



# Transmission Policies for the Next Administration and Congress

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*Americans for a Clean Energy Grid (ACEG) is the only non-profit broad-based public interest advocacy coalition focused on the need to expand, integrate, and modernize the North American high-voltage grid. Expanded high-voltage transmission will make America's electric grid more affordable, reliable, and sustainable and allow America to tap all economic energy resources, overcome system management challenges, and create thousands of well-paying jobs. ACEG's mission is to educate stakeholders and the public to support policies and regulations favoring the expansion, modernization, and integration of the high-voltage electric transmission grid.*

*ACEG brings together the diverse support for an expanded and modernized grid from business, labor, consumer, and environmental groups, as well as other transmission supporters to educate policymakers and key opinion leaders to support policy which recognizes the benefits of a robust transmission grid. ACEG serves as a clearinghouse of ideas that our coalition sponsors and supporters believe will positively impact large scale regional and inter-regional transmission. This document does not reflect the priorities of any particular sponsor or supporter.*

*The following policies would help advance large scale regional and inter-regional transmission in the country, increasing reliability, resilience, efficiency, and environmental objectives.*

## General

### Congress

1. A national policy on transmission to provide guidance to regulators, the industry, and various agencies about the importance of large-scale transmission. For example, in the Energy and Commerce Committee's Climate Leadership and Environmental Action for our Nation's (CLEAN) Future Act Discussion Draft, Section 211 the National Policy on Transmission states that a modern transmission system should "facilitate a reliable, resilient, and decarbonized electricity supply and enable national greenhouse gas emissions reductions" and "public interest is served by overcoming regulatory and jurisdictional barriers to coordinated and cost-effective investments in the Nation's electric grid system that enable deployment of cost-effective clean energy resources."
2. Legislation directing the Federal Energy Regulatory Commission (FERC), the Department of Energy (DOE), and the National Labs, to develop a comprehensive, long-range electric infrastructure strategy that would support domestic clean energy development.

### Administration

1. A Presidential Executive Order to establish the national objective of large-scale transmission, and direct various activities by administrative agencies.

# Cost Recovery, Allocation, and Financing

## FERC

1. FERC rules that spread transmission costs to all beneficiaries. Currently in many areas costs are narrowly assigned while the benefits of reliability, efficiency, and achievement of state and utility resource objectives are broad. FERC rules that assign costs to beneficiaries whether or not they are members of a Regional Transmission Organization (RTO) would support RTO membership as well as transmission cost recovery.

## Congress

1. Legislation clarifying FERC's authority to recover costs of a macro grid from all beneficiaries across regions and interconnections. The provision would direct cost recovery from entities whether or not they are RTO members, and whether the entities are otherwise FERC jurisdictional or not.
2. Legislation directing FERC to abandon the policy of "participant funding" all of the costs of transmission for new generators.
3. Tax Incentives
  - a. A refundable tax incentive to stimulate transmission investment, which:
    - i. Would enable many more projects to pass the cost-benefit tests in RTO regional and inter-regional planning processes; and,
    - ii. Would be limited to projects that increase bulk power system transfers across large areas, in order to incentivize investment the types of projects that are lacking today.
4. Grants
  - a. Legislation re-authorizing and increasing funding for projects that increase bulk power regional and inter-regional transmission delivery capability through DOE's Smart Grid Investment Grants.
  - b. Direct spending that would defray a portion of the total costs for interregional transmission projects, helping to alleviate the cost allocation barriers.
  - c. Funding to support state participation in regional and inter-regional planning.
  - d. Funding to help compensate local communities for lines that are of national importance.
5. Loans
  - a. Legislation to enable loans similar to U.S. Department of Transportation (DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) loans, to "right size" transmission projects.
  - b. Amend TIFIA loans policy for rail and highway investments to allow loans for transmission along highways and rails to be included.
6. PMA Borrowing Authority
  - a. Legislation increasing the borrowing authority of Power Marketing Administrations (PMA's) and the Tennessee Valley Authority (TVA) to invest in large scale regional transmission.
7. To support well-paying American jobs, legislation would include as appropriate:
  - a. Developments that utilize prevailing wage standards.
  - b. Domestic content incentives.

# Planning

## FERC

1. A new FERC national transmission planning rule that builds on the regionalization objectives and progress in FERC Orders 888 (1996), 2000 (1999), 890 (2007), and 1000 (2011). The rule-making should identify any fixes, gaps, and infirmities hindering needed transmission investment.
  - a. Required plans would take into account:
    - i. New demands such as electrification of transportation and buildings;
    - ii. Generation resource plans of customers, utilities, and states;
    - iii. Reliability, efficiency, and resource access all together rather than in today's siloed fashion; and,
    - iv. Inter-regional opportunities and benefits.
2. FERC joint planning with DOE and other agencies to develop a general long-range transmission vision for the US electricity network.
  - a. The planning effort would consider a high electrification scenario and projections of the future resource mix to provide guidance on infrastructure needs.
  - b. The planning effort would identify where it would be possible to use existing rights of way, such as utility, railroad and interstate highway corridors.

