Congress of the United States Washington, DC 20515

August 18, 2022

The Honorable Richard Glick, Chairman The Honorable James Danly, Commissioner The Honorable Allison Clements, Commissioner The Honorable Mark Christie, Commissioner The Honorable Willie Phillips, Commissioner Federal Energy Regulatory Commission 888 First Street NE Washington, D.C. 20426

RE: Transmission Planning to Lower Costs and Improve Grid Reliability, Docket No. RM21-17-000

Dear Chairman Glick and Commissioners Danly, Clements, Christie, and Phillips:

It is increasingly clear that effective transmission planning and cost allocation are key strategies to reduce costs and improve grid reliability for American families and businesses. Just last month, the Midcontinent Independent System Operator (MISO) approved a \$10.3 billion transmission plan that will save consumers nearly \$20 billion and enable roughly 53 GW of solar, wind, and energy storage projects.¹ We need to see milestones like this across the nation to address the rapidly unfolding climate crisis, which is inflicting pain on American communities with heat waves in the Pacific Northwest and more intense floods in Appalachia, among other impacts. We thank you for your efforts to develop the proposed rule on transmission planning and cost allocation, but we must urge you to strengthen the proposed rule to reduce costs for American families and businesses, increase the reliability and resilience of the electric grid, and ensure American energy independence and security.

The proposed rule would require that transmission providers conduct regional transmission planning on a long-term, forward-looking basis to identify and meet transmission needs caused by changes in electricity demand and the resource mix. As part of this process, the proposed rule would require transmission providers to review diverse long-term scenarios incorporating Federal, state, and local laws that affect future demand and the future resource mix; technology and fuel cost trends; resource retirements; generator interconnection requests; and extreme weather events. We strongly support the focus in the proposed rule on proactive planning for transmission, especially the 20-year planning horizon, because we agree that effective planning considers a broad range of factors and looks far into the future.

¹ Ethan Howland, <u>MISO board approves \$10.3B transmission plan to support 53 GW of renewables</u> (Utility Dive, Jul. 26, 2022).

Moreover, the proposed rule would also enable transmission providers to consider a broad list of potential benefits to help select, prioritize, and allocate costs for transmission projects. Transmission providers must identify transparent and not unduly discriminatory or preferential criteria intended to maximize benefits to consumers over time. Beyond this general guidance, however, we urge you to require transmission providers to ensure that transmission plans incorporate a minimum set of benefits. Unless all benefits and all costs are incorporated into planning and cost allocation, the result will be biased in one direction or the other, resulting in unjust and unreasonable costs and cost allocation.

We support the encouragement in the proposed rule to maximize the use of advanced transmission technologies, including sensor and software solutions like dynamic line ratings and topology optimization software, as well as hardware solutions, like advanced power flow controllers and advanced conductors to increase the efficiency and resilience of the existing electric grid. Congress recently enacted the bipartisan CHIPS and Science Act to increase domestic production of semiconductors and invest in research, development, and demonstration of grid modernization technologies so that our nation can lead the transition to a clean energy economy and benefit from a state-of-the-art electric grid; FERC has an important complementary role to play in fulfilling this vision.

Moreover, Congress just enacted the Inflation Reduction Act of 2022, which invests nearly \$3 billion to upgrade and expand the U.S. electric grid, including \$2 billion in loans to finance transmission facilities, \$760 million in grants to provide technical assistance and economic development incentives to help site inter-state transmission lines, \$100 million for inter-regional and offshore wind electricity planning, modeling, and analysis; and \$375 million for environmental reviews at FERC, the Department of Energy, and the Department of the Interior. Clear direction from FERC is now more important than ever and we look forward to working with you to implement the legislation.

In summary, we believe the proposed rule, when strengthened as described above, represents an important step forward to lower costs and improve electric grid reliability for American families and businesses. But as more Americans continue to suffer the impacts of climate-fueled disasters, we must also urge you to move expeditiously on interconnection queue reform and inter-regional transmission planning. Your leadership on bold policies to address these issues will complement the legislation we enacted this summer and enable us to clean up the power grid faster and use it to power our homes, businesses, and vehicles with American clean energy. This is the moment we have been waiting for. Thank you for your attention to this matter.

Sincerely,

Kathy Castor

Kathy Castor Member of Congress

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Bobby L. Rush Member of Congress

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