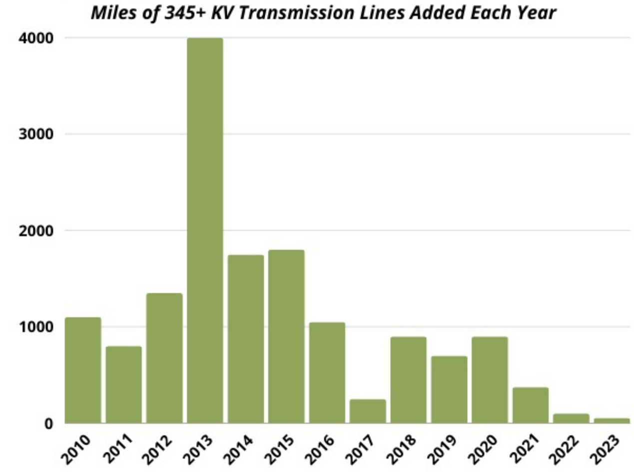
ENERGY PERMITTING REFORM ACT

Construction of new electric transmission lines has slowed to a trickle, from an average of 1,700 miles of new high-voltage transmission miles installed per year in the first half of the 2010s to just 55 new miles in 2023, according to a new study.

More transmission infrastructure is necessary to deliver an abundant energy supply to all parts of the country, as well as to ensure our electric grid can withstand the impacts of extreme weather, keep costs down for customers, and remain reliable in the face of increased energy demand. Unfortunately, the current siting and permitting process is clunky and inefficient; some lines take over a decade.



Source: Grid Strategies and ACEG

A new bipartisan bill — the Energy Permitting Reform Act of 2024 (EPRA) — aims to accelerate the permitting process for critical energy projects such as transmission. If enacted, it would reform the existing backstop siting authority for regional transmission lines, eliminate redundant processes, and require interregional transmission planning, thus streamlining the process to plan, permit, and pay for the buildout of transmission.

The EPRA provides two pathways for new transmission development:

① An interregional planning process overseen by the Federal Energy Regulatory Committee (FERC)

② A process that allows individual applicants to propose national-interest projects

PATHWAY ①

FERC has 180 days after the EPRA is enacted to create and vote on a rule on interregional transmission planning.

Regional transmission planning entities must submit interregional transmission plans to FERC within two years of the EPRA's enactment and update these plans at least every four years.

FERC will review and approve these plans if they meet certain requirements, like ensuring reliability and affordability for customers. Lines in an approved plan are presumed to be in the national interest, and would have access to expedited siting and cost allocation.

PATHWAY ②

If a developer submits a backstop siting application, FERC will review whether the project is in the national interest, possibly in conjunction with evaluation of the robustness of the planning process.

FERC will site the line after consulting with states, tribes, federal agencies, private property owners, and other affected groups, and issue a backstop construction permit for projects that meet current legal requirements, improve electric reliability, and have at least 100 kV capacity.

FERC can also approve cost allocation for a project, provided it's in the national interest and provides reliability and affordability benefits to customers.

HOW DOES THIS SPEED UP SITING AND PERMITTING?

The EPRA consolidates siting and permitting authority at FERC. FERC has a long history of siting linear infrastructure, and is well-equipped for this role. FERC would be able to:

- Backstop siting and permitting for regional lines that are found to be in the national interest
- Backstop site, and permit lines that are submitted in an interregional plan or found to be in the national interest
- Coordinate all federal agencies responsible for siting and permitting of transmission

WHAT IS INCLUDED IN RELIABILITY AND AFFORDABILITY BENEFITS?

- Improved reliability
- Reduced power losses
- Greater carrying capacity
- Reduced congestion
- Reduced operating reserve requirements
- Improved access to lower cost energy generation that reduces costs of the delivered power

HOW WILL THE TWO PATHWAYS BE SYNCHRONIZED?

When evaluating and approving cost allocation for an applicant-driven project, FERC can and should consider how successful and robust the planning process has been in the regions that include the proposed line. They'll also consider whether the economic and reliability benefits of a proposed project exceed the costs before approving cost allocation.

HOW WILL COSTS OF NEW INTERREGIONAL LINES BE ALLOCATED?

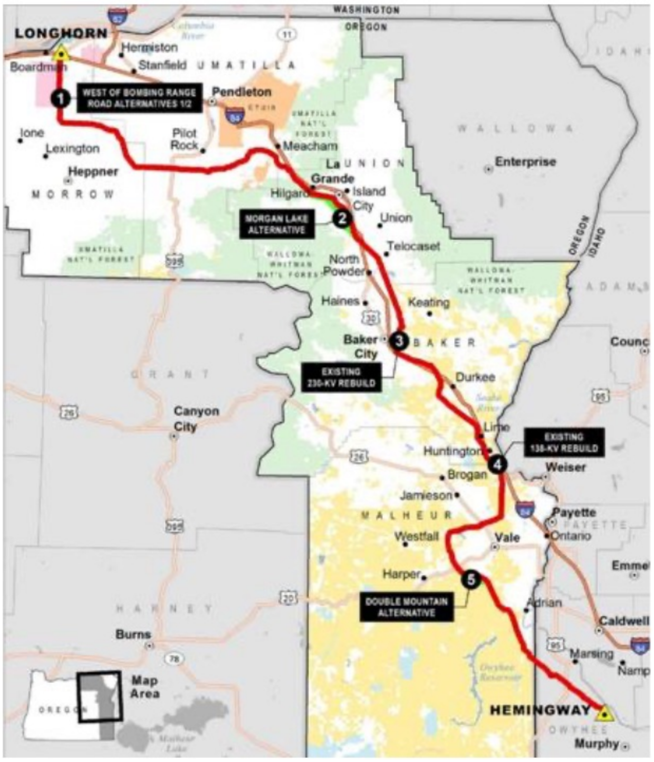
Customers — households and businesses — pay for transmission throughout most of the country. The EPRA would break down bureaucratic barriers to developing interregional transmission lines by ensuring that the costs of building them are measured and allocated appropriately based on which customers benefit from the electricity the lines deliver. Under EPRA, transmission developers will be required to submit a cost allocation tariff to FERC, who will review it to ensure that it is fair, reasonable, and in line with the reliability and affordability benefits laid out in the EPRA.

Under the current rules, new transmission projects are time-consuming and difficult to permit. For example, the Boardman to Hemingway would move up to 1,000 megawatts between the Pacific Northwest and Idaho — enough to power more than 700,000 homes.

Developers initially filed for federal siting and permitting approval in 2007 and did not receive their record of decision until 2017. Compliance filings were still required after that, and as of June 2024, developers still had not received their notice to proceed. Additionally, the project was required to go through repetitive and continuous state and local siting processes. The project is 18 years into the permitting process and has still not been able to move forward into construction.

The EPRA would coordinate federal siting and permitting processes at FERC, including backstop siting and permitting for lines in the national interest. FERC also has experience and resources dedicated to siting linear infrastructure, including an Office of Public Participation to work with landowners and communities.

Implementing the EPRA could significantly streamline these processes, ensuring critical projects will proceed more efficiently and deliver benefits to all customers sooner.



Proposed Boardman to Hemingway pathway