## Congress

1. Legislation directing FERC to clarify and update Orders 890 and 1000 to require participation in regional transmission planning processes that proactively plan transmission lines for reliability and efficiency.
2. Legislation directing FERC to issue a rule-making increasing the effectiveness of inter-regional planning.
  - a. See [S.3109](#) and Section 212 of CLEAN Future Act, and [H.R.5511](#).
3. Legislation directing FERC to increase the deployment of Grid-Enhancing Technologies through planning guidelines and incentives.
  - a. See Section 213 of the CLEAN Future Act which directs FERC to report to Congress of its progress in encouraging deployment of transmission technologies like dynamic line ratings, flow control devices, and network topology optimization to increase the capacity and efficiency of existing transmission facilities and improve the operation of the facilities, and requires the report to describe how rules could be modified to encourage greater deployment of these technologies.
  - b. See also Section 33113 of Moving Forward Act (H.R. 2).
4. Studies
  - a. Appropriations providing the Department of Energy funding to:
    - i. Support studies of macro grid design and configuration;
    - ii. Support state and other stakeholder engagement in regional and inter-regional transmission planning;
    - iii. Continue and expand the study of the National Renewable Energy Laboratory's (NREL) Interconnections Seam Study; and,
    - iv. Create an Offshore Wind Transmission Plan In coordination with Northeastern states, utilities, and grid operators.

# Permitting

## FERC

1. A Commission program to make use of the National Interest Electric Transmission Corridors (NIETC) provision of the Energy Policy Act (EPAcT) Section 1221.
  - a. Establish a program for corridor designation under delegated authority from DOE;
  - b. Utilize an application-based approach to NIETC designation, responding to developers only after significant local and state effort to resolve conflicts has been exercised; and,
  - c. Provide Commission legal opinions under Section 1221 to make it effective, including to:
    - i. Interpret the statute's "withhold approval" provision to mean not approving or denying a line permit;
    - ii. Interpret other state-imposed roadblocks that effectively veto lines that benefit multiple states and the nation as withholding approval; and,
    - iii. Clarify that a full NEPA EIS is not required for corridor designation but will be conducted where appropriate for siting of specific projects in corridors.

## Department of Energy

1. Delegation of authority to FERC for EPAcT 2005 Section 1221 designations of National Interest Electric Transmission Corridors.
  - a. Or, alternatively, active use of the authority per the guidelines above.
2. Active and frequent use of EPAcT Section 1222 for Western Area Power Administration (WAPA) and Southwestern Power Administration (SWPA) to partner with private developers on transmission development.
3. Utilization of EPAcT 2005 Section 368 west-wide energy corridors provision, 42 U.S. Code § 15926.
  - a. Link the corridors to generation resource planning and identified resource zones.

## Congress

1. Legislation to clarify and fix federal backstop siting, stating:
  - a. FERC may exercise backstop siting authority for an interstate electric transmission facility within a NIETC if one or more states have approved the project, but one or more states have denied the proposed project or have withheld approval for more than two years.
  - b. Clean energy access is one of the NIETC criteria.
  - c. FERC can both designate corridors and exercise backstop siting authority;
2. Legislation requiring states to consider regional benefits in their permitting decisions for inter-state lines. An amendment to Section 111(d) of Public Utility Regulatory Policies Act (PURPA) that requires consideration of national benefits in any proceeding to review an application to site bulk electric transmission system facilities.
3. Legislation extending the Fixing America's Surface Transportation Act Title 41 (FAST 41) permitting process with greater accountability and timelines.
4. Legislation providing funding for states to work together with other states and regional planning entities on inter-state siting and permitting. Funding would support technical analysis, environmental review, and stakeholder engagement.

## R&D Appropriations

### Department of Energy

1. Establish a moonshot program to bring down the costs of HVDC transmission by 30 percent by 2030. The research program takes practical barriers to transmission into account and focuses extra resources on:
  - a. Transmission technologies that can be deployed in existing brownfield corridors;
  - b. Reducing the cost of converter stations such that more pick-up and drop-off points become economically feasible, increasing the benefits to states along an inter-state path, and reducing the cost overall of HVDC transmission; and,
  - c. Expands American mastery of this technology that is being deployed all around the world.

### Congress

1. Appropriate \$50 million per year over five years to HVDC technology development.

### For Further Information:

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