

November 21, 2025

U.S. Department of Energy

Via email: SpeedtoPowerRFI@hq.doe.gov

**RE: RFI Response – Accelerating Speed to Power** 

## <u>Information requested by RFI</u>

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Company/institution's primary area of expertise or focus relevant to RFI: High-capacity regional and interregional electric transmission planning and siting.

Grid Action appreciates this opportunity to provide input on the U.S. Department of Energy ("DOE") Request for Information ("RFI"), issued in the notice: Accelerating Speed to Power/Winning the Artificial Intelligence Race: Federal Action To Rapidly Expand Grid Capacity and Enable Electricity Demand Growth, 90 Fed. Reg. 45032 (Sept. 18, 2025). Grid Action is a not-for-profit public interest advocacy organization that brings together a diverse coalition of stakeholders focused on the need to expand, integrate, and modernize the high-capacity grid in the United States. Grid Action is submitting this RFI response to assist DOE's efforts to strengthen the federal role in accelerating critical generation and transmission projects and to ensure the electric grid can accommodate anticipated growth in electric generation and demand, consistent with Secretary Wright's first Secretarial Order that called for "[f]ortifying America's electric grid [as] critical to the reliable and secure delivery of electricity."

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<sup>&</sup>lt;sup>1</sup> Grid Action is supported by a diverse coalition of stakeholders focused on the need to expand, integrate, and modernize the high-capacity grid in the United States, and includes utilities and independent developers that develop, own, and operate transmission; trade groups of equipment manufacturers; energy customers; and energy policy experts. Grid Action seeks to educate the public, opinion leaders, and public officials about the needs of the transmission grid. These comments do not necessarily reflect the views of individual members.

<sup>&</sup>lt;sup>2</sup> Secretarial Order, "Secretary Wright Acts to 'Unleash Golden Era of American Energy Dominance" (Feb 5, 2025).

The RFI casts a wide net and seeks input on a variety of existing grid constrains and feasible solutions to meet the goal of accelerating speed to power. To efficiently respond to the DOE's requests, Grid Action's comments are organized with a focus on RFI numbers 2, 3, 5, and 6. Specifically, Grid Action responds as follows:

- RFI No. 2: DOE and the Administration should focus on facilitating transmission development that bridges seams between interconnections and between regions.
- RFI No. 3: DOE should support and expand the Transmission Facilitation Program ("TFP") for interregional transmission to address capital availability constraints.
- RFI No. 5: To facilitate critically needed interregional transmission expansion, (1) Congress should establish a siting and permitting framework for certain high-capacity interstate transmission similar to the Natural Gas Act model for interstate natural gas pipelines, (2) DOE should strengthen its Coordinated Interagency Transmission Authorizations and Permits ("CITAP") Program to maximize siting and permitting efficiencies for transmission development, and (3) the Administration should reduce environmental review bottlenecks that delay development.
- RFI No. 6: DOE, Congress, and the Administration should (1) enact tax credits for high-capacity transmission; (2) address supply chain constraints; (3) implement federal wildfire liability caps; and (4) ensure adequate agency workforce capacity to support transmission siting and permitting.

Grid Action submits this response to highlight the need for, and benefits of, high-capacity interstate regional and interregional transmission (hereinafter "high-capacity transmission") to facilitate the development of data centers, advanced manufacturing facilities, semiconductor fabrication plants, and other energy-intensive industries. Increased high-capacity transmission is essential for ensuring the reliability of the grid as new, high demand, power uses are added to existing demand, while also ensuring the most efficient use of existing and proposed generation resources.

High-capacity transmission is essential to accelerating speed to power, and is key to an affordable electric grid for all customers. Achieving U.S. energy dominance and leadership in AI requires significant expansion of the grid to match the scale of generation growth underway. While past transmission buildout has been slow and costly—sometimes taking decades to complete projects—this outcome is neither inevitable nor acceptable. Meeting the defining challenges of our modern economy requires fundamentally rethinking how we build infrastructure at scale. The question is not whether we have the technical capacity or financial resources to build transmission quickly—we do. The question is whether we have the will to reform the policies and processes that stand in the way.

<sup>&</sup>lt;sup>3</sup> Zachary Zimmerman, Michael Goggin, Rob Gramlich, and Gretchen Kershaw, Grid Strategies LLC, <u>Large-Scale</u> Transmission Deployment Saves Consumers Money (June 2025).

