risk-adjusted return. This assessment takes into account the impact of changes in the demand for power, the siting of generating plants, and the growth of distributed generation—all of which ICF can forecast in order to help your firm develop an effective approach to transmission.

## Evaluate the Impact of New Regulations

Regulations with regard to market power, market design, market power, generator interconnection, transmission siting, and transmission tariffs are just a few of the regulatory issues that will face transmission owners and generators during this transition. ICF can work with your staff to determine how these new and proposed regulations are likely to affect your operations and help you prepare an integrated and cogent response.

## Determine the Optimal Asset Allocation

As regulations, tariffs, and incentives change on a state, regional, and federal level, so will the basis for holding different transmission and generation assets. To determine the path that will satisfy your firm's appetite for both return and risk, ICF can help analyze the options, including the possible acquisition, sale, or outsourcing of operations, and help you determine what your transmission system is worth.

## Review Tariffs and Performance-Based Rates

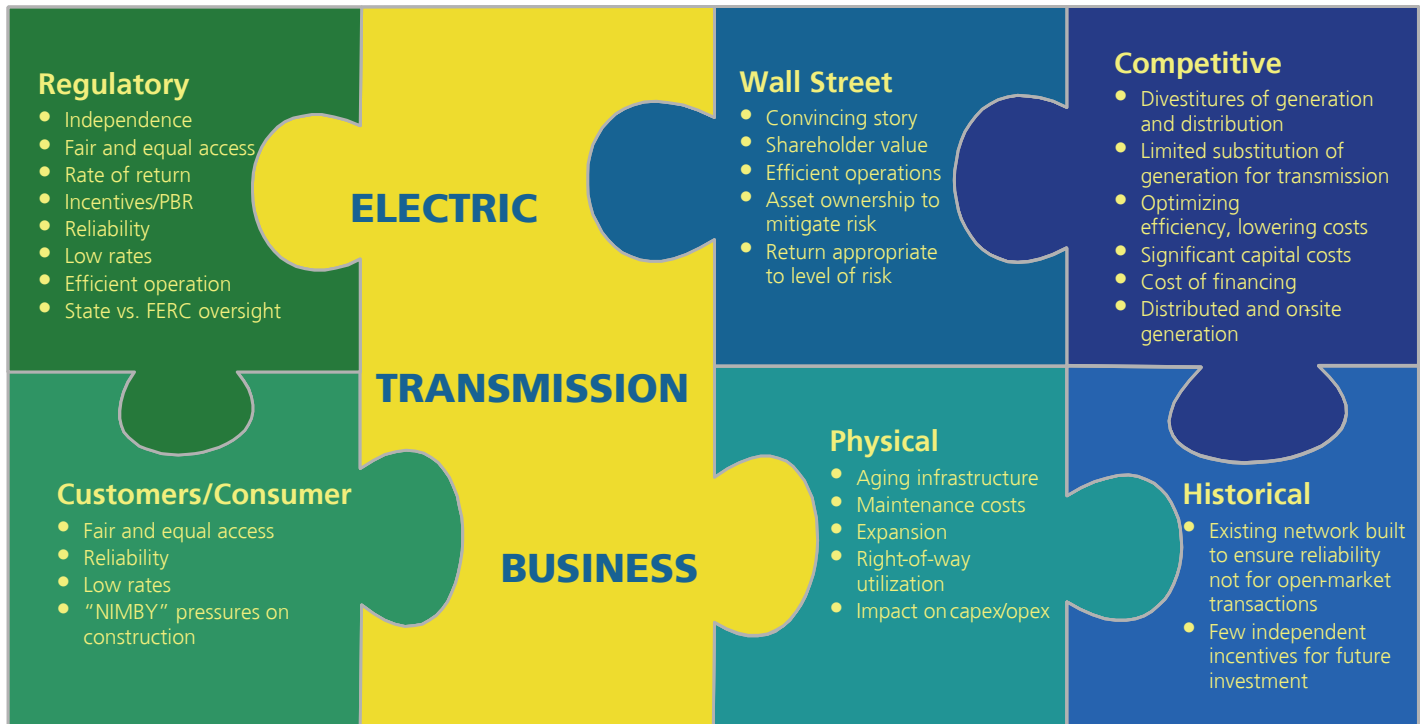
FERC has suggested a range of tariff options for the use of the grid and for building new transmission lines. States continue to exercise significant control over the pricing and return on equity for transmission assets. ICF can determine which pricing options are best for your firm, and help develop a regulatory strategy and approach for putting such tariffs in place.

## Analyze Merchant Transmission Projects

ICF can identify the best locations, help assess the likely success of merchant projects, and evaluate how the market is likely to change. The precedent for merchant projects in other countries provides insights into the conditions under which merchant transmission is likely to succeed and how it can be financed.

**Passion. Expertise. Results.**

# Electric Transmission Industry Drivers



---

## About ICF International

ICF International (Nasdaq: ICFI) partners with government and commercial clients to deliver consulting services and technology solutions in the energy, environment, transportation, social programs, defense, and homeland security markets. The firm combines passion for its work with industry expertise and innovative analytics to produce compelling results throughout the entire program life cycle, from analysis and design through implementation and improvement. Since 1969, ICF has been serving government at all levels, major corporations, and multilateral institutions. More than 2,000 employees serve these clients worldwide. ICF's Web site is <http://www.icfi.com>.

For more information contact:

Elliot Roseman  
1.703.934.3859  
[eroseman@icfi.com](mailto:eroseman@icfi.com)

Kenneth Collison  
1.703.934.3806  
[kcollison@icfi.com](mailto:kcollison@icfi.com)