

# IIJA, IRA, and the Growing Federal Role in Transmission—and Why States Should Care

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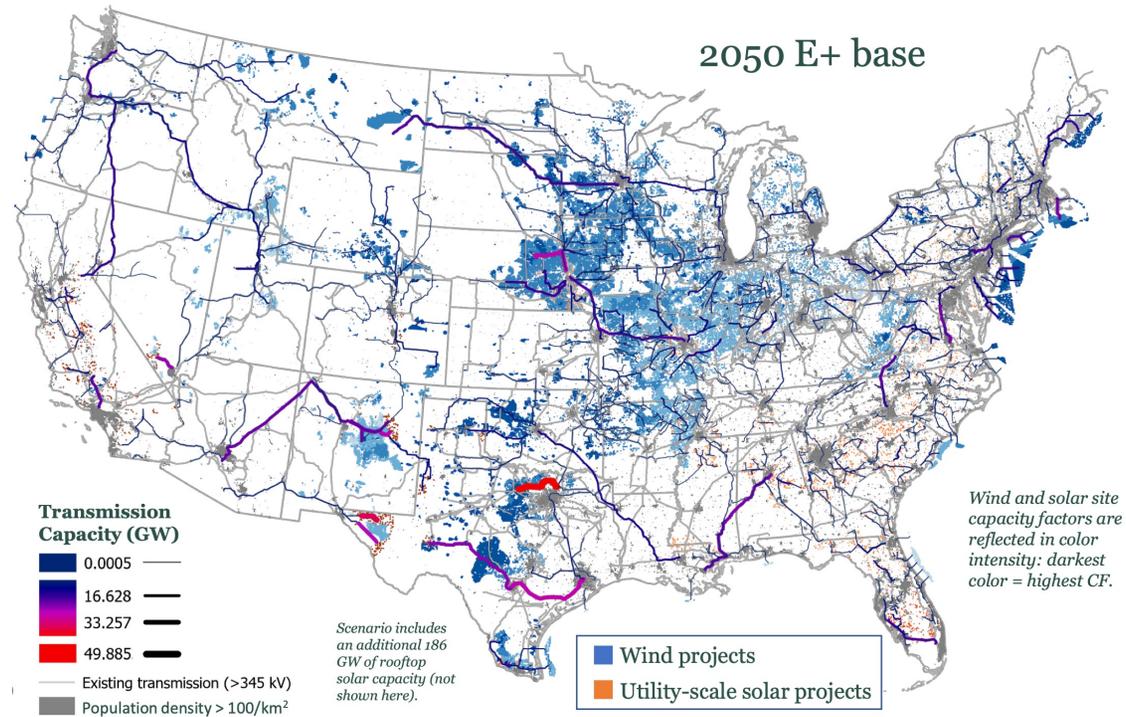


NASEO Annual Meeting

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# Lots of transmission is coming



Source: Net Zero America, Princeton University

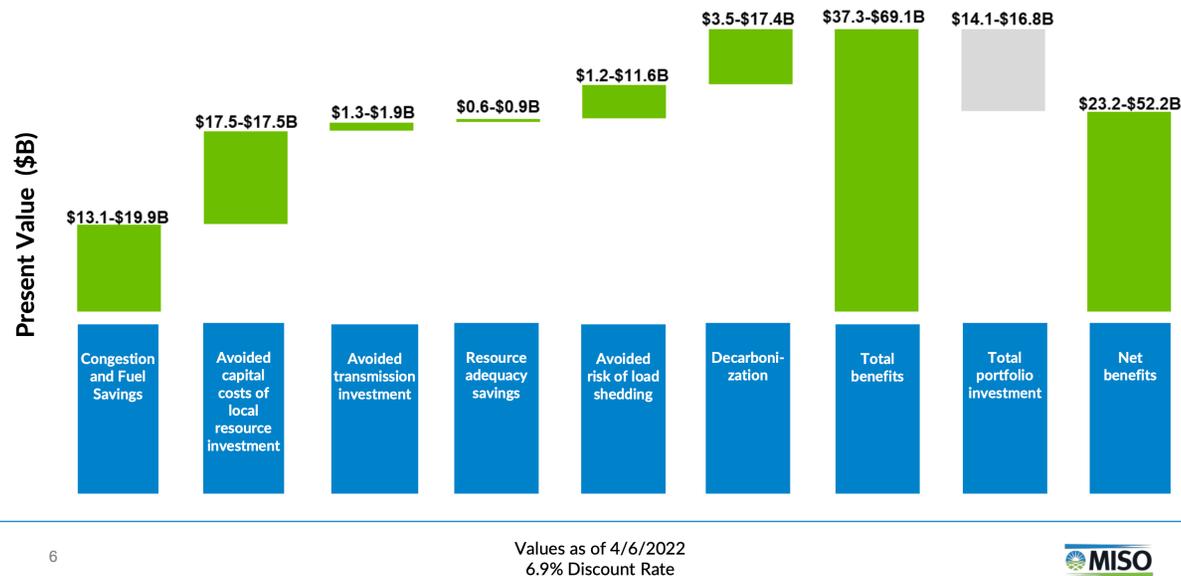
## IIJA and IRA: Federal role much increased