The transmission development constraints that have historically slowed progress can be meaningfully addressed through targeted DOE and Administration action to shorten timelines, reduce costs, and remove barriers. The Administration has already demonstrated this approach with Executive Order 14302: Reinvigorating America's Nuclear Industrial Base, which streamlined the nuclear energy project approval process, making it faster and more transparent for developers. Similar focused action on transmission development could yield comparable results. By ushering in an era of timely, cost-efficient transmission buildout to make the most of every electron, the Administration will directly address the energy affordability concerns that increasingly worry politicians and Americans alike—concerns that will only intensify as data centers, advanced manufacturing, and other large loads are added to the grid. Well-planned, adequately funded, and cost-effective interregional transmission infrastructure will reduce both the costs of grid instability and overall electricity costs, delivering tangible savings that are reflected in energy bills across the Nation. The path forward is clear: transmission capacity must be built with the urgency and ambition this moment demands.

Development of interregional high-capacity transmission will accelerate the build out of AI data centers and other energy intensive manufacturing processes. In addition to increased interregional transmission, the DOE and the Administration more broadly can address certain policy-level constraints that currently hinder the development of an expanded power generation and transmission grid. These constraints include siting and permitting limitations, as well as areas where the Administration could actively facilitate greater development, such as implementing tax credits, addressing supply chain disruptions, limiting wildfire liability, and ensuring adequate agency staffing.

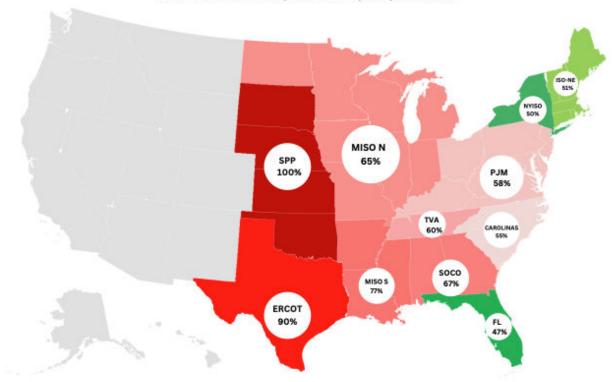
# I. Response to RFI No. 2: High-Priority Geographic Areas for Targeted DOE Investment

Instead of specific locations for targeted DOE investment, generally, seams between regions and interconnections present a high-value opportunity for connectivity through high-capacity transmission. Bridging such seams during extreme weather conditions is critical to keep the lights on and mitigate price spikes. For example, the following map shows the dramatic differences between extra capacity available during Winter Storm Uri. The regions shown in red did not have sufficient power, but with additional transmission lines, they could have imported electricity from neighboring areas—reducing outages and ultimately saving money and lives. Notably, in Texas, El Paso had fewer than 1000 customers impacted, with rolling outages lasting no more than five

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<sup>&</sup>lt;sup>4</sup> Michael Goggin, Zachary Zimmerman & Abby Sherman, Grid Strategies, *Quantifying A Minimum Interregional Transfer Capability Requirement* (May 2023).

minutes at a time,<sup>5</sup> due in part to the ability to access generation from its "sizable safety net"—that is, generation in other states in the Western Interconnection that were not impacted by the storm.<sup>6</sup>



#### 2021 WINTER STORM URI, FEBRUARY 15, 2018, AT 10 AM ET

A similar lesson emerged this year in the Southeast. On May 25, 2025, the Midcontinent Independent System Operator ("MISO") ordered a load shed in Southeast Louisiana, causing outages for nearly 100,000 Louisianans. The event stemmed from a combination of extreme heat driving up demand, several power plants being offline (including one unexpected outage), ongoing maintenance, the loss of a major transmission line, and already existing limited transfer capability—conditions that quickly stressed the system with few pathways for support.

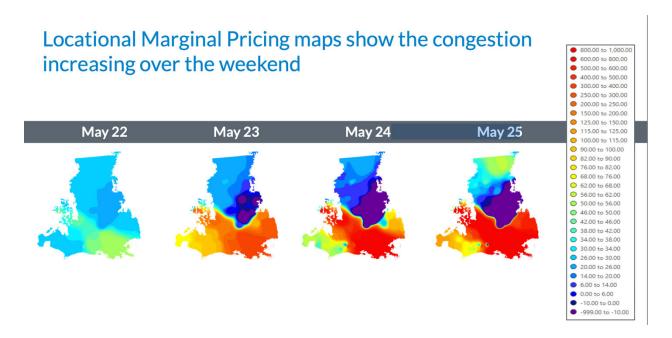
At a hearing on the May 25 event, Louisiana Public Service Commissioner Davante Lewis noted that this situation could have been prevented with the more transmission, not only within MISO, but also with Louisiana's neighbors. "We need greater interregional transmission, and we needed it probably two years ago," Commissioner Lewis said. "I quite frankly want to see more movement, more engagement, more expedited action to get our region better interconnected to our neighbors." He pointed out that Mississippi experienced a "negative price index" at the same time Louisianans

<sup>&</sup>lt;sup>5</sup> Willard, Kennan, CBS 4 Local News, <u>Lessons from El Paso's 2011 Winter Storm Keep Electricity Coming as State Faces Blackouts</u> (Feb. 16, 2021).

