ACORE
AMERICAN COUNCIL ON RENEWABLE ENERGY
Celebrating 20 Years

ACORE's Federal Transmission Priorities

Increased investment in transmission infrastructure is essential for greater access to, and delivery of, renewable resources. Through transmission expansion, we can unlock tens of gigawatts of wind and solar stuck in interconnection queues. Upgrading America's transmission system is a cost-effective way to alleviate transmission congestion and allow the integration of new renewable energy, which is expanding rapidly due to competitive prices, corporate procurement goals and state renewable energy standards.

According to the Department of Energy, "to meet our growing clean electricity demands, we'll **need to expand transmission systems by 60% by 2030 and may need to triple those systems by 2050**."

The following immediate and near-term priorities are essential to expand and upgrade the nation's transmission network to deliver job growth and economic development, a cleaner environment, and lower costs for consumers.

Items Requiring Congressional Action

- **Investment Tax Credit for regionally significant transmission**, as contemplated in the House-passed Build Back Better Act (BBBA) and the Senate's Clean Energy for America Act.

  Background:

  - Fact Sheet
  - ACORE report (May 2021): "Investment Tax Credit for Regionally Significant Transmission Lines: A Description and Analysis"

  Current legislative proposals:

  - House: Build Back Better Act
  - Senate: Clean Energy for America Act
  - Bicameral: Electric Power Infrastructure Improvement Act

- **FY 2023 Appropriations.**
  - Fully fund or increase the President's Budget Request for the following Department of Energy grants and programs to provide needed funding, technical assistance and research for an expanded and efficient transmission grid:
    - Transmission Facilitation Fund
    - Reliability and Resilience Grants
    - Transmission Planning Technical Assistance for the States
    - Transmission Planning and Analysis
    - Smart Grid Investment Grants
    - WAPA Transmission Infrastructure Program
  - Add an additional $3 billion in loan guarantee authority for the Title 17 Innovative Technology Loan Guarantee Program for transmission.
  - Fund a new high-voltage direct current (HVDC) moonshot initiative to support R&D aimed at reducing HVDC technology and long-distance transmission costs.

Legislation Directing FERC to Act

FERC can achieve outcomes on the following priorities using existing authority. However, Congressional direction could help spur timely action and provide additional guidance. FERC has

taken a positive step with the issuance of a Notice of Proposed Rulemaking (NOPR) on transmission planning in April, but much more needs to be done. ACORE supports legislation directing FERC to take action on the following topics:

- **Generator interconnection queues.** Address the significant delays and backlogs in the generator interconnection queues. Current participant funding should be replaced either with a guaranteed monetary reimbursement or with a cost allocation method that recognizes the multiple beneficiaries of the investment and reduces the uncertainties in the interconnection process. For example, interconnecting customers could be assessed a fee based on a percentage share of average historical or projected interconnection costs, or another metric.

  Background:

  - ACEG report (Jan. 2021): Disconnected: The Need for a New Generator Interconnection Policy
  - ACORE report (Sept. 2021): Just & Reasonable? Transmission Upgrades Charged to Interconnecting Generators are Delivering System-Wide Benefits
  - ACORE initial and reply comments on FERC's Advanced Notice of Proposed Rulemaking on "Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection." (Transmission ANOPR)

  Current legislative proposals:

  - Efficient Grid Interconnection Act of 2021; Connecting Hard-to-reach Areas with Renewably Generated Energy (CHARGE) Act

- **Comprehensively calculate transmission benefits.** Require transmission planners to comprehensively and simultaneously evaluate potential and existing transmission projects' full benefits, costs and capabilities, including their economic, reliability and public policy benefits, both extrinsic and intrinsic (such as climate and resiliency-related costs and benefits), through a transparent and proactive process. The transmission planning NOPR provides a more expansive list of benefits that could be included in these plans, but does not require inclusion of specific benefits or the use of a holistic portfolio approach to evaluating transmission benefits.

  Background:

  - ACORE report (Oct 2021): "Transmission Planning for the 21st Century: Proven Practices that Increase Value and Reduce Costs"
  - ACORE initial and reply comments on FERC's Transmission ANOPR.

  Current legislative proposals:

  - Connecting Hard-to-reach Areas with Renewably Generated Energy (CHARGE) Act

- **Increase interregional transmission capacity.** Establish better coordination and a common analytical framework for planning interregional transmission planning. Continue discussions of a minimum interregional transfer capability requirement or a methodology for the determination of that requirement.

  Background:

  - ACORE initial and reply comments on FERC's Transmission ANOPR.
  - ACORE report (Nov. 2021): "Potential Customer Benefits of Interregional Transmission"
  - ACORE report (July 2022): "Transmission Makes the Power System Resilient to Extreme Weather"

Current legislative proposals:

- Interregional Transmission Planning Improvement Act, Connecting Hard-to-reach Areas with Renewably Generated Energy (CHARGE) Act

- **Encourage adoption of Grid-Enhancing Technologies (GETs).** Adopt a shared-savings performance incentive for GETs. Require transmission planners to include GETs in the planning process. Require consideration of reconductoring and high-efficiency advanced conductors as part of the determination of grid upgrades needed for interconnection. Establish "independent transmission monitors" in each region to assess opportunities for greater efficiency and reliability from alternative operations methods or technologies.

  Background:

  - Comments of Clean Energy Parties on Electric Transmission Incentives Policy
  - ACORE report (March 2022): "Advanced Conductors on Existing Transmission Corridors to Accelerate Low Cost Decarbonization"

  Current legislative proposals:

  - Efficient Grid Interconnection Act of 2021