Americans for a Clean Energy Grid

Proposed Federal Siting and Permitting Legislation: What Might It Achieve and Why

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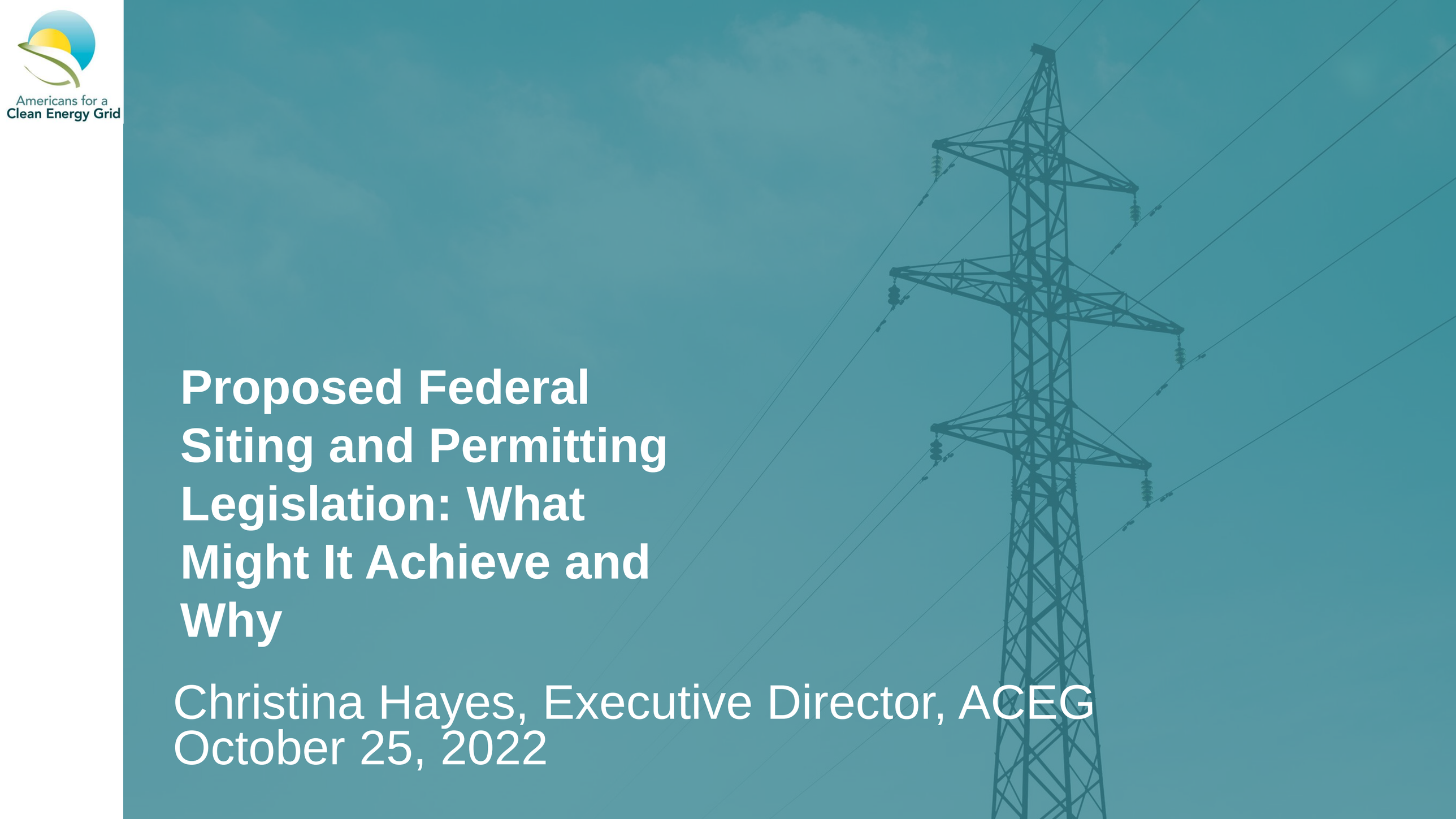