<sup>&</sup>lt;sup>6</sup> Juarez, Sierra, Texas Monthly, *El Paso Heeded the Warnings and Avoided a Winter Catastrophe* (Feb. 19, 2021).

<sup>&</sup>lt;sup>7</sup>Commissioner Devante Lewis, Louisiana Public Service Commission Meeting (Jun. 18, 2025).

were losing power, despite their close proximity, as shown in the map below.<sup>8</sup> As he put it, "we need a better developed grid," adding that "we really need to move on long-term and interregional transmission planning to ensure that blackouts do not happen again, especially as we are dealing with changes in the infrastructure [and] changing in the weather."



These events demonstrate the need to address insufficient transmission in geographic areas where seams exist between interconnections and between regions. Grid Action encourages DOE and the Administration to support efforts that facilitate transmission development in these areas.

### II. Response to RFI No. 3: Use of DOE Funding, Financing, and Technical Assistance

DOE's funding, financing, and technical assistance are indispensable to accelerating interregional transmission development. Grid Action urges DOE to continue and expand the TFP as a central pillar of this effort. The TFP's revolving fund structure uniquely positions DOE to address the persistent "gap in capital availability" that has constrained large-scale transmission. By providing capacity contracts and loans, the TFP is an important tool in overcoming financial hurdles to transmission development.

We encourage DOE to utilize the TFP to support interregional transmission lines that deliver measurable regional and national benefits, including congestion relief and enhanced resilience to extreme weather. Prioritizing projects that strengthen ties across regions and enhance transfer capability will amplify reliability gains and consumer savings.

<sup>&</sup>lt;sup>8</sup> MISO, May 25 Transmission Load Shed Event (June 18, 2025).

<sup>&</sup>lt;sup>9</sup> Devante Lewis, Louisiana Public Service Commission Meeting at 3:58-4:00 (Jun. 18, 2025).

To further accelerate development, DOE should streamline siting and permitting for TFP projects by prioritizing them for CITAP, with clear timelines, consolidated reviews, and early, state and agency engagement. Pairing TFP's financial tools with prioritized CITAP treatment will shorten development cycles, reduce cost of capital, and bring interregional capacity online more quickly.

#### III. Response to RFI No. 5: Grid Infrastructure Constraints — High-Capacity **Transmission is Essential to Industrial Development**

Expanding the nation's high- capacity transmission grid is essential to strengthening overall grid capacity and facilitating data center development, manufacturing, and other energy-intensive industries.

High-capacity transmission can provide significant benefits to the stability of the grid, enabling higher resource adequacy and access in the face of uncertainties like fuel or generation loss, transmission outages, and extreme weather events. 10 During extreme weather events or unexpected generator outages, neighboring regions can serve as a dynamic backup, avoiding the economic and environmental costs of constructing—and maintaining—"just-in-case" peaking units. Over the lifetime of a transmission project, these avoided costs can amount to tens or hundreds of millions of dollars, yielding significant savings for consumers and energy intensive industrial users alike. The resource adequacy and cost saving benefits of interregional transmission was recently demonstrated during Winter Storm Uri, when SPP averted rolling blackouts through imports, whereas other areas suffered devastating prolonged and costly outages. 11 In fact, 1 GW of additional interregional transmission capacity during Winter Storm Uri between Texas and the Southeast could have saved consumers in Texas nearly \$1 billion just during the storm, likely covering the cost of the transmission line. 12 The same transmission line, one year later during Winter Storm Elliott, would have provided nearly \$95 million in value, mostly to Tennessee Valley Authority customers.<sup>13</sup>

High-capacity transmission lines also deliver significant resource adequacy value by enabling balancing of areas with non-coincident peak demand and generation profiles to share surplus

<sup>&</sup>lt;sup>10</sup> Regional transmission expansion in certain Regional Transmission Organizations ("RTOs") is proceeding well and could be an example for others. For instance, MISO approved Long Range Transmission Planning ("LRTP") Tranche 1 in 2022, which focused on upgrading transmission infrastructure, and LRTP Tranche 2.1 in 2024, which was designed to expand the regional grid further. Similarly, Southwest Power Pool ("SPP") is moving ahead with record investments in regional transmission. Grid Action encourages DOE to use its coordinating and technical support capabilities to support these and similar RTO-driven efforts to expand regional grids.

<sup>&</sup>lt;sup>11</sup> SPP, Comprehensive Review of Southwest Power Pool's Response to the February 2021 Winter Storm, at 9 and 66-67 (July 2021).

