

UNITED STATES CLIMATE ALLIANCE

Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

August 17, 2022

Docket No. RM21-17-000

Dear Chairman Glick, Commissioner Danly, Commissioner Clements, Commissioner Christie, and Commissioner Phillips,

I write as the Executive Director of the U.S. Climate Alliance (Alliance) – a bipartisan coalition of 24 governors committed to climate action that together represent approximately 60 percent of the U.S. economy and 55 percent of the U.S. population – in support of Federal Energy Regulatory Commission’s (Commission) notice of proposed rulemaking (NOPR) RM21-17-000. Better proactive planning of the transmission system is needed to ensure grid reliability and resilience, maintain consumer affordability, and deliver generation resources needed to decarbonize the electricity sector. We support the timely adoption of a final rule that establishes anticipatory long-term regional transmission (LTRT) planning designed to respond to the needs of a changing electricity grid.

Current transmission planning and cost allocation methodologies are not meeting our nation’s needs and have been too piecemeal in nature. As a result, we have become too reliant on locally planned projects without having a robust process to consider the full range of alternatives provided by regional and interregional transmission. Ultimately, this has led to missed opportunities to size transmission lines for greater benefits or maximize opportunities to upgrade existing lines. Effective transmission planning processes must be long-term and proactively plan for changes in generation supply and demand. Our nation’s electricity mix and consumer demands will not remain as they are today, and our grid cannot continue to operate as it did a decade ago – we must be prepared to build for the future.

Transmission reform is critically important to achieving our climate goals. Alliance states are committed to developing policy pathways and programs to decarbonize the electricity grid, which depends on effective planning and construction of new transmission capacity as well as upgrading existing capacity. Our governors are doing their part at the state level to reduce collective net greenhouse gas (GHG) emissions at least 26-28 percent by 2025 and 50-52 percent by 2030, both below 2005 levels, and collectively achieve overall net-zero GHG emissions as soon as practicable, and no later than 2050. To date, fourteen members have economy-wide net-zero emissions policies, twenty-one have renewable and clean energy standards for electricity, and eighteen have 100 percent zero-carbon or carbon-neutral electricity targets through statute or executive order. To achieve a decarbonized grid, modeling continues to demonstrate the need for transmission capacity expansion at a pace and scale we have never built, and we must improve planning to meet that challenge.

California | Colorado | Connecticut | Delaware | Hawaii | Illinois | Louisiana | Maine
Maryland | Massachusetts | Michigan | Minnesota | Nevada | New Jersey | New Mexico | New York
North Carolina | Oregon | Pennsylvania | Puerto Rico | Rhode Island | Vermont | Washington | Wisconsin

The Alliance would like to thank the Commission for engaging with, and responding to, the perspectives of states through the 2021 advanced notice of proposed rulemaking (ANOPR), this resulting NOPR, and the development of the State-Federal Task Force on Electric Transmission. This NOPR will help reinforce the foundation of regional planning processes by advancing long-term regional and interregional planning reform while respecting the role of states and the stakeholder-led progress made in each region. As the commission considers taking additional actions resulting from the ANOPR, we encourage providing oversight and support to planning regions through creation of an independent transmission monitor and formulating its role and functions. To inform the adoption and implementation of a final rule, we provide the following recommendations:

Planning timeline. We support the Commission encouraging an anticipatory 20-year LTRT planning process where the assumptions are regularly reevaluated. Alignment of those planning periods will particularly benefit interregional planning and the development of specific renewable resource zones. Furthermore, we welcome and encourage the opportunity for states to provide feedback to better align LTRT planning timelines with impacted state plans.

Scenario planning. While flexibility for localized considerations and resources will drive the scenario planning, we support the proposed requirement for public utility transmission providers to use multiple scenarios as part of their LTRT plan. Within scenarios, business-as-usual cases should be consistent with state and federal policy in addition to alternative scenarios that demonstrate a range of factors influencing the changing grid. Public disclosure of inputs used to create scenarios should be a priority; particularly given the regional flexibility provided, requiring transparency in the development of scenarios is critical for comparing assumptions.

Equitable engagement. States, planning regions, and the Commission have a responsibility to ensure opportunities are provided for equitable and meaningful stakeholder engagement throughout the LTRT planning process.

Cost allocation. The Commission must strike the right balance between providing flexibility and improving criteria categories that could better inform regional and interregional planning. It would be a missed opportunity to not establish a minimum set of benefit categories, from which each region could determine values for categories as well as selecting additional categories most relevant to their circumstances. Formal consultation with impacted states on the development of cost allocation in advance can help avoid unnecessary delays. It remains important that the process encourages states to engage in good faith and realize common benefits without over-leveraging a single state's power on a regional project.

Incentive alignment. The Commission should align incentives for transmission providers to deliver projects on time and within budget. We agree with eliminating the cost allocation in the Construction Work in Progress Incentive, opting instead for cost recovery after the facility is placed into service. While several states have adopted Right of First Refusal (ROFR) policies, as a result of Order 1000, we do not support reinstating a federal ROFR in this planning process based on the record in this proceeding.

Interregional projects. While the Commission considers future action on additional interregional planning reforms, we support the NOPR's revision of transmission coordination procedures to increase information sharing and offer additional opportunities for proposing and evaluating interregional projects.

Thank you again for the opportunity to comment and for your continued engagement with states to collaboratively overcome challenges facing the nation's electricity grid.

Sincerely,

Casey Katims

A handwritten signature in black ink that reads "Casey Katims". The signature is written in a cursive style with a prominent horizontal line across the top of the letters.

Executive Director
U.S. Climate Alliance