WATT ABOUT INTERSTATE TRANSMISSION?

An update on historic regulatory actions from the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC)

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Agenda

01 INTRO TO TRANSMISSION

02 THE 3 P'S OF TRANSMISSION

03 GETTING TO THE ROOT OF TRANSMISSION

04 FERC PLANNING AND COST ALLOCATION RULE

05 DOE NIETC PROCESS

06 FERC BACKSTOP SITING

07 DOE CITAP

08 GET INVOLVED / Q&A

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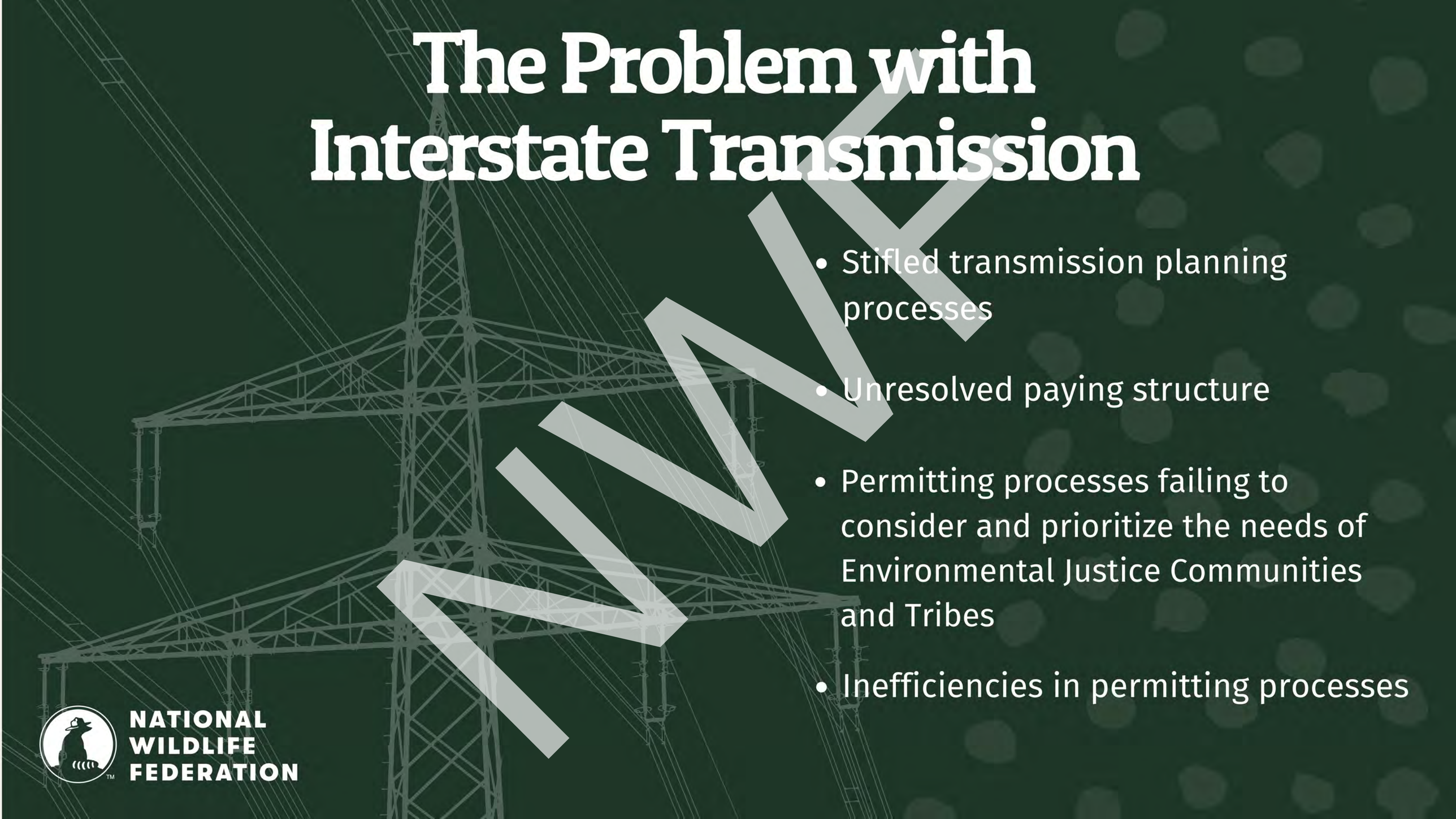
The Problem with Interstate Transmission



