



FEDERAL ENERGY REGULATORY COMMISSION
Office of Commissioner Allison Clements

November 17, 2023

National Caucus of Environmental Legislators
1100 H Street N.W., Suite 600
Washington, D.C. 20005

Dear National Caucus of Environmental Legislators,

Thank you for your letter dated October 4, 2023. I share your concerns about the profound transmission issues facing our electric grid. Costs for transmission customers continue to increase and very few regions around our country are conducting sufficient long-range, holistic planning for the needed expansion of our transmission system. Meanwhile, as your letter notes, extreme weather events continue to apply pressure to the grid, resulting in increased reliability challenges throughout all months of the year. These events often affect disadvantaged consumers most acutely. As you are aware, the Commission issued Order No. 2023 in July to help reduce overloaded interconnection queues.¹ I was proud to vote for this bipartisan final rule, but I agree that much more work will be necessary to address underlying transmission system constraints.²

I also share your optimism, however, that there are actions the Commission can take to help overcome grid challenges. I respond today to reflect on your comments regarding regional transmission planning and discuss actions I hope the Commission will consider to overcome current grid challenges. As you know, the Commission issued a Notice of Proposed Rulemaking in April 2022 laying out an approach to Holistic Regional Transmission Planning.³ Comments that I have reviewed in that docket (Docket No. RM21-17) echo your concerns, and the Commission will continue to evaluate the strengths and weaknesses of different approaches. The stakes are high for getting regional transmission planning reform done right.

As I have said before, the Commission's goal in regional transmission planning reform should be to develop a comprehensive and durable approach to building the kind of infrastructure

¹ See *Improvements to Generator Interconnection Procedures and Agreements* (Order No. 2023), 184 FERC ¶ 61,054 (2023).

² *Id.* (Clements, Comm'r, concurring at PP 8-40).

³ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection* (Notice of Proposed Rulemaking), 179 FERC ¶ 61,028 (2022).



that has been under-invested in for several decades.⁴ I agree that each of the four features you identified in your letter will be critical to achieving that goal.

First, we should ensure our future transmission investments optimize across reliability, resilience, and customer saving benefits. As your letter suggests, long-range planning that requires project selection to be based on a broad range of estimated benefits across plausible scenarios holds great potential to lower costs for consumers while enhancing grid reliability.

Second, I agree that cost allocation rules should endeavor to involve states, while at the same time creating incentives for collaboration and against free ridership. Accordingly, it is important to ensure that the Commission establishes a default cost allocation method where states do not agree, in compliance with the principles identified in Order No. 1000.

Third, changes to our nation's generation resource mix and demand profile play a foundational role in shaping the need for transmission investments, and will continue to do so as policy priorities and market forces develop. Our Long-Term Regional Transmission Planning proposal seeks to fill these gaps in existing transmission planning processes, which we have acknowledged "are not designed to evaluate the need for larger, regional transmission facilities to address transmission needs driven by changes in the resource mix and demand."⁵ The need for forward-looking, long-term, scenario-based planning to fill these gaps will only increase as the underlying demands on our grid evolve.

Finally, I agree that incorporating Grid-Enhancing Technologies (GETs) and non-wires alternatives could deliver significant value to customers. Order 2023 requires consideration of some GETs, an important suite of hardware and software tools that can help transmission providers squeeze more juice out of our existing grid. I am optimistic that utilities, grid operators, and regulators will take advantage of the customer benefits that GETs can provide, and I continue to support the Commission's proposal in this proceeding to require public utility transmission providers to more fully consider incorporating dynamic line ratings and advanced power flow control devices.⁶ I am also exploring other ways to support GET deployment, where appropriate, including through the Commission's pending Notice of Inquiry regarding dynamic line ratings in Docket No. AD22-5.⁷

I continue to evaluate the information contained in the record of Docket No. RM21-17 and remain committed to working with my colleagues to find a path forward that will enhance grid reliability and deliver value for consumers. I appreciate your leadership at the state level and your engagement in the Commission's efforts. As I have stated before, we cannot successfully develop

⁴ See, e.g., April 2022 Commission Meeting: Opening Remarks of Commissioner Allison Clements, <https://www.ferc.gov/news-events/news/april-2022-commission-meeting-opening-remarks-commissioner-allison-clements>.

⁵ Notice of Proposed Rulemaking, 179 FERC ¶ 61,028, at P 64.

⁶ *Id.*, at PP 272-75.

⁷ *Implementation of Dynamic Line Ratings*, 178 FERC ¶ 61,110 (2022).



the nation's electricity system unless the Commission acts in direct partnership with states.⁸ I look forward to working together with you to ensure reliable and affordable energy for all Americans for the decades to come.

Sincerely,

Commissioner Allison Clements

⁸ *See, e.g.*, April 2022 Commission Meeting: Opening Remarks of Commissioner Allison Clements, <https://www.ferc.gov/news-events/news/april-2022-commission-meeting-opening-remarks-commissioner-allison-clements>.