<sup>&</sup>lt;sup>12</sup> Michael Goggin & Jesse Schneider, Grid Strategies LLC, The One-Year Anniversary of Winter Storm Uri: Lessons Learned and the Continued Need for Large-Scale Transmission (Feb. 2022).

13 Michael Goggin & Zachary Zimmerman, Grid Strategies LLC, The Value of Transmission During Winter Storm

Elliott (Feb. 2023).

capacity. When one region experiences its annual summer or winter peak, neighboring areas may be operating well below peak load, creating an opportunity to import power at precisely the moment it is most needed. This provides significant cost savings for Americans by enabling access to lower-cost power sources in other regions. Enhanced power flow between regions allows for more efficient use of generation resources, which shifts production to lower cost plants and results in billions of dollars in production cost savings. <sup>14</sup> Looking only at the interregional transfer capacity expansion recommended by North American Electric Reliability Corporation ("NERC") in its Interregional Transfer Capability Study, completed in response to the Fiscal Responsibility Act of 2023, each \$1 invested would yield benefits of \$4.30 to \$5.80, with a payback period of less than three years—delivering annual benefits to ratepayers ranging from \$7.8 billion to \$10.6 billion. <sup>15</sup> Additional analysis finds that investment in well-planned, high-capacity transmission could save residential consumers \$6.3-10.4 billion per year across the United States *after* accounting for the cost of the transmission. <sup>16</sup> And transmission planners often underestimate benefits in initial planning studies, with after-the-fact assessments often showing 20-40% higher cost savings than initially projected (meaning savings closer to \$8.7-14.4 billion per year). <sup>17</sup>

In addition, grid constraints can be addressed by expanding regional and interregional transmission. It is projected that the Midwest region will need to more than double its regional transmission to meet load growth by 2035. NERC has identified that parts of the regions served by MISO have a significant deficiency in transfer capabilities with other parts of MISO and with MISO's regional neighbors, resulting in generation shortfalls for as many as 58 hours. He DOE found similarly high need for interregional transmission capacity in the SPP, Southeastern Regional Transmission Planning ("SERTP"), and the PJM Interconnection. Connecting multiple planning regions to facilitate the transfer of electricity across different areas can supplement regional transmission as an effective way to address these regional transmission needs.

Recent studies by the DOE concluded that all future planning scenarios would require substantial transmission expansion to meet future demand growth.<sup>21</sup> This future demand growth is projected to occur in the context of a grid that is vulnerable to extreme weather, in part, due to deficiencies in interregional transmission.<sup>22</sup> Further, energy demand is only predicted to increase as a result of

<sup>&</sup>lt;sup>14</sup> GE International, Inc., Potential Customer Benefits of Interregional Transmission (Nov. 2021).

<sup>&</sup>lt;sup>15</sup> Michael Goggin & Zach Zimmerman, Grid Strategies LLC, <u>NERC's Recommended Grid Expansion Would Save Consumers Billions</u> (Feb. 2025).

<sup>&</sup>lt;sup>16</sup> Zachary Zimmerman, Michael Goggin, Rob Gramlich, and Gretchen Kershaw, Grid Strategies LLC, <u>Large-Scale Transmission Deployment Saves Consumers Money</u> (June 2025).

<sup>&</sup>lt;sup>18</sup> DOE, National Transmission Needs Study, at 128 (Oct. 2023) (hereinafter "Needs Study").

<sup>&</sup>lt;sup>19</sup> NERC, Interregional Transfer Capability Study 2024, at 36-45, 100 (filed Nov. 19, 2024).

<sup>&</sup>lt;sup>20</sup> See DOE Comments on Interregional Transfer Capability Study, FERC Docket No. AD25-4-000 at 16 (filed Jan. 17, 2025) (identifying needed interregional transfer capacity additions).

<sup>&</sup>lt;sup>21</sup> *Needs Study*, Executive Summary at 9-25.

<sup>&</sup>lt;sup>22</sup> NERC, Interregional Transmission Capability Study, Executive Summary at xiii.

AI and data center development as well as increased electrification.<sup>23</sup> DOE's Accelerating Speed to Power data demand capacity map demonstrates the significant energy needs required to support planned data center development.<sup>24</sup>

To advance this transmission buildout, regulators and system planners should develop consistent valuation methodologies and planning structures that incentivize investment in interregional transmission. The *Resource Adequacy Value of Interregional Transmission* provides a detailed roadmap of recommendations for how regulators and system planners can do so.<sup>25</sup> Additionally, NERC recently highlighted several ways in which transmission—especially interregional transmission—can support resource adequacy, including the need for better regional coordination on deliverability, the value of interconnection-wide ELCC studies, the recognition of transmission as a resource contributing to adequacy, and the commitment to develop a consistent national approach for defining ELCC for interregional transmission.<sup>26</sup>

In addition to immediate planning needed to develop new transmission to accommodate long-term rising demand, DOE should concurrently prioritize near-term deployment of grid-enhancing technologies ("GETs") and advanced conductors (high-performance, low-sag composite core conductors that replace traditional steel-core lines). These tools can be deployed in a matter of months, boost transfer capacity on existing lines, and are important complements to the buildout of new, interregional transmission.

