



Western Transmission Expansion Coalition Concept Paper for a West-Wide Transmission Plan, September 2023 Comments submitted October 31, 2023

Americans for a Clean Energy Grid applauds the Western Transmission Expansion Coalition effort towards establishing a West-wide transmission plan. While many plans have been developed over the years, there are elements of this concept that provide potential to be successful – that is, to create the framework that leads to the planning, permitting, siting, constructing, and interconnecting a strengthened transmission grid throughout the West.

Background

The Transmission Needs Study, an assessment of publicly available data and more than 120 recent reports, identified significant gaps in the current grid and its ability to meet current and anticipated future load.¹ Specifically, it showed differences in wholesale market price between and within regions that indicate how constraints in the grid lead to higher electric costs for customers.² Much of the nation's grid is over 50 years old,³ and significant additional capacity will be needed to meet new loads due to new computing power for artificial intelligence, onshoring manufacturing, and other new businesses – even in states without clean energy requirements.⁴ These combined factors make it the ideal time for the Western Transmission Expansion Coalition to consider ways to address the transmission needs of the west.

The Federal Energy Regulatory Commission has been considering reforms to its transmission planning rule, since issuance of an Advanced Notice of Proposed Rulemaking in July 2021. It is not clear exactly what the contours of a final rule will be or when it will issue. If and when jurisdictional transmission owners are required to comply with a new transmission planning rule, they will be required to submit

¹ U.S. Department of Energy, *National Transmission Needs Study*, issued October 30, 2023.

² *Id.* at v.

³ American Society of Civil Engineers, Policy Statement 484 - Electricity Generation and Transmission Infrastructure (July 13, 2019) available at <https://www.asce.org/advocacy/policy-statements/ps484---electricity-generation-and-transmission-infrastructure>; The Brattle Group and Grid Strategies, *Transmission Planning for the 21st Century: Proven Practices that Increase Value and Reduce Costs* at ii, 94 (2021) available at https://www.brattle.com/wp-content/uploads/2021/10/2021-10-12-BrattleGridStrategies-Transmission-Planning-Report_v2.pdf.

⁴ *See, e.g.*, “Georgia Power updates IRP, seeking additional generation resources: The utility said its current load growth projections through 2030-2031 are 17 times higher than what it forecasted in its 2022 Integrated Resource Plan,” published October 27, 2023 (<https://www.power-eng.com/news/georgia-power-updates-irp-to-request-der-storage-demand-response-programs/>).

tariff filings that are in compliance with or superior to the new requirements. Non-jurisdictional entities have the option of filing a safe harbor tariff, largely complying with the new requirements, or none at all.

Therein lies the value of the Western Transmission Expansion Coalition: as a collaborative effort, it has room for creativity to solve the lack of needed transmission. Regions around the country have shown varying degrees of compliance with the letter and spirit of regional transmission planning, as noted in the report card issued by Americans for a Clean Energy Grid.⁵ But where a region has proactively planned transmission for long-term assumptions regarding generation and load changes and allocated costs according to reliability and economic benefits, generation costs have gone down and reliability was enhanced.⁶

In the same vein, participants in the west have the opportunity to develop a unique framework that allows for broad participation according to region-specific rules to provide for the planning, permitting, and paying for a portfolio of needed transmission projects that will strengthen the Western grid.

Western Transmission Expansion Coalition should be inclusive

To develop a successful transmission plan, Americans for a Clean Energy Grid encourages the participants in the Western Transmission Expansion Coalition to work with like-minded efforts currently pending, such as the Western States Transmission Initiative. There are many common elements, such as the focus on developing a portfolio of transmission projects that benefits the entire Western Interconnection.

The drive to be inclusive is also a valuable hallmark of the Western Transmission Expansion Coalition proposal. Including a wide range of participants – utility and merchant, public and private, customer and non-governmental organization, throughout the Western region – will be critical. The full participation of power marketing administrations such as Bonneville Power Administration, Western Area Power Administration, and other public entities will be instrumental in developing an effective transmission plan and securing broad support by all parties.

While not traditionally subject to federally-approved regional planning authorities, public power entities could choose to be voluntarily included in the unique framework developed by the Western Transmission Expansion Coalition under analogous rules as other transmission developing entities.

⁵ Americans for a Clean Energy Grid, *Transmission Planning & Development Regional Report Card*, issued June 28, 2023.

⁶ Tomich, Jeffrey, “*Moment of truth for grid expansion: Who pays?*,” EnergyWire, E&E News, published October 7, 2021 (“An analysis by MISO shows that the MVP projects, which cost \$3.4 billion, have more than paid for themselves through improved grid reliability and reduced cost for electric generation.”).

