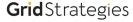
Energy Permitting Reform Act of 2024 Grid Strategies ©



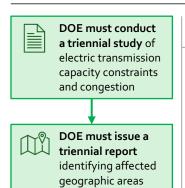
How the Transmission Process Would Work

The Energy Permitting Reform Act ("EPRA") addresses planning, permitting, and paying of transmission to expedite new buildout. Title IV of the EPRA provides for two separate routes for new transmission: (1) Section 401 provides an applicant-driven process through the modification of Federal Power Act ("FPA") § 216; and (2) Section 402 creates FPA § 225 establishing an interregional planning requirement overseen by FERC.

KEY: DOE FERC RTO Utility

Applicant-driven process

Section 402 of the EPRA creates FPA § 224, stating:



The existing FPA § 216 (a) was struck, eliminating NIETC1 studies and designations, which is a process that takes ~9 years for permitting

These are the components of the new FPA § 224 that were carried over from FPA § 216 (a) (1) and (2)

Section 401 of the EPRA then modifies the remaining FPA § 216, establishing the following process for permitting lines in the national interest:

Shifts FERC's backstop siting authority from projects located within a NIETC to those identified as "in the national interest" based on seven criteria, including:

- Reduces transmission congestion
- Improves electric reliability² 2.
- Meets a minimum voltage threshold of 100kV

A utility (includes independent developers) may apply to FERC to demonstrate the project meets those criteria.

FERC must take input from affected entities: states, Indian tribes, federal agencies, private property owners, and other interested parties

Utilities must file a tariff on cost allocation for approval with FERC

FERC must ensure filings are just and reasonable, in accordance with the cost causation principle, and ensure that a minimum specified list of reliability and affordability benefits are included as considerations in such allocation

What is included in this list of benefits?



Improved reliability, reduced congestion, reduced power losses, greater carrying capacity, reduced operating reserve requirements, and improved access to lower cost generation that reduces the cost of delivered power

Notes on FERC authority established in Section 401:

- Subsection (e) clarifies that FERC's relevant authorities apply to offshore electric transmission
- Subsection (f) provides that FERC is lead agency for NEPA reviews for projects that are covered by backstop siting under § 216(b) and interregional projects under § 225
- Subsection (i) exempts the Texas Interconnection from the above, but clarifies that § 216 applies to all other transmitting utilities

Interregional planning requirement

Section 402 of the EPRA creates FPA § 225, establishing the following process for requirement for FERC to coordinate interregional transmission planning:

FERC must issue a rule on interregional transmission planning within 180 days of enactment; an "interregional transmission facility" is defined as a transmission facility that crosses regions or otherwise significantly impacts interregional power flows.

What will these interregional plans contain?



A common set of input assumptions and models on consistent timelines to allow regions to jointly identify and select projects



Consideration for advanced conductors, reconductoring, and use of existing rights-of-way to maximize transmission capabilities



A minimum specified list of reliability & affordability benefits and criteria for regions to select facilities that improve reliability, protect or benefit consumers, and are consistent with the public interest

(3)

Neighboring transmission regions must craft joint interregional transmission plans, selecting interregional transmission facilities that (1) improve reliability; (2) protect or benefit customers; and (3) are consistent with the public interest

Regions must submit interregional plans to FERC within two years of enactment and update them at least once every four years

FERC will review interregional plans and approve them if the plans meet the requirements specified above

Utilities must file a tariff on cost allocation for approval with FERC for any interregional facilities that are constructed or modified under an interregional plan approved by FERC

FERC must ensure filings are just and reasonable, in accordance with the cost causation principle, and ensure that a minimum specified list of reliability and affordability benefits are included as considerations in such allocation

Notes on FERC authority established in Section 402:

- Subsection (i) provides a mechanism for FERC to ${\color{resolve} resolve}$ disputes between regions over joint plans
- Subsection (j) allows FERC to grant extensions or require compliance for regions that fail to submit a plan

Note: Full text of the bill can be found here, section summary can be found here, and one-pager can be found here

- National Interest Electric Transmission Corridor
- As defined in a new section 225(a)(3) of the FPA, established by section 402

 $\textbf{Find this document on line at:} \ \underline{\text{https://gridstrategiesllc.com/wp-content/uploads/EPRA-Transmission-Explainer-Grid-Strategies.pdf}$