To show the value of both reconductoring and new transmission, the table below shows economic modeling that compares historical transmission construction rates with a "constrained" case – only providing for reconductoring with high-performance conductors, and a greenfield build limited based on historical rates, just a few hundred miles per year – and an "unconstrained" case – which provided for greenfield construction anywhere it was economic. The model found that reconductoring with high-performance conductors, even with limited greenfield build, resulted in nearly \$200 billion in benefits. The unconstrained case allows for greenfield transmission buildout anywhere where it is economically competitive. Combining reconductoring along with greenfield transmission build, limited by economics, leads to more than \$400 billion in benefits, suggesting that increasing greenfield transmission build and reconductoring with high performance conductors provides the most savings.

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<sup>&</sup>lt;sup>23</sup> Lalit Batra, Deb Harris, George Katsigiannakis, Justin Mackovyak, Himali Parmar, and Maria Scheller, ICF, <u>Rising Current: America's Growing Electricity Demand</u>, at 3 (2025).

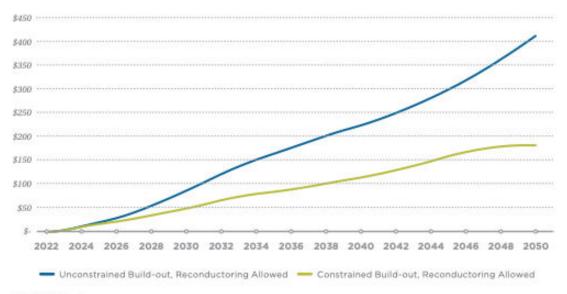
<sup>&</sup>lt;sup>24</sup> See DOE, Accelerating Speed to Power, Data View-Data Center Demand Capacity by County.

<sup>&</sup>lt;sup>25</sup> Adria Brooks, Alison Silverstein, Rob Gramlich, Grid Strategies, <u>Resource Adequacy Value of Interregional Transmission</u> (June 2025), attached to this submission.

<sup>&</sup>lt;sup>26</sup> NERC Evaluating Resource Contributions for Reliability and Capacity Supply, Proceedings of the June 5-6, 2025, Workshop (issued Sept. 2025).

<sup>&</sup>lt;sup>27</sup> Emilia Chojkiewicz, Umed Paliwal, Nikit Abhyankar, Casey Baker, Ric O'Connell, Duncan Callaway, Amol Phadke, 2035 and Beyond, The Report: Reconductoring, at p. 7 (April 2024).

#### ELECTRIC ENERGY SYSTEM COST SAVINGS COMPARED TO BUSINESS-AS-USUAL INCLUDING FEDERAL AND STATE INCENTIVES



#### FIGURE ES-4.

Comparison of Cumulative Electric Energy System (Transmission and Generation)
Cost Savings from Reconductoring with Advanced Conductors and New Greenfield
Transmission Versus Business-as-usual. Reconductoring with advanced conductors
offers approximately half of the available savings from 2022–2050. Pursuing both
strategies in tandem resulted in the greatest savings.

Reconductoring and high-capacity transmission together are needed to meet the administration's goals in supporting new energy-intensive industries. Unless interregional transmission capacity is expanded, large-scale development of new manufacturing, industrial, and AI/data center facilities will be significantly limited.

# IV. Response to RFI No. 5: Grid Infrastructure Constraints — Siting and Permitting Constraints

Three siting and permitting constraints should be addressed to enable the Nation's AI buildout. First, Congress should establish a siting and permitting framework for high-capacity interstate transmission similar to the Natural Gas Act model for interstate natural gas pipelines, with centralized siting and certification in a single federal process, defined timelines, coordinated federal authorizations, preemption of conflicting state siting barriers, and a clear appellate path—while maintaining a meaningful role for states and affected communities. Alternatively, the DOE could strengthen its CITAP Program to maximize siting and permitting efficiencies for transmission development. Finally, environmental review bottlenecks should be reduced,

including delays associated with the Endangered Species Act ("ESA"), National Historic Preservation Act ("NHPA"), and National Environmental Policy Act ("NEPA").

a) FERC Authority to Approve Siting and Permitting of Certain Interregional Transmission

The single most consequential reform this Administration could pursue to facilitate interregional transmission would be to authorize the Federal Energy Regulatory Commission ("FERC") to site and permit certain high-capacity, interstate electric transmission facilities. Unlike sectors such as interstate natural gas pipelines where FERC exercises primary siting authority, high-capacity transmission lines are principally sited and permitted by states and localities. Multistate lines must navigate a patchwork of state standards, timelines, and evidentiary showings that often conflict with regional or national system needs. While federal NEPA reforms can streamline the federal components of the review, they cannot address conflicting state and local processes that ultimately determine whether and when projects advance. The result is systemic misalignment: regionally beneficial projects face serial, sometimes duplicative proceedings and inconsistent determinations across multiple jurisdictions.

