

Federal Transmission Policy Principles

The Advanced Energy Opportunity

Advanced Energy United is committed to the transition to a 100% clean energy and transportation system. The transition to clean and affordable energy is not possible unless we expand our electrical grid and significantly invest in the way energy moves within the United States. Transmission infrastructure—the long-distance high-voltage lines that deliver electricity in bulk from generation resources to local distribution networks—is the backbone of our country’s power system, ensuring Americans across the country have continuous access to affordable, reliable electricity to power their homes, businesses, and neighborhoods. The barriers and complications that prevent electric transmission build-out require federal policy intervention to assist states tackling this important issue and provide states with direction on the path forward. Siting and permitting transmission on federal lands, transmission lines that straddle state lines, interconnection wait times, and lacking regional planning contribute to the constrained advanced energy growth.

Due to the lack of transmission or regional cooperation in planning, many proposed generation and storage resources have been unable to interconnect to the grid. The highest-quality resources are often located where the existing grid is constrained or underdeveloped, leaving many advanced energy projects in an uncertain planning horizon. Without a system-wide approach to transmission planning and a significant expansion of interregional transmission coordination, studies show that effective economy-wide decarbonization will be much more expensive. A study by the National Renewable Energy Laboratory (NREL) suggests the western US alone is expected to lose up to \$1.2 billion per year in economic benefits because transmission constraints will not allow access to the least cost renewable energy.

A variety of challenges stand in the way of transmission expansion, ranging from weak planning processes, fights over cost allocation, line efficiency, and objections to local permitting and siting of lines. A comprehensive approach to addressing these challenges will require policy changes that focus on an equitable, efficient, and coordinated energy system.

Advanced Energy United appreciates that policymakers are focused on the issues discussed above. As part of our work on transmission and federal investment, we look forward to engaging in these interconnected policy conversations.

Policy Principles:

In deciding whether to support a given policy regarding transmission, we will give preference to those policies that:

- **Encourage competition:** Federal transmission reform should promote competition among transmission providers to encourage innovation, cost-efficiency, and transparency. Policies should be designed to avoid monopolies and promote the entry of new players into the market.
- **Cost allocation:** There should be a clear and transparent system for allocating the costs of transmission projects. Policies should aim to distribute costs fairly and encourage investment in high-value projects that provide significant diverse benefit to the grid rather than lowest-cost projects.
- **Planning and coordination:** Federal transmission reform should prioritize planning and coordination among transmission providers and states to ensure the efficient and effective use of the transmission grid. This could include a more comprehensive planning process that considers factors such as renewable energy deployment, new technology adoption, and grid resiliency.
- **Clean energy integration:** Federal transmission reform should promote the integration of renewable energy resources into the transmission grid. Policies could include incentives for transmission providers to connect to renewable energy sources and requirements to support the integration of intermittent sources of energy.
- **Grid Enhancing Technologies:** Grid-Enhancing Technologies (GETs) can be used to address constraints and unlock critically needed transmission capacity in the near term. These technologies help make existing transmission infrastructure more efficient. GETs deployment will create annual production cost savings and should be incorporated into transmission planning processes.
- **Customer empowerment:** Federal transmission reform should prioritize the needs of customers, including the development of new market mechanisms and customer-facing tools to support greater customer engagement in the grid. Policies could include measures to promote customer choice and control over energy consumption and the development of new services and products that enhance customer value.



- **Maintain environmental protection:** Federal transmission reform should support the transition to a more sustainable and environmentally responsible grid. Policies should prioritize the reduction of greenhouse gas emissions and promote the use of renewable energy sources.
- **Grid modernization:** Federal transmission reform should prioritize the modernization of the transmission grid to support the integration of new technologies and grid management systems, including grid enhancing technologies and non-wire alternatives. Policies could include incentives for transmission providers to invest in new technologies and infrastructure, such as energy storage and electric vehicle charging stations.

While United does not anticipate or insist that every one of these principles be addressed through legislative proposals, regulatory actions, or Administration efforts, on balance we would like to see progress across the board. Any proposal or action that does receive the support of the organization will need to meet a reasonable number of these principles.