- Stifled transmission planning processes
- Unresolved paying structure
- Permitting processes failing to consider and prioritize the needs of Environmental Justice Communities and Tribes
- Inefficiencies in permitting processes

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The Pathway Forward

Federal Energy Regulatory Commission's (FERC)

- Planning and Cost Allocation Rule
- Backstop Siting Rule

Department of Energy's (DOE)

- Coordinated Interagency Transmission Authorizations and Permits Program (CITAP)
- National Interest Electric Transmission Corridors (NIETC) Process

Biden Administration's New Goal to upgrade 100,000 miles of transmission lines in the next 5 years

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Transmission 101

- We must double our current capacity to meet our clean energy goals and power needs.
- Energy efficiency and localized generation are helpful, but will not meet our grid's needs and ensure everyone benefits.
- Severe weather, national security threats, increasing demand, and the opportunity to ensure everyone can benefit from reliable power are all contributors to the need for a better planned grid.

WIP

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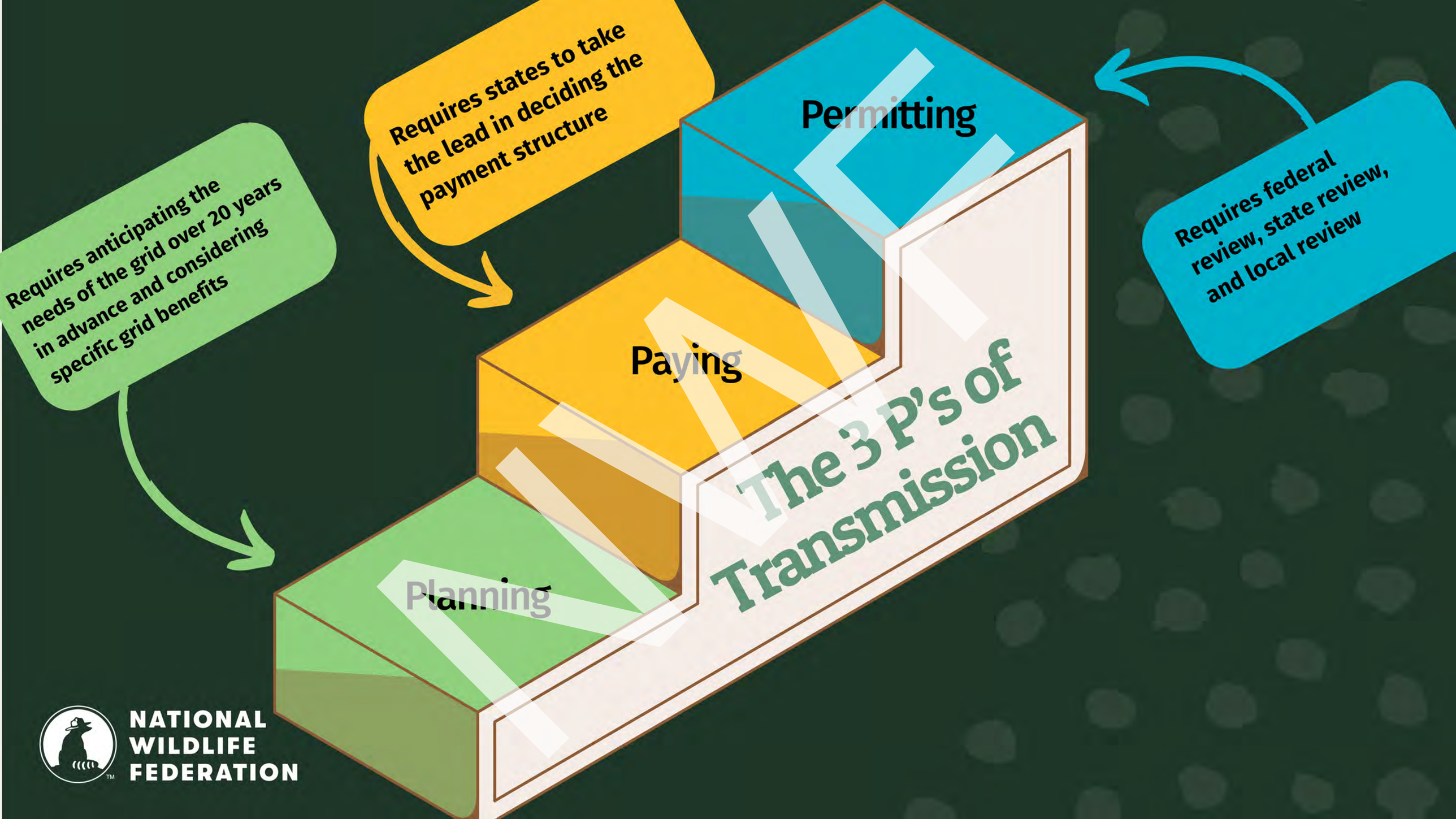
Requires anticipating the needs of the grid over 20 years in advance and considering specific grid benefits
Requires states to take the lead in deciding the payment structure
Requires federal review, state review, and local review
Permitting
Paying
Planning
The 3 P's of Transmission
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Getting to the Root of Transmission