The process for permitting interstate natural gas pipelines provides a template for a consolidated federal permitting regime. For natural gas pipelines, FERC analyzes whether there is a need for the pipeline, as well as the environmental review, and issues the certificate of public convenience and necessity. FERC's certificates preempt conflicting state siting barriers. A standardized prefiling process fosters early issue identification, and states retain meaningful roles through delegated authorities and water quality certifications but are not able to veto projects through fragmented siting regimes. For additional information, please see *Clearing the Path for Power, Lessons from the Natural Gas Act for Federal Transmission Siting*.<sup>28</sup>

In contrast, transmission developers must secure approvals across multiple states – sometimes even at the county level – with divergent statutory tests, evidentiary standards, and sequencing, even while project benefits accrue across state lines. Federal environmental reviews may proceed consecutively with redundant state reviews, adding more timelines to an already complex process. While some transmission lines can be segmented to reside within a single state may be able to avoid some of these issues, for projects where segmentation is not feasible, these issues present a real constraint. Furthermore, related litigation can proceed along timelines set by either state or federal law, which compounds development uncertainty and introduces additional delay and cost. For example, in *Transource Pennsylvania LLC v. Pennsylvania Public Utility Commission*, the Third Circuit affirmed a district court ruling that the Supremacy Clause of the U.S. Constitution preempts the Pennsylvania Public Utility Commission's denial of siting applications for a regional

<sup>&</sup>lt;sup>28</sup> Elisabeth Blaug & Nils Nichols, <u>Clearing the Path for Power, Lessons from the Natural Gas Act for Federal Transmission Siting</u> (Nov. 2025).

transmission project previously approved by PJM, a regional transmission organization regulated by FERC.<sup>29</sup> However, even where a federal finding of need preempts a state's contrary determination, "the PUC is [not] required to rubber-stamp either a siting application or an eminent-domain application related to a project that PJM has approved."<sup>30</sup>

Adapting core features of the Natural Gas Act to the siting and permitting of high-capacity interstate transmission lines would realign the siting and permitting process with the interstate nature of the grid, reduce risk, and improve deliverability of projects essential to winning the AI race. States would also continue to play substantive roles in the process, similar to the state role in the siting of interstate natural gas pipelines.

Notably, federal law currently offers a "backstop" that enables FERC to issue a federal construction permit for a transmission line if the state withholds approval for more than a year or denies a project and the transmission line is located within a DOE-designated National Interest Electric Transmission Corridor ("NIETC").<sup>31</sup> This authority has never been used and currently, no NIETCs are designated. NIETC designations are time-intensive, geographically bound, and vulnerable to challenge. Furthermore, the triggering conditions for federal intervention are narrow. As a result, these mechanisms have been ineffective in facilitating electric transmission development. This process could, potentially, provide some incremental benefits to transmission development if Congress were to remove the NIETC designation requirement for backstop authority.

With that said, the single permitting change that would provide the most benefit to interregional transmission and AI and data center development would be to provide FERC clear authority to site and permit certain high-capacity electric transmission lines.

#### b) Strengthen the CITAP Program

Alternatively, within the existing siting and permitting statutory framework, DOE should support interregional transmission development by continuing to strengthen and improve the CITAP Program. Under CITAP, DOE serves as lead agency to coordinate federal authorizations and environmental analyses for qualifying projects. CITAP aligns federal schedules, reduces duplication among federal agencies, and improves transparency. DOE's CITAP authority is not new—it stems from the 2005 Energy Policy Act. However, DOE had not implemented this authority until recently.

<sup>&</sup>lt;sup>29</sup> Transource Pennsylvania, LLC v. DeFrank, 156 F.4th 351 (3d Cir. 2025).

 $<sup>^{30}</sup>$  *Id* 

<sup>&</sup>lt;sup>31</sup> 16 U.S.C. 824p(b).