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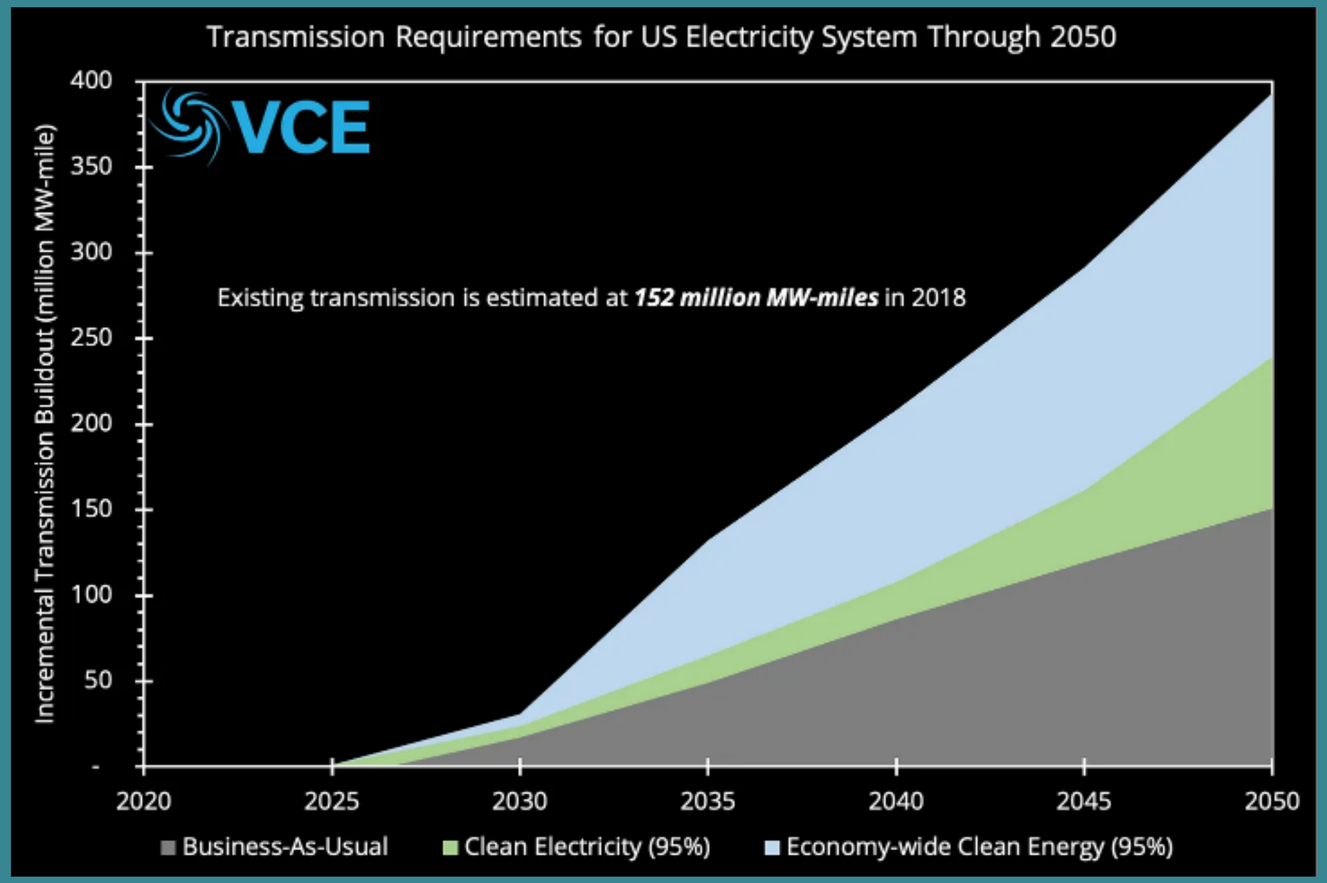
Why do we need more transmission?