Once you successfully complete the NIETC process, you can always choose federal funding, but you can only choose one of the two permitting process options: CITAP or Backstop Siting.

DOE NIETC Process

FERC Planning and Cost Allocation

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FERC'S TRANSMISSION PLANNING AND COST ALLOCATION RULE

Upgrading Existing Infrastructure

Long-Term Regional Planning

Enhanced Transparency

Right-Sizing

Deciding Who Pays

Interregional Transmission Coordination

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Grid Operators and Transmission

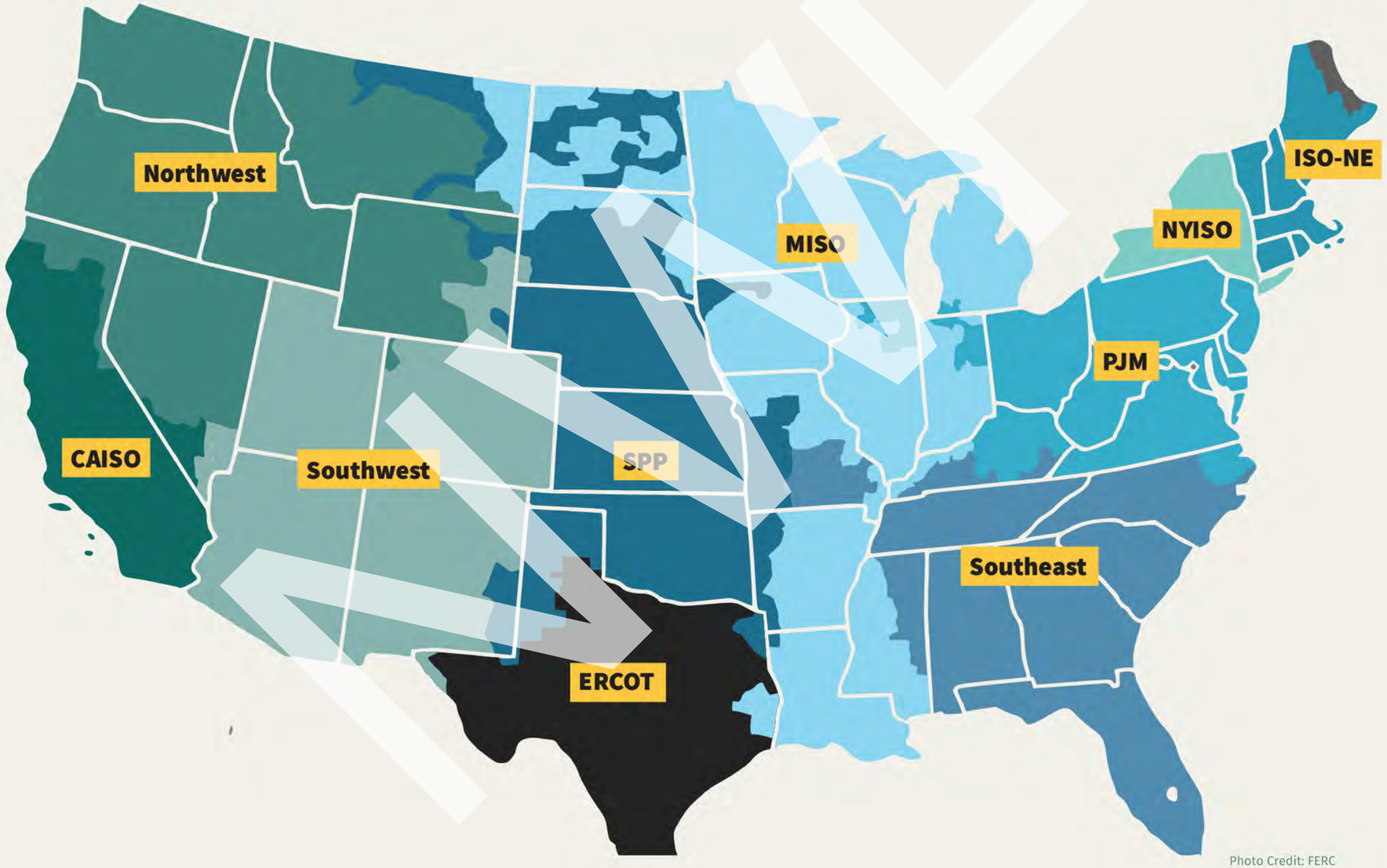

Photo Credit: FERC

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FERC Transmission Planning and Cost Allocation Rule

Upgrading Existing Infrastructure

- GETs: Consideration of some Grid-Enhancing Technologies (GETs)
- Right Sizing: Identify opportunities to replace existing transmission facilities and increase their transfer capability
  - Incumbent transmission owners get a right of first refusal to develop the “right-sized” replacement facilities.

Interregional Transmission Coordination in Planning

- Revise existing interregional transmission coordination processes to reflect the new long-term regional transmission planning reforms.

Transparency

- Transparent local transmission planning information and conduct stakeholder meetings during the regional transmission planning cycle about the local process.

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FERC Transmission Planning and Cost Allocation Rule

Paying for Transmission

- States that benefit are the only states that pay.
- Before applicants submit compliance filings, they must open a six-month engagement period with relevant state entities.
- Applicants must propose a default method of cost allocation to pay for selected long-term regional transmission facilities.
- Applicants may propose, a state agreement process that lasts for up to six months after a project is selected for participants to determine, and transmission providers to file, a cost allocation method for the selected facilities.

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FERC Transmission Planning and Cost Allocation Rule

Long-Term Regional Transmission Planning

- Create a regional transmission plan of at least 20 years to identify needs and how to meet them.
  - Must occur at least once every 5 years using a plausible and diverse set of at least three scenarios that incorporate specific factors and use best available data.