- IIJA revives FERC’s authority to permit transmission lines in National Interest Electric Transmission Corridors (NIETCs)
- IIJA broadens the scope of what DOE can consider in designating NIETCs
  - NIETCs to target overlap with or utilize existing highway, rail, utility, and federal land rights-of-way
- DOE’s “Building a Better Grid” initiative uses IIJA funds
  - Transmission Facilitation Program
    - \$2.5B loan program, also authorizes DOE to be the “anchor customer” for up to 50% of line capacity
  - \$10B for electric grid resilience and \$3B for advanced grid tech, which can be used for transmission
  - DOE Loan Program and Transmission Infrastructure Program/Western Area Power Administration can be partners/providers of capital for projects
- IRA funds:
  - \$2B for loans to NIETC projects
  - \$100M for stakeholder convening and analysis of interregional and offshore wind transmission

# Transmission impacts policy success

## L RTP Tranche 1 Benefits vs. Costs 20 – 40-Year Present Value (2022 \$B)

Calculations are generally based on conservative assumptions including the analysis period and discount rate



Source: "Long Range Transmission Planning" New England Electricity Restructuring Roundtable, September 30, 2022  
Aubrey Johnson, MISO

## DOE-led analysis can be helpful

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- National Transmission Planning Study
  - National-scale study looking out to 2050 in decarbonizing futures
  - Intention for robust public engagement; many SEOs are on the Technical Review Committee
  - Complete in fall of 2023
- Atlantic Offshore Wind Transmission Study
  - Evaluate coordinated transmission solutions; complete 2023
- National Transmission Needs Study
  - Report that can formally identify NIETCs; DOE will use to target \$ support
- DOE focused on interregional transmission and unlocking clean energy deployment
- Inform states about what's coming
- If states engage, the studies can reflect your realities and input

## State resources from the IIJA and IRA

- IIJA SEP formula grants -- \$500M total
  - “To provide funding to states to **support electric transmission and distribution planning** as well as planning activities and programs that help reduce carbon emissions in all sectors of the economy, including the transportation sector and accelerate the use of alternative transportation fuels and vehicle electrification.” (*Building a Better America*, The White House)
- IRA provides \$760M for grants to siting authorities for project-specific siting
  - Can pay for:
    - Studies and analysis; examination of alternate siting corridors
    - 50% cost share of participation in ISO/RTO and FERC processes
    - Economic development activities for communities affected by the project
      - *SEOs/other agencies can also be recipients!*
  - Siting authority must promise to make a final decision within 2 years

## Recap

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- Meeting commitments is going to require a lot of new transmission
- IJIA and IRA enhance Federal role to site and fund important transmission
- Interstate and interregional transmission can be important to meeting state-level policy goals
  - And states that are engaged can shape cost allocation and how benefits flow
- DOE-led analysis can be helpful to understand the scope and need for transmission
- IJIA and IRA also provide states with resources to engage in transmission planning and to support siting
- Why engage?
  - Advance policy priorities
  - Increase benefits/mitigate harms to residents
  - Improve project selection and design



**Please follow up:**

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## Synapse Energy Economics

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- Founded in 1996 by CEO Bruce Biewald
- Leader for public interest and government clients in providing rigorous analysis of the electric power sector
- Increasingly involved across the energy sector as transportation and buildings electrify
- Staff of almost 50 includes experts in energy and environmental economics and environmental compliance