



REC JOINS ELECTRIC TRANSMISSION SUPPORTERS SEEKING BIG REFORMS

The FERC has pursued open and competitive wholesale power markets for a quarter-century, focusing most on the adequacy of the high voltage transmission system, which historically has been a patchwork of local, state, or regional networks. Planning for larger, more integrated grids and more efficient markets requires better planning and a fairer way to share the costs. In 2021 FERC issued an Advance Notice of Proposed Rulemaking ([FERC Docket No.: RM21-17-000](#)), exploring what it should do to make its regulation of transmission more productive.

The Council filed comments in the ANOPR docket, pointing out that FERC has not confronted the difficulties in siting new facilities, despite its best efforts to modernize and expand the grid, enable the grid to operate more inter-regionally, confront vexing cost issues, and achieve greater efficiency. Although the IJA has strengthened FERC's ability to approve the location of new facilities, that authority initially rests with states. FERC must, therefore, require the utilization of "brownfield" rights-of-way," like the lateral real estate of railroads, as a principal consideration in the plans developed by utilities and grid managers it regulates. That would afford railroad companies a significant financial opportunity and constitute a major step forward for large-scale transmission additions and upgrades like the much-discussed [HVDC macrogrid](#) which will likely span multiple markets and jurisdictions.

Citing the potential economic and operational mutuality of these two infrastructure networks, the Council "encourage[d] the Commission to work more closely with the Federal Railroad Administration, U.S. Department of Transportation ("FRA"). The Council has been active in encouraging the Administrator of FRA and the Secretary of Energy to work with the railroad companies of all classes to raise awareness of the financial and operational opportunities associated with transmission co-location and the benefits that it could bring to national energy policy. The expected changes in state and federal policies that govern electric generation and transmission, as well as transportation, should be examined by the Commission and its state counterparts so that regulatory actions are coordinated, not only vertically within each industry but across industry sectors."

The FERC is expected to issue a Notice of Proposed Rulemaking (NOPR) this Spring. A further opportunity to comment will be announced at that time. The Chairman intends to finalize major new planning rules by the end of the year.