- Create an evaluation process to identify long-term regional transmission facilities for potential selection in the regional plan.

- Create a process giving states and interconnection customers the opportunity to fund all, or a part of the cost of a projects that otherwise would not meet the transmission provider's selection criteria.

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FERC Transmission Planning and Cost Allocation Rule

Long-Term Regional Transmission Planning

- In the event of delays or cost overruns, reevaluate long-term regional transmission facilities that previously were selected in a regional transmission plan.

- Consider transmission facilities that address interconnection-related needs identified multiple times in existing generator interconnection processes, but that have not been built.

- Apply 7 specific benefits to determine whether any identified regional proposals will efficiently and cost-effectively address long-term transmission needs.

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DOE'S NATIONAL INTEREST ELECTRIC TRANSMISSION CORRIDOR (NIETC) PROCESS

4-Phase Process

Separate NEPA review from project-specific review

Unlocks Federal Funding

Unlocks Inflation Reduction Act Funding

Unlocks FERC Backstop Siting Option

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4-Phase DOE NIETC Process

NIETC Designation Process

	PHASE 1 Information Gathering	PHASE 2 Preliminary List & Comments	PHASE 3 Public Engagement	PHASE 4 NIETC(s) Designated
DOE activities	• Reviews National Transmission Needs Study findings • Begins identifying potential NIETCs	• Publishes preliminary list of potential NIETCs	• Refines geographic boundaries of potential NIETCs and prepares draft report • Conducts community engagement and any required environmental reviews	• Issues final NIETC designation report(s) and any required environmental document(s)
Public activities	• Submits recommendations on where to designate NIETCs and why	• Provides comments, alternatives and recommendations, and additional information	• Participates in DOE-led community engagement activities focused on potential NIETCs	• Focuses on areas of greatest transmission need • Transmission developers in NIETCs access federal financing and siting tools

Modernizing and expanding transmission infrastructure helps **increase reliability, resilience, and access to clean, affordable electricity**

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Photo Credit: DOE.