Grid Action supports this Administration's focus on funding, staffing, and supporting DOE's CITAP Program. In addition, Grid Action recommends DOE consider the following to enhance the effectiveness of this critical program:

- Complete the Integrated Interagency Pre-Application ("IIP") process within one year;
- Allow applicant prepared NEPA Environmental Impact Statements in the CITAP process;
- Support greater state participation when doing so eliminates unnecessary duplication of environmental analysis (for example, in Nevada, when a state environmental review relating to the construction of a utility facility has already been conducted by a federal agency, the state permitting agencies accept and incorporate the findings in that review and do not conduct duplicative environmental review);<sup>32</sup>
- Ensure that the program continues to engage federal and non-federal entities, but provides reasonable bounds so that such input enhances but does not delay the CITAP process;<sup>33</sup> and
- Meet the 2-year application process in the CITAP Standard Schedule Template—the 2-year process must be inclusive of all federal authorizations (including post-Record of Decision actions like Notices to Proceed per the statutory language).<sup>34</sup>

#### c) Address ESA, NHPA, and NEPA Bottlenecks

Requirements under NEPA, ESA, and NHPA can significantly delay project timelines. These delays could be addressed by targeted improvements, including:

- **Sufficient staffing.** Permitting takes expertise and significant staff time at permitting agencies. Many permits are slow to issue just because of limited staff processing capability.
- **Predictable timelines.** Require that the federal permitting process take no longer than five years from initiation of pre-application to issuance of all necessary Notices to Proceed and prohibit federal agencies from delaying deadlines without applicant agreement.
- **Focused Review.** Ensure the review is limited to the federal action and does not unnecessarily encompass associated actions.
- **Dispute resolution**. Create escalation pathways for missed deadlines and disputes.
- **Programmatic reviews and tiering**. Encourage wider use of effective NEPA programmatic reviews and tiering.
- Ensure consultation is warranted. Affirm the consulting agency has jurisdictional authority over the federal action.

<sup>&</sup>lt;sup>32</sup> NRS 704.877.

<sup>&</sup>lt;sup>33</sup> Grid Action notes the importance of strategic community engagement. *The Pace of Trust: A Framework by Community Voices for Advancing Transmission* (Jan. 15, 2025), attached to this submission, details best practices for community engagement when developing transmission lines.

<sup>&</sup>lt;sup>34</sup> See 16 U.S.C. § 824p(h)(4)(B) (requiring that "all permit decisions and related environmental reviews under all applicable Federal laws shall be completed" or "if a requirement of another provision of Federal law does not permit compliance with clause (i), as soon thereafter as is practicable."). The statutory deadline language does not end at issuance of the Record of Decision, and includes post-ROD authorizations, such as Notices to Proceed.

- Earlier, concurrent consultations. Initiate ESA Section 7 and NHPA Section 106 consultations earlier in the process.
- Expanded NEPA categorical exclusions. Expand and adopt additional categorical exclusions for transmission development and upgrades, especially on previously disturbed lands and existing rights-of-way.
- Reduce legal uncertainty. Reduce the statute of limitations for filing suit against an agency NEPA action and direct courts to set a time limit for an agency to act on a remand.

Additionally, the Bureau of Land Management should issue all Notices to Proceed in *no longer than 90 days* after granting a right-of-way unless otherwise required by federal law or requested by the applicant. "Notice to Proceed" gating—where final construction authorization is held until all ancillary approvals are complete—can create long periods of immobilization between a Record of Decision and project construction.<sup>35</sup>

# V. Response to RFI No. 6: Additional Comments — How DOE and the Administration can facilitate interregional transmission

The DOE, and the Administration more broadly, can facilitate the expansion of interregional transmission by addressing policy positions that currently impede the large-scale development of the grid. Four areas where the DOE, the Administration, and Congress should act to facilitate grid development are: (a) enacting transmission tax credits, (b) addressing supply chain constraints, (c) implementing wildfire liability caps, and (d) ensuring adequate workforce availability.

### a) Enacting Transmission Tax Credits

Financial incentives, tailored to this administration's goals but with sufficient clarity and certainty for developers, would spur new transmission that could assist in alleviating some of the constraints on energy-intensive industries. Specifically, a transmission investment tax credit ("ITC") would significantly speed development of nationwide transmission capacity and facilitate the growth of data centers and industrial capacity. Grid Action supports efforts similar to Senate Bill 1793, introduced in the 118<sup>th</sup> Congress, which was estimated to cost approximately \$10 billion in tax credits, but yield \$400 billion in savings, after accounting for access to low-cost power and sharing reliability resources over broader geographic regions, which is especially valuable at times of grid system stress.<sup>36</sup> Additionally, such a credit could be designed to encourage development by a wide range of business models, including public power entities and independent developers, as well as public utilities. To be effective, any such legislation must be sufficiently specific to provide developers with certainty regarding ITC eligibility.

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<sup>&</sup>lt;sup>35</sup> See attached comments from Grid Action responding to the Department of Interior's Request for Information Docket No. DOI-2025-0005 for more details on issues pertaining to "Notice to Proceed" gating.

<sup>&</sup>lt;sup>36</sup> DOE, Transmission Impact Assessment at 10, 13 (Oct. 2024).

