

United States Senate

WASHINGTON, DC 20510

January 16, 2024

The Honorable Willie L. Phillips
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Chairman Phillips:

As Members of Congress supportive of maintaining reliability during a rapid and equitable national clean energy transition, we respectfully request you to strengthen and finalize the Federal Energy Regulatory Commission's (FERC's) pending regional transmission planning and cost allocation rule as soon as possible.

Through the enactment of the *Inflation Reduction Act* and the *Infrastructure Investment and Jobs Act*, Congress and the Biden administration have committed to undertaking a historic energy transition to ensure access to reliable, affordable, and clean electricity for all Americans, and power long-term, sustainable economic growth. However, as the National Academies of Sciences, Engineering, and Medicine warned in an October study, "[t]he single greatest technological danger to a successful energy transition is the risk that the nation fails to site, modernize, and build out the electrical grid."¹ The need to plan for and ramp up transmission capacity is clear. The Department of Energy's National Transmission Needs Study anticipates that transmission capacity will need to double in many regions of the country between now and 2035 if we are to meet clean energy policy goals, even assuming only moderate overall load growth.²

We are grateful for the extensive work that FERC has undertaken on this proposed rule for the past two years, allowing for thorough discussion and vetting of the proposal by states, grid operators, and other stakeholder groups. FERC must now issue a final rule that fulfills the proposed rule's promise to "remedy deficiencies in the Commission's existing regional transmission planning and cost allocation requirements."³

In recent years, we have witnessed numerous examples of grid resilience issues, which have highlighted the inadequacy of the grid to handle changing load patterns, interconnect new clean energy resources, and respond to increasingly frequent and severe extreme weather events. FERC's final rule should ensure that transmission planners account for these factors by requiring

¹ National Academies of Sciences, Engineering, and Medicine, *Accelerating Decarbonization in the United States: Technology, Policy, and Societal Dimensions* (2023), <https://doi.org/10.17226/25931>.

² U.S. Department of Energy, *National Transmission Needs Study* (Oct. 2023), https://www.energy.gov/sites/default/files/2023-10/National_Transmission_Needs_Study_2023.pdf.

³ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 87 Fed. Reg. 26504, 26504 (May 4, 2022) (to be codified at 18 C.F.R. 35), <https://www.federalregister.gov/documents/2022/05/04/2022-08973/building-for-the-future-through-electric-regional-transmission-planning-and-cost-allocation-and>.


a long-term, forward-looking, 20-year planning horizon that addresses the changing circumstances and the evolution of our energy system.

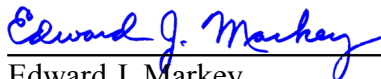
Further, the final rule must require consideration of a comprehensive and specific set of transmission benefits to consumers which should be used in cost allocation processes. We support incorporating states' input on cost allocation, along with a means of resolving disagreements and allocating costs to customers in a way that is roughly commensurate with those specified benefits.

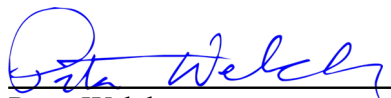
In order to grow our economy, keep communities safe during extreme weather events, address historic environmental injustices, and decrease energy costs for consumers, a robust and well-planned transmission grid is essential. With a strong final rule, FERC can play a critical role in achieving these goals, fulfilling the promise of the most consequential infrastructure and climate laws in history.

We appreciate your consideration of this request and stand ready to work with you to help finalize a strong regional transmission and cost allocation planning rule.

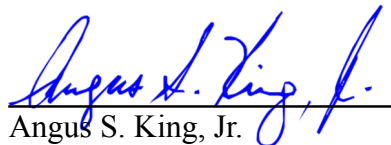
Sincerely,

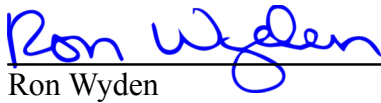


Martin Heinrich
United States Senator

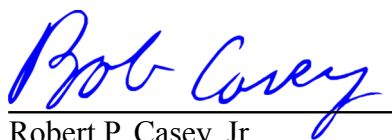
Edward J. Markey
United States Senator

Peter Welch
United States Senator

John Hickenlooper
United States Senator

Angus S. King, Jr.
United States Senator

Ron Wyden
United States Senator



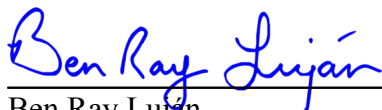
Robert P. Casey, Jr.
United States Senator



Sheldon Whitehouse
United States Senator



Tina Smith
United States Senator



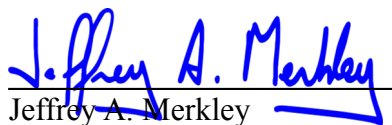
Ben Ray Lujan
United States Senator



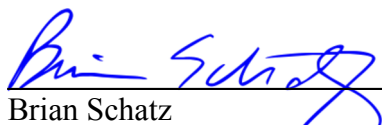
Chris Van Hollen
United States Senator



Mazie K. Hirono
United States Senator



Jeffrey A. Merkley
United States Senator



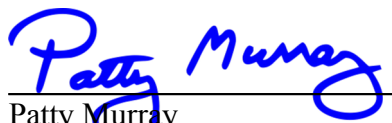
Brian Schatz
United States Senator



Thomas R. Carper
United States Senator



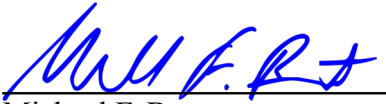
Bernard Sanders
United States Senator



Patty Murray
United States Senator



John Fetterman
United States Senator



Michael F. Bennet
United States Senator



Elizabeth Warren
United States Senator



Alex Padilla
United States Senator