



Underground Transmission Lines Advisory Committee
May 16, 2007 1:00 pm
Speaker's Conference Room, 6th Floor, General Assembly Building

• **Call to order, roll call:**

Delegate Joe May, chairman of the Underground Transmission Lines Advisory Committee called the meeting to order. The members of the advisory committee and JCOTS staff introduced themselves.

• **Chairman's Opening Remarks:**

Delegate May expressed the need to address policy issues that need revisions. He suggested that appropriate policies need to be implemented to indicate when transmission lines need to be placed overhead or underground. The goal of the committee is to discuss the relevant considerations to be used to produce a policy statement with possible legislative implications for 2008.

• **Overview of the role of JCOTS advisory committees:**

JCOTS staff provided an overview of the role of JCOTS in establishing science and technology policy in the Commonwealth, and how the various advisory committees work with JCOTS in establishing policy. A copy of this presentation is available on the JCOTS website.

• **Overview of Transmission Line Issues:**

JCOTS staff provided an overview of both recent and past legislation and policy issues relating to the placement of transmission lines, and highlighted the issues to be addressed by the Advisory Committee. A copy of the presentation is available on the JCOTS website.

The topic of Underground Transmission Lines is not new to JCOTS. JCOTS studied the issue during the 2005 Interim through it's Emerging Technologies Advisory Committee. The topic was

new to the General Assembly, and most of the study was dedicated to understanding the technology and the issues involved. Notably, the Advisory Committee in 2005 heard from the chairman of the Connecticut Siting Council (the entity in Connecticut that approves utility construction), and Dr. Harry Orton, an expert on transmission line technologies. The group recommended, at the conclusion of its study, that the Joint Legislative Audit and Review Commission (JLARC) conduct further review. This recommendation was adopted by the 2006 Session of the General Assembly as House Joint Resolution 100.

HJ 100 directed JLARC to study the State Corporation Commission's analysis for determining the feasibility of undergrounding electrical transmission lines. In conducting its study, the Joint Legislative Audit and Review Commission examined (i) the factors considered by the State Corporation Commission in its analysis of the feasibility of installing underground electrical transmission lines; (ii) the effect on property values resulting from installing underground, as opposed to overhead, transmission lines; (iii) the costs considered by the State Corporation Commission in reviewing transmission line applications; and (iv) such other issues as it deems appropriate. JLARC issued a final report in December, 2006.¹

Interest in Underground Transmission Lines continued in the 2007 Session of the General Assembly. HB 2614, as passed, requires the State Corporation Commission (SCC) to conduct an analysis of the utility applicant's assessment of need, load flow analysis, and method of installation. Utilities are required to provide a GIS map of any proposed improvement or extension to the Commission, which must make the GIS map publicly available on its website. As introduced, HB 2614 would also have required the SCC to consider the economic impact that the proposed structure would have on the value of land or structures adjacent to the proposed location, and it would have also required JCOTS to convene a working group to develop recommendations for the necessary factors to be considered by the SCC in reviewing applications for utility facilities. While this portion of the bill did not become law, JCOTS convened this advisory committee, pursuant to its authority at § 30-85, to review the issues.

HB 3115, while not adopted by the General Assembly, generated continued discussion about the issue. The bill would have allowed for just compensation to be provided for properties within 2,000 feet of the property to be taken or damaged in an eminent domain proceeding, if the viewshed of such other properties will be damaged by reason of such taking and use.

¹ A summary of the resulting JLARC report, House Document 87 (2006), is available at <http://jlarc.state.va.us/Summary/Sum343.pdf>. The report in its entirety is available at <http://jlarc.state.va.us/Reports/Rpt343.pdf>.

• Discussion & formulation of work plan:

Delegate May began the discussion by stating that transmission lines have been built for over 70 years. The Commonwealth's need for electricity has not decreased but its enthusiasm for transmission lines has lessened. He emphasized that the current guidelines for compensation for takings by eminent domain have not been recently reviewed. The absence of review causes oversight in the need to investigate the impact of overhead lines on adjacent properties.

Delegate May further stated that the costs estimations for locating transmission lines over head and underground are debatable, but generally stakeholders estimate undergrounding is 6 to 10 times more expensive. He explained that the current Connecticut policy requiring undergrounding of transmission lines, whenever technically feasible, is a difficult and expensive approach, and not necessarily right path. However, undergrounding cannot be ignored. A better approach might be to identify the factors which would necessitate undergrounding, such as property values, reliability of utility service, and the effect of ultra-conservative underground estimates.

One member stated it is important that those that are the beneficiaries of the increased costs of undergrounding bear the costs. Currently, the costs of constructing transmission lines are totaled and divided equally amongst the sales of the utility.

The members discussed the traditional life of overhead lines. A consensus was reached that generally overhead lines last approximately 40 - 50 years.

One member explained that it is very difficult to assess the loss on adjacent properties when a right-of-way is created for overhead lines. The problem is exacerbated due to the need to assess the loss that a property will incur after a line is built prior to construction. The member stated that to adequately assess the loss incurred to both the property being taken and adjacent properties, houses similarly situated sold after the creation of the line would need to be discovered prior to assessing the future damages. Fluctuations in housing markets in different communities make this a problematic task.

One member suggested the possibility of joint easements between utilities and the Virginia Department of Transportation (VDOT). He stated that currently the SCC has the ability to require VDOT to share its easements with utilities.

Members stressed the that it is difficult to assign costs and benefits when the transmission of utilities is planned on a regional basis.

Delegate Rust indicated that it is important to learn about the policies of other states regarding transmission line placement. He also stated that understanding the procedures they utilize in condemnation proceedings is important.

- **Public comment:**

No public comment was received.

- **Actions for next meeting:**

The committee identified several potential agenda items for future meetings, including:

- Establishing the real costs of underground transmission lines, including costs other than the direct costs for construction and the line;
- Examining the costs of the proposed Loudoun line and Connecticut's recent underground transmission line, and evaluate a comparable overhead project;
- Studying any emerging technologies with future potential;
- Evaluating current policies regarding the taking and assessment of over head utility easements on both the property incurring the right-of-way and adjacent properties; and
- Discuss factors that may facilitate locating transmission lines underground.

- **Adjournment.**