- Large-scale electrification could increase demand for electricity by 40%
- Yet, new transmission projects can take up to ten years to site, permit, and build

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How did we get here?

- Significant action on clean energy – but nothing for transmission
  - IIJA provided discreet pots of money that require deployment
  - IRA provided funds for siting and permitting but no tax credit
  - GHG emissions reductions stemming from IRA were predicated on unlimited build out of transmission – but building at the current pace will increase GHG!
- Regulatory efforts have not produced needed high-capacity lines
  - Regional planning under Order No. 1000 has not led to desired results
  - No movement on transmission incentives
  - Case by case approach and slow evolution

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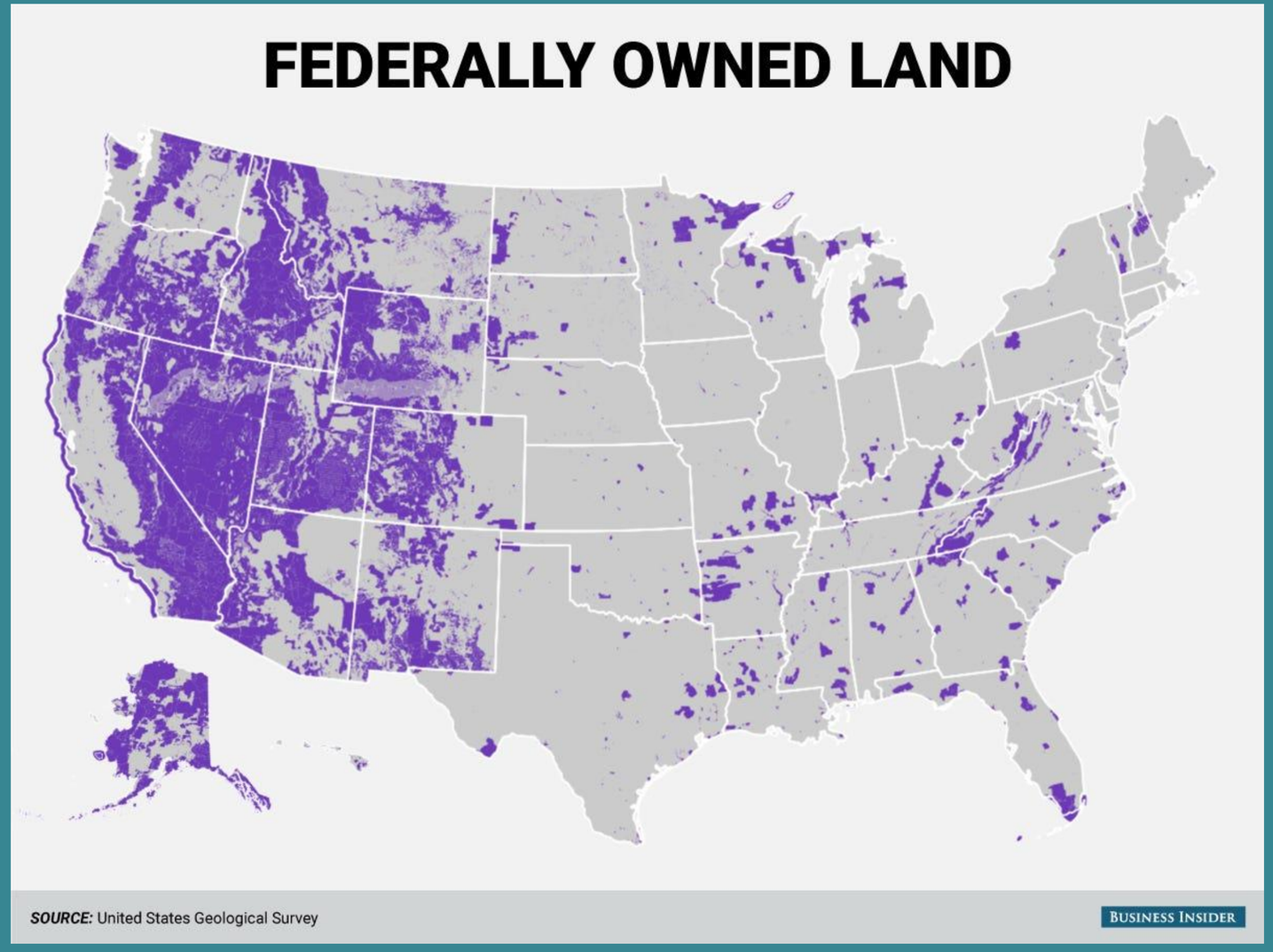
What problems is EISA designed to solve?



