The Siting of Infrastructure Facilities: Striking the Right Balance

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Ashley Brown
Executive Director, Harvard Electricity Policy Group
John F. Kennedy School of Government
Harvard University
Of Counsel, LeBoeuf, Lamb, Greene and MacRae, LLP
Balances to Be Struck

- Cost Benefit Symmetries and Asymmetries
- Non-Economic Issues
- Economic Context of Siting
- Eminent Domain Issues
- Local vs. State, vs. Regional, vs. Federal Jurisdiction
Cost Benefit Symmetries and Asymmetries

- Symmetrical Winners and Losers
  - Broad Social Benefit / Broad Social Cost
  - Narrow Social Benefit / Narrow Social Cost

- Asymmetrical Winners and Losers
  - Broad (Distant) Social Benefit / Narrow (Local) Social Cost
  - Narrow (Local) Social Benefit / Broad (Distant) Social Cost
Efficiency and Equity Issues: Who Wins? Who Loses?

- Efficiency Benefits to Winners
  - Compensation for the Losers?

- Efficiency Losses Diminish / Destroy Benefits
  - Who Compensates for Losses?
Non-Economic Issues

- **Options**
  - Relative Standard Depending on Importance of Project
  - Standards Remain the Same, Regardless of the Project’s Importance

- **Weighing Criteria**
  - Distinguishing NIMBY from Substance
  - Balancing Disparate Benefits and Costs
## Economic Context of Siting

<table>
<thead>
<tr>
<th></th>
<th>Cost Recovery</th>
<th>Need Determination</th>
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</thead>
<tbody>
<tr>
<td><strong>Monopoly Facility</strong></td>
<td>Implied, If Not Explicit</td>
<td>Must Be Demonstrated</td>
</tr>
<tr>
<td><strong>Competitive Facility</strong></td>
<td>No</td>
<td>Unclear Meaning</td>
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</tbody>
</table>
Eminent Domain Issues

- **Who Can Exercise the Power?**
  - Regulated Utilities
  - Unregulated Companies (e.g., Cellular Towers)

- **Derivation of Power**
  - Local
  - State
  - Federal

- **Relationship to Siting**
  - Obtained from Legal Status, Regardless of Siting
  - Obtained Upon Siting Approval
Jurisdictional Issues

- Relationship Between Impact and Jurisdiction
- Bifurcation of Need and Routing
- Local Zoning and Ordinances
- State Siting Laws (Preemption of Local Authorities)
- Regional Siting (e.g., Compacts, Joint Boards, Regional Agencies)
- Federal Siting