Power administrations have unique funding requirements and resources,⁷ and additional authorities that could be helpful as partners in developing transmission.⁸

State commissioners, from states with a wide variety of backgrounds and priorities, are also vital to ensuring the long-term success of any transmission plan's development. The broadest footprint for transmission planning will yield the widest range of transmission benefits, providing geographic variety of resources, emergency conditions, and load requirements. This necessitates the involvement of a range of states and their commissioners. Identifying priorities of all state commissioners and ensuring that they are addressed through research, data, and appropriate mechanisms during the early stages of the planning process will help achieve the common goal of a strengthened regional transmission grid.

At the same time, there can be too many participants in a single stage of the planning process. To that end, special consideration should be given to thoughtfully developing stages of the planning process, to build on expertise, create trust, and not get bogged down in any particular stage due to too many participants. The Western Power Pool, Pacific Northwest Utilities Conference Committee, and other regional entities have been effective in marshalling disparate stakeholders to successful outcomes; a similar effort will be required here.

Western Transmission Expansion Coalition should consider future impacts of planning decisions

While the Western Transmission Expansion Coalition is focused solely on developing a transmission plan, there are other elements that are instrumental in transmission construction. Moreover, construction may be more successful if some elements are considered in the planning process. To that end, Americans for a Clean Energy Grid urges the Western Transmission Expansion Coalition to specify a common list of economic and reliability benefits that will be integrated into the transmission plan, and to use that common list of benefits in providing for the "roughly commensurate" allocation of costs at a later stage of the process.

Additionally, siting and permitting could also benefit from a coordinated approach. One approach would be for states to develop an interstate compact under the Federal Power Act (FPA). Section 216(i) of the FPA provides for an interstate compact among three or more contiguous states to site interstate transmission. If a multistate entity were developed, the U.S. Department of Energy could provide technical assistance. State regulators, through CREPC or some other institution, could coordinate siting and permitting, with "donated" time from state siting and permitting authorities to provide more efficient, unified, processes for transmission lines identified in this planning process.

Another less structured approach would be for state regulators to coordinate advocacy for expedited federal approval of siting and permitting transmission lines identified in this planning process. The U.S.

⁷ The Bonneville Power Administration received \$10 billion in the Bipartisan Infrastructure Law (<https://www.energy.gov/infrastructure/power-marketing-administration-transmission-borrowing-authority>). The Western Area Power Administration's Transmission Infrastructure Program has the ability to borrow up to \$3.25 billion in revolving funds to construct transmission that has a terminus in one of WAPA's 15 states (<https://www.wapa.gov/transmission-infrastructure-program-tip/>).

⁸ [https://www.energy.gov/oe/section-1222-program-proposed-plains-eastern-clean-line-project-frequently-asked-questions#:~:text=The%20purpose%20of%20the%20program,and%20Energy%20Reliability%20\(OE\).](https://www.energy.gov/oe/section-1222-program-proposed-plains-eastern-clean-line-project-frequently-asked-questions#:~:text=The%20purpose%20of%20the%20program,and%20Energy%20Reliability%20(OE).)

Department of Energy is in the process of issuing rules implementing FPA 216(h), in which DOE would serve as the lead agency in coordinating all permitting for a transmission project. FPA 216(h) provides for coordination of the federal process with state agencies, Indian tribes, and multistate entities that could provide for a single unified siting and permitting process. This process includes interim milestones that can be appealed to the President's designee if they are missed. Ensuring that there is ongoing monitoring of the process – and accountability by interested stakeholders and state commissioners if the deadlines are missed – could apply additional pressure to ensure that the deadlines are met.

It is worth noting that Nevada has a state law where they participate in a federal environmental review process if one is being undertaken.⁹ To the extent that states, either pursuant to statute or by some other mechanism, can coordinate with the federal environmental review process to develop the record to address the state requirements, or consider any satisfaction of federal standards to also satisfy state standards, that would make siting and permitting of long-range transmission lines more efficient.

Conclusion

While the Western Transmission Expansion Coalition began with a narrow focus among certain participants in a select area of the west, the effort would benefit from a broad, inclusive reach so that the transmission is built over the broadest footprint possible to provide the broadest possible benefits to customers throughout the west. Several challenging issues – related to permitting and cost allocation – were not included in the first draft. We encourage at least preliminary consideration so that certain elements – like a widely-accepted list of benefits – can be identified at the beginning and lead to greater success in building any planned transmission facilities. There are examples around the country of regions where transmission planning has been done well, and examples of poor planning to be avoided. The Western Transmission Expansion Coalition is off to a great start, and we support your continued effort. Please do not hesitate to call on us if we can provide any assistance.

Respectfully submitted,

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⁹ Nevada Revised Statutes 704.877.