4-Phase DOE NIETC Process

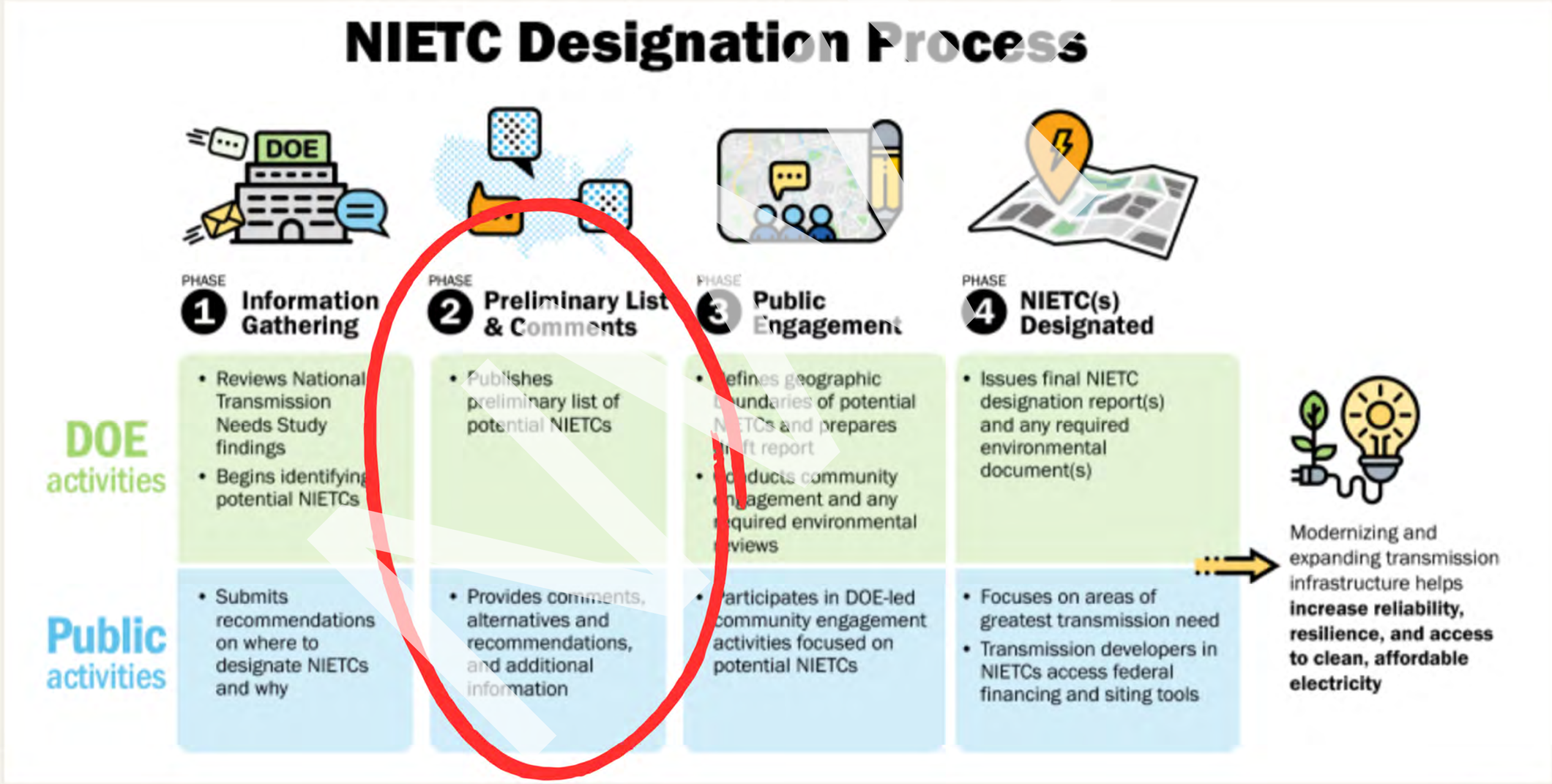

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Photo Credit: DOE.

Proposed DOE NIETC Designations

Photo Credit: DOE.

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FERC BACKSTOP SITING

1 of 2 modified processes

One of two recently modified ways applicants can apply for federal permits for an interstate transmission project. See FERC Order 1977.