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What problems is EISA designed to solve?

Proposed Process under the EISA	Actual Process: Gateway South
In the first 6 months, FERC would review an application and decide whether to initiate a National Interest designation review	Nov. 2007: Submitted initial application for EIS and BLM right of way
By 18 months, DOE will decide whether to designate the project as in the National Interest	2008-2016: Environmental Impact Statement developed, completed by Jan. 2017
By 3-4 years from date of application, FERC will conduct an NEPA analysis and complete its siting review	2020-2021: State and local permitting conducted
Within 6 months of FERC's siting decision, all other federal reviews must be completed, and **within another 6 months**, all other agency coordination and routine procedural steps will be completed. S&P would be completed after approximately 5 years	Dec. 2020: Bureau of Indian Affairs Record of Decision Construction began June 2022; the line should be in service by 2024 S&P was completed after 15 years from application

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What's in the EISA?

- Imposition of timelines related to NEPA
  - Average of 2 years for an EIS, 1 year for an EA
  - 150 days to file suit to appeal the outcome
  - Select single point of accountability

- Streamline Clean Water Act certification process
  - One year timeline for action
  - Objections must be based on water quality impacts
  - No repeated new applications to restart timing

- Clarify FERC jurisdiction over hydrogen pipelines

- Complete the Mountain Valley Pipeline

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Transmission component of EISA

- Section 202(b) would allow FERC to direct the build of transmission, just as it allows FERC to direct interconnection and wheeling – applied judiciously

- National interest designation – moves from ***corridors*** to ***projects***
  - 25 projects would be designated as in the national interest up front
  - Going forward – DOE and FERC would have a two-step process to determine whether a project was in the national interest

National interest projects would be eligible for siting and/or cost allocation

- Allows community incentives to be rolled into rates
- Provisions were made to apply federal S&P to offshore wind transmission

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Objections and opponents to EISA

- Environmental groups – concerned about changes to NEPA
  - Proposal: Note that modifications apply more to process and not to substance
  - Proposal: Strengthen FERC's processes as applied to landowners
  - Proposal: Find middle ground on statute of limitations – about 2 years

- NARUC – concerned about impact on states' ability to site transmission
  - Proposal: Apply bright-line threshold from SITE Act – 1000 MW and 2 states

- Some utilities– concerned that FERC could be given ability to direct building of certain lines and that cost allocation could impact customers
  - Proposal: Directing the build of transmission is a big step at this time
  - Proposal: Utilities could plan and build interregional transmission, too!

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Where do we go from here?

- Congress is considering which vehicle to attach it to
  - No action right now – all eyes on the midterms
  - NDAA or CROmnibus
  - Impacts whether modifications will be progressive or conservative

- Will GOP be willing to negotiate and/or sign on to the bill if they are going to be the majority in the House and/or Senate next session?

- What commercial solutions are available?
  - Capitalizing on existing rights-of-way, railways and transmission could be co-located
  - Railways could benefit from lower interconnection costs

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Thank You.