



MEMORANDUM

June 25, 2021

To: Subcommittee on Energy Members and Staff

Fr: Committee on Energy and Commerce Staff

Re: Hearing on “The CLEAN Future Act and Electric Transmission: Delivering Clean Power to the People”

On Tuesday, June 29, 2021, at 10:30 a.m. (EDT) in the John D. Dingell Room, 2123 of the Rayburn House Office Building, and using Cisco Webex online video conferencing, the Subcommittee on Energy will hold a hearing entitled, “The CLEAN Future Act and Electric Transmission: Delivering Clean Power to the People.”

I. BACKGROUND

The United States has more than 600,000 circuit miles of transmission lines¹ that move electricity from generators to the local distribution systems that deliver power to homes and businesses. According to one regional transmission organization, a robust transmission system reduces electricity costs for consumers and maintains the reliable supply of electric energy during periods of extreme weather.²

Transmission lines also facilitate the movement of renewable energy resources to major load centers, such as large cities and industrial parks.³ As of late 2019, 734 gigawatts of primarily renewable generation are waiting to be connected to the grid,⁴ and experts estimate that the United States may need to triple the size of its transmission system by 2050 in order to

¹ Of those 600,000 circuit miles of transmission, approximately 240,000 are high voltage lines of 230 kilovolts or greater. Edison Electric Institute, *Transmission* (www.eei.org/issuesandpolicy/transmission/Pages/default.aspx) (accessed June 8, 2021).

² PJM Interconnection, *The Benefits of the PJM Transmission System* (Apr. 16, 2019) (www.pjm.com/-/media/library/reports-notices/special-reports/2019/the-benefits-of-the-pjm-transmission-system.ashx?la=en) (explaining that “a robust transmission system lowers the net costs of electricity to consumers by allowing the next most cost-effective megawatt to be dispatched” and “helps to maintain reliability . . . during periods of extreme weather and sudden loss of large generators, when reliable power delivery is needed the most”).

³ National Renewable Energy Laboratory, *Renewable Electricity Futures Study: Executive Summary* (2012).

⁴ Americans for a Clean Energy Grid, *Disconnected: The Need For A New Generator Interconnection Policy* (Jan. 2021).

decarbonize the electricity system.⁵ A recent study by the National Renewable Energy Laboratory projected that the United States would reap significant economic benefits from constructing large amounts of high voltage transmission lines across the Eastern and Western Interconnections, which are two of the three grids that comprise the U.S. transmission system.⁶

Transmission is also a major source of American jobs. The transmission and distribution of electricity employs more than 700,000 Americans, including almost 200,000 construction workers.⁷ According to one recent estimate, investing in the construction of 22 planned high voltage transmission projects would create 600,000 additional jobs.⁸ The Biden Administration’s American Jobs Plan proposes putting hundreds of thousands of Americans to work laying transmission lines, including by establishing a Grid Deployment Authority within the Department of Energy and providing an investment tax credit to spur the development of new transmission projects.⁹

II. H.R. 1512, THE “CLEAN FUTURE ACT” – ELECTRIC TRANSMISSION PROVISIONS

Chairmen Pallone (D-NJ), Rush (D-IL), and Tonko (D-NY) introduced H.R. 1512, the “Climate Leadership and Environmental Action for our Nation’s Future Act” or the “CLEAN Future Act.” The CLEAN Future Act includes several provisions relating to electric transmission in sections 211 through 218.

The CLEAN Future Act supports the buildout of electricity transmission and related technologies to achieve clean energy goals. Importantly, it establishes a national policy on transmission stating, among other things, that the expansion of the transmission system should facilitate a resilient and decarbonized electricity supply. It directs the Federal Energy Regulatory Commission (FERC) to review its activities related to the deployment of advanced transmission technologies to make more efficient use of the existing grid. The bill bolsters FERC’s authority to ensure that it has the ability, under appropriate circumstances, to require permitting for certain interstate transmission lines. Through this permitting process, it provides for an increased focus on the need to transport renewable energy to customers to meet national clean energy goals and provide lower-cost energy for consumers. It also provides for financial and technical assistance for state, local, and tribal governments to help with permitting and siting of interstate transmission lines.