NIETC designation, and state and local reviews are prerequisites

New Features

- Applicant Code of Conduct
- Tribal and Environmental Justice Resource Reports and Engagement Plans
- Air Quality and Environmental Noise report

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Backstop Siting

Pre-Filing

Separate docket from the actual docket where the review occurs

Review Process

National Environmental Policy Act (NEPA) Process

- **Fiscal Responsibility Act sets a one-year time limit for Environmental Assessment (EA) and a two-year time limit for the Environmental Impact Statement (EIS).**

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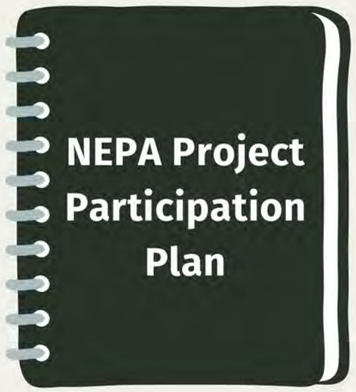
The Review Process

Here is a list of the new reviews that are specific to this FERC review process



1	APPLICANT CODE OF CONDUCT	Puts into practice IIJA requirement of good faith standard of engagement broadly with landowners
2	LANDOWNER BILL OF RIGHTS	Included in pre-filing notification mailed to affected landowners notifying landowners of their right to intervene.
3	TRIBAL ENGAGEMENT PLAN	Describes applicant's efforts to identify, engage, and accomodate Tribal Nations
4	ENVIRONMENTAL JUSTICE ENGAGEMENT PLAN	Describes applicant's efforts to identify, engage, and accomodate EJ communities

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The Resource Report Updates

Here is a list of the new reviews that are specific to this FERC review process

5	**AIR QUALITY & ENVIRONMENTAL NOISE RESOURCE REPORT**	Provide an estimate of reasonably foreseeable emissions from the construction, operation, and maintenance and information about proposed mitigation
6	**AIR QUALITY & ENVIRONMENTAL NOISE RESOURCE REPORT**	Demonstrate the day-night sound level does not exceed 55 decibels on the A-weighted scale at any pre-existing noise sensitive area and compare to local regulations
7	**FISH, WILDLIFE & VEGETATION RESOURCE REPORT**	New requirment to identify migratory birds and bald eagles in the project area
8	**TRIBAL RESOURCES REPORT**	Identify Tribal Nations who may be affected by construction, operation, and maintenance of proposed project and describe impacts and mitigation measures *Includes Indigenous Knowledges
9	**ENVIRONMENTAL JUSTICE RESOURCES REPORT**	Identify EJ communities who may be affected by the construction, operation, and maintenance of the project project, describe impacts and mitigation measures

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DOE'S COORDINATED INTERAGENCY TRANSMISSION AUTHORIZATIONS AND PERMITS PROGRAM (CITAP)

Separate 2-year Process from the NIETCs and Backstop Siting

Applies to High-Priority Projects on Public Lands

230kv and above & DOE Grid Deployment Office Director can make a determination for individual projects

Important Features

- Project Participation Plan
- DOE leads federal reviews
- Applicant Driven, Pre-Application Process
- Appeal to the President for a Final Determination

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CITAP

STEP 1: The first step in the CITAP Program is the Integrated Interagency Preapplication (IIP) Process.

To apply for the CITAP Program, transmission applicants submit an initiation request to DOE.

- **Project Summary**
- **Project Participation Plan highlighting public engagement conducted thus far and details of planned future engagements.**

DOE then sends these materials to relevant Federal agencies and determines within 20 days if the project meets the requirements to participate in the CITAP Program.

Ineligible Projects: Projects in ERCOT, projects seeking permits from FERC under 216(b) and projects with permits related to the OCS (like offshore wind projects)

Pre-application process will be online and information will be available to the public upon request

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CITAP

STEP 2: What's the Actual Process?

Applicants assemble the documentation they'll need to facilitate the timely completion of Federal environmental reviews and permit authorizations

Developers can then build out and execute their Public Participation Plan

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CITAP

STEP 3: Establishing schedule and milestones

DOE, coordinating agencies, and the applicant establish a standard schedule to frame and guide the creation of project-specific timelines for each transmission project, ensuring that permitting.