### b) Addressing Supply Chain Constraints

The DOE and the Administration can also work proactively to address supply chain constraints that hinder the development of expanded transmission capacity. Specifically, the U.S. large power transformer supply chain is constrained due to limited domestic manufacturing, extended lead times, raw material shortages, workforce constraints, and transportation challenges. The DOE estimates that by 2027 the United States will need up to 900 new large power transformers annually.<sup>37</sup> Studies indicate that current supply-side deficits for power transformers will only increase in the future.<sup>38</sup> Administration policy objectives should seek to balance trade protection with supply security and ensure that trade incentives are aligned toward domestic energy resilience. For instance, the availability of copper for use in transformer manufacturing is a significant limiting factor in developing a domestic transformer industry.<sup>39</sup> The Administration should consider how near-term trade limitations on certain critical materials may hinder the long-term development of a domestic transformer production industry.

## c) Implementing Federal Wildfire Liability Caps

Wildfire liability caps are another area where strategic policy incentives could lead to faster and more robust deployment of transmission. Currently, depending on state legal standards, utilities that own and operate high-capacity transmission lines can be subject to unlimited wildfire liability, even if the utility operated its system prudently. For example, California has a strict liability standard, and the risk exposure to utilities and transmission line operators there is unlimited.

Similarly, class action suits alleging wildfire damages threaten to exponentially expand liability risk for utilities, regardless of whether reasonable efforts were taken to prevent fires. For instance, an Oregon court recently certified a class action suit against a utility for wildfire damages under negligence and nuisance theories, leading to a jury verdict finding the utility was liable for hundreds of millions of dollars in economic and non-economic damages.<sup>40</sup> This verdict was entered despite subsequent findings by the State of Oregon that the utility's equipment was not ultimately responsible for the damages caused by the fire.<sup>41</sup>

While utilities and transmission operators that fail to mitigate wildfire risk should be accountable for those failures, operating high-capacity transmission lines carries inherent risk. This risk exposure limits the ability of transmission developer/operators to secure capital investment in new

<sup>&</sup>lt;sup>37</sup> DOE, *Large Power Transformer Resilience* at 13 (July 2024).

<sup>&</sup>lt;sup>38</sup> Wood Mackenzie, Untangling the U.S. Transformer Supply Chain Crisis (July 2025).

<sup>&</sup>lt;sup>39</sup> See Docket No. BIS-2025-0010, Public Comment # 67, Transformer Manufacture Association of America, at 1.

<sup>&</sup>lt;sup>40</sup> See James v. Pacificorp, No. 20CV33885, 2024 WL 3022943 (Or. Cir. May 10, 2024).

<sup>&</sup>lt;sup>41</sup> Pacificorp, Press Release: <u>PacifiCorp responds to Oregon Department of Forestry report on Santiam Canyon Fire</u> (Mar. 19, 2025).

transmission resources and increases the costs to end users for those transmission projects that do secure financing. For instance, the Oregon utility referenced above paused proposals for new energy projects in part due to liability concerns<sup>42</sup> and has seen recent credit downgrades.

The Administration should work with Congress to address uncertainty in the insurance market for utilities and operators with significant transmission assets. Establishing certainty around wildfire liability for transmission operators would remove a major barrier to deployment of transmission.

## d) Ensuring Adequate Workforce Availability

Grid Action appreciates the DOE and this Administration's commitment to increasing the resource adequacy of the Nation's electric grid. Planning, siting, developing, and permitting utility-scale infrastructure projects, such as those necessary to meet the data center build-out envisioned in the Speed to Power RFI, will require considerable human resources in the form of expertise in developing and siting these essential generating and transmission assets. Grid Action encourages the DOE and this Administration to consider additional staffing at the federal level to help facilitate the goal of developing large-scale generation, transmission, and grid infrastructure projects that can support manufacturing, industrial, and AI/data center electricity demand growth.

#### VI. Conclusion

Grid Action strongly supports the DOE's Speed to Power initiative. Expanding regional and interregional transmission is essential to enabling the responsible, resilient growth of data centers nationwide. In that spirit, our affiliate organization submitted comments in support of the Federal Energy Regulatory Commission's docket on Interconnecting Large Loads to the Interstate Transmission System this day, as well, emphasizing the need for robustly and proactively planned regional and interregional transmission to provide headroom on the system to more easily and economically integrate new customers such as AI data centers. We look forward to continued collaboration with the DOE and Administration to advance our shared priority of developing critical and needed electric transmission infrastructure.

Thank you for your consideration,

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<sup>&</sup>lt;sup>42</sup> See Greg Mason, "PacifiCorp Suspends 2022 RFP, Citing Uncertain Federal Regulations," (Oct. 2023).