⁵ Princeton University, *Big But Affordable Effort Needed for America to Reach Net-Zero Emissions by 2050, Princeton Study Shows* (Dec. 15, 2020) (press release).

⁶ A. Bloom, et al., National Renewable Energy Laboratory, *The Value of Increased HVDC Capacity Between Eastern and Western U.S. Grids: The Interconnections Seam Study* (Oct. 2020).

⁷ National Association of State Energy Officials, *2020 U.S. Energy and Employment Report* (2020).

⁸ Americans for a Clean Energy Grid, *Transmission Projects Ready To Go: Plugging Into America’s Untapped Renewable Resources* (April 2021).

⁹ White House, *Fact Sheet: The American Jobs Plan* (March 31, 2021).

The CLEAN Future Act supports increased deployment of certain technologies known as “non-transmission alternatives” that defer or eliminate the need for additional transmission infrastructure to be built. Additionally, it clarifies that FERC has jurisdiction over the way that such costs can be recovered to give developers confidence in their ability to recover those costs while also ensuring that customers are protected from excessive costs.

The CLEAN Future Act also directs FERC to hold technical conferences with stakeholders to promote interregional transmission planning and improve the transparency of the identification of transmission planning needs. It requires FERC to establish an Office of Transmission to help oversee all these reforms and ensure that the agency plays a greater role in transmission oversight.

III. ADDITIONAL LEGISLATION

A. H.R. 1514, the “Prevent Outages with Energy Resiliency Options Nationwide (POWER ON) Act”

Representative Scott Peters (D-CA) introduced H.R. 1514, the “Prevent Outages with Energy Resiliency Options Nationwide Act” or the “POWER ON Act.” The POWER ON Act aims to improve reliability, help decarbonize the power sector, electrify the transportation sector, adapt the grid to withstand the devastating effects of climate change, and lower electricity costs for consumers by promoting interstate transmission. Among other things, it clarifies FERC’s authority to require permitting for certain interstate transmission lines while establishing a more inclusive permitting process with the states, tribes, and property owners.

B. H.R. 2678, the “Interregional Transmission Planning Improvement Act of 2021”

Representative Sean Casten (D-IL) introduced H.R. 2678, the “Interregional Transmission Planning Improvement Act of 2021.” The bill directs FERC to initiate a rulemaking addressing the effectiveness of interregional transmission planning processes for identifying projects that provide economic, reliability, operational, public policy, and environmental benefits, including carbon emission reductions. It requires stronger interregional collaboration, consistent consideration of project benefits, and cost allocation methodologies that reflect the multiple benefits provided by interregional solutions.

C. H.R. 4027, the “Efficient Interconnection Cost Allocation Act of 2021”

Representative Kathy Castor (D-FL) introduced H.R. 4027, the “Efficient Interconnection Cost Allocation Act of 2021.” Among other things, the bill aims to accelerate the timely and efficient interconnection of renewable generation and energy storage projects while also ensuring that interconnection customers do not bear excessive costs associated with upgrading the grid to accommodate these projects. It also requires FERC to issue a rule to promote consideration of grid-enhancing technologies that increase the capacity, efficiency, or reliability of an electric transmission facility.

IV. WITNESSES

The following witnesses have been invited to testify:

Panel 1

Patricia Hoffman

Acting Assistant Secretary, Office of Electricity
U.S. Department of Energy

Panel 2

Susan Tierney, Ph. D

Senior Advisor
Analysis Group

Rob Gramlich

Founder and President
Grid Strategies, LLC

Lee Anderson

Government Affairs Director
Utility Workers Union of America

Tony Clark

Senior Advisor
Wilkinson Barker Knauer, LLP