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CITAP

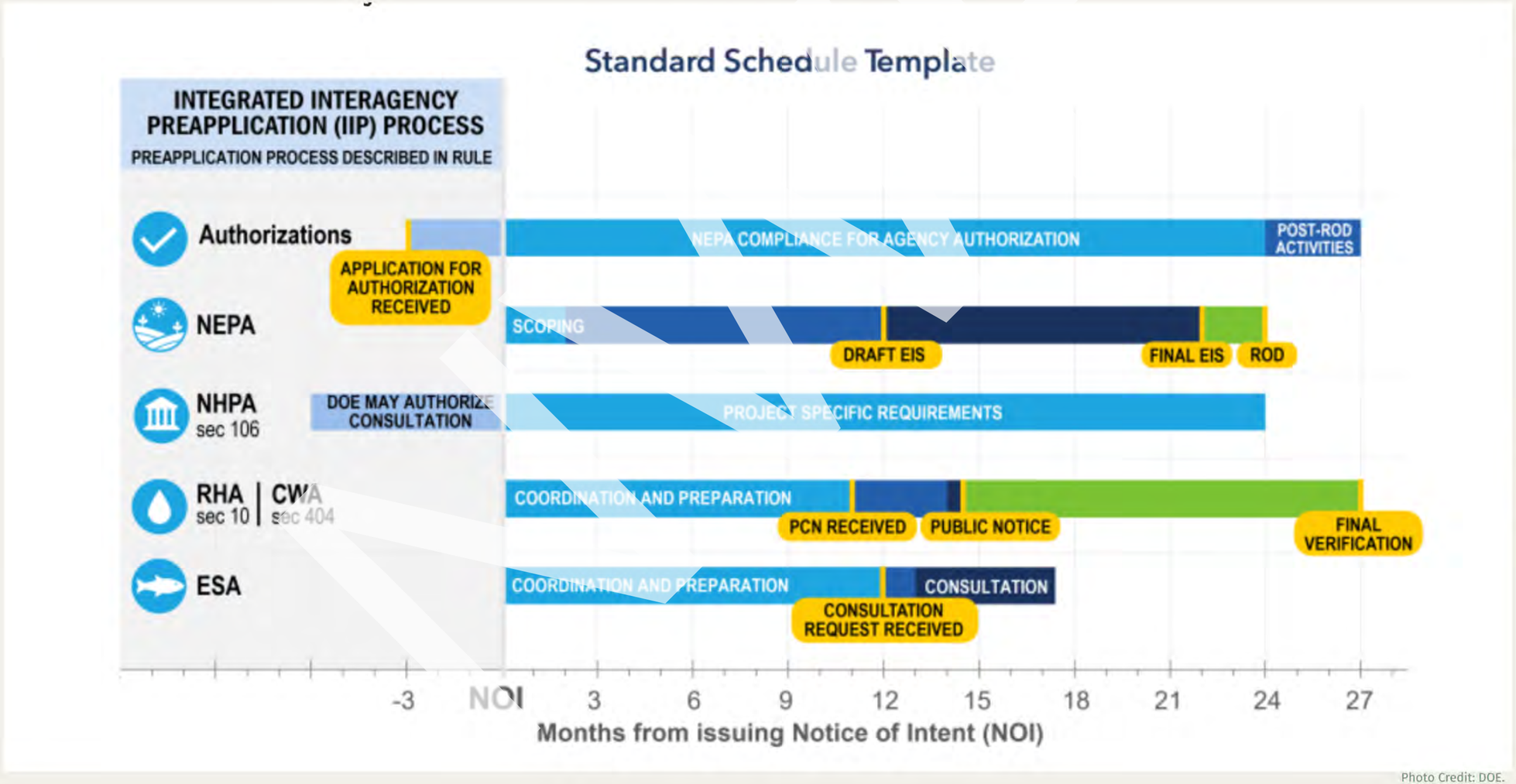

Photo Credit: DOE.

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CITAP

STEP 4: What happens if the federal government denies a permit or takes longer than 2 years?

- **Applicants can appeal to the President of the United States to issue the permit.**
  - **This avenue comes from the Federal Power Act 216(h)(6)(A)**
  - **In practice the Chair of CEQ and the Director of OMB will receive the appeal**
    - **The Chair and Director can then request additional information and work with DOE acting as lead agency of the CITAP process. As necessary, they will also consult with Tribal, State, and local governments.**
    - **Finally, the Chair and Director will prepare a recommendation for the President to consider.**

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NIETC Comments

We will submit comments on some of the NIETC proposals with affiliates.

Assessing Practicalities of CITAP and FERC Rules

Ongoing process of working with the DOE and the FERC

Q&A AND NEXT STEPS

FERC Rules

Continuing advocacy will depend on the legal challenges to the Rules and focus on implementation

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