

FERC Official Pushing to Strengthen Power Grid Planning Rule

By Daniel Moore | November 2, 2023 1:39PM ET

The Federal Energy Regulatory Commission should require power grid planners to consider some benefits of building transmission lines as they work to finalize a closely watched power grid rule, Commissioner Allison Clements (D) said Thursday.

The commission's proposed [rule](#) on regional transmission planning suggested a set of benefits that regions and utilities may consider in long-term planning. The proposed rule listed 12 potential benefits, including avoided or deferred projects, increased competition, mitigation of extreme weather, and reduced congestion on the power grid.

"I see a lot of support in the record for requiring consideration of some subset of benefits," Clements told a conference hosted by WIRES, a trade association promoting transmission development. "So I'm asking myself how might we formulate a final rule that requires some set of benefits that most people are considering anyways but allow for flexibility for those utilities and regions that are taking a broader set of benefits into account."

In addition, Clements said she'd like to ensure there is a way to enforce an agreement among states on how regional transmission projects are paid for. The proposed rule enshrined the ability of states, which generally oversee siting of transmission lines, to participate in cost-allocation conversations, but it did not specify how to overcome staunch differences.

"We've taken the step to make sure states are sitting at the table and playing an important role," Clements said. But there should be "sort of default mechanism for how we pay for these regional projects that are needed in the instance states don't come to an agreement on how they should get it done."

Clements's remarks highlight some of the thorniest aspects of the proposed regional transmission planning and cost allocation rule. For almost 19 months, the commission has been grappling with how to build long-distance power lines that can make the grid more reliable during extreme weather events and connect a wave of wind, solar, and battery projects.

[Proposed](#) in April 2022, the rule would require regional transmission planning to consider at least 20-year impacts, including the changing power-and-demand mix and extreme weather events.

Electric utilities and regional grid planners would also be required to seek agreement from states in each region for cost allocation, a key provision that won support from Commissioner Mark Christie, a Republican former state utility commissioner. The rule was proposed by a 3-1 vote, with Republican Commissioner James Danly [opposing](#) the proposal as exceeding the commission's legal limits.

**Difficult to Agree**

The commission is currently controlled by Democratic Chairman Willie Phillips but split 2-2 between the political parties.

Danly saw his term expire on June 30 and would have to depart the commission around the end of the year if he is not renominated and confirmed by the Senate. The White House has not said whether it will renominate Danly, and it has not nominated anyone to replace former Chairman Richard Glick, a Democrat, who left the commission in January.

Glick, who spoke later at the WIRES conference, said the commission's makeup will be a significant factor in shaping the final rule.

"If you have new commissioners, it's going to take some time to get them up to speed," said Glick, who chaired the commission when it issued the proposed rule. If the commission drops to three members and Chairman Phillips has to get at least two votes to finalize the rule, "that changes the dynamics as well."

Glick acknowledged FERC's proposed rule was silent on what happens if states can't agree on how to pay for a regional line.

"Obviously, that is a detail that has to be worked out before the final rule," Glick said. "That's going to be the most difficult issue for the commissioners to agree on."

Clements was asked by an audience member if the uncertainty about Danly's renomination or replacement made it harder to get the regional planning rule and other priorities finished.

"There are times when the commission has been lots of different numbers—three, four and five—and my goal is to keep moving forward on these priorities that are so important," Clements said.

Clements, whose own term is up June 30, 2024, was asked if she would seek another five-year stint on the commission.

"I'm planning to keep doing what I'm doing through the end of my term," she said.

To contact the reporter on this story: Daniel Moore in Washington at dmoore1@bloombergindustry.com

To contact the editors responsible for this story: Maya Earls at mearls@bloomberglaw.com; Zachary Sherwood at zsherwood@bloombergindustry.com

