



WELCOME TO THE INFRASTRUCTURE DECADE!

Two indisputable factors drive the Rail Electrification Council's (REC) focus on electric transmission development.

First, the best, low-cost, renewable generation sites (in the North American interior) are inconveniently located far from the population load centers. To transmit renewable power from generation sites to consumers often requires crossing state lines and various organized regional wholesale power markets — a trip that existing U.S. transmission networks (designed first for reliability and second for low-cost regional wholesale power markets) were not designed to accommodate.

Second, despite the growing need and demand for the high-quality renewable energy resources available in the North American interior, building the network of high voltage transmission facilities to deliver that power to load centers is extremely difficult due to an array of state and local restrictions, landowner opposition, and outdated laws that deter rather than accelerate the expansion of the grid and its potential environmental and climate benefits.

The U.S. Congress has passed the *Infrastructure Investment and Jobs Act* to strengthen critical infrastructure, including railroads, to recognize these change factors. Moreover, economic and technology changes continue to drive regulators like the Federal Energy Regulatory Commission (FERC) and the Department of Energy (DOE) to seek ways to strengthen the electric system at the wholesale or “bulk power” levels, stimulate economic development, ensure electric reliability and security, and foster growth in the utilization of wind, solar, and other clean but remote technology resources that have become less expensive and more readily financed.

In this light, the Council foresees sweeping electrification coming to highways and other transportation sectors. The REC has long maintained that new investments in the grid and rail transportation will intersect and complement one another. As the electric power industry prepares for this historical transformation, the Council will give voice to those who seek to answer the difficult questions it raises and overcome persistent barriers to a clean energy economy.

Two major initiatives underway at FERC and the DOE have provided opportunities for the Council to argue for policy changes and investment in electrified transportation. Among federal agencies, the Departments of Transportation and Energy and FERC have agendas that are potentially most impactful for rail transportation.