

Congress of the United States

Washington, DC 20515

March 6, 2024

The Honorable Willie Phillips, Chairman
The Honorable Allison Clements,
Commissioner
The Honorable Mark Christie, Commissioner
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Docket Nos. RM20-10-000 and AD19-19-000

Dear Chairman Phillips and Commissioners Clements, and Christie:

We write today to encourage the Federal Energy Regulatory Commission (FERC) to follow the direction provided by Section 219(b)(3) of the Federal Power Act and take action to promote the deployment of grid-enhancing technologies (GETs). GETs are technologies that support the capacity, efficiency, and improved operation of new or existing transmission facilities. GETs have repeatedly been demonstrated—in modeling and in real-world deployment—to improve grid reliability, resiliency, flexibility, capacity, and efficiency.

Deployment of GETs is needed to address new electricity demand and clean energy deployment challenges. After years of steady electricity demand, the U.S. is returning to a period of substantial demand growth driven by electrification of heating and transportation, new data center development, and the reshoring of industrial and manufacturing facilities. Meanwhile, a lack of transmission capacity is preventing new clean energy supply from coming online. Hundreds of gigawatts of new solar and wind projects are currently waiting in long queues, while transmission owners struggle to find new space on the grid to interconnect them.

Critically, GETs can enable transmission owners to bolster capacity by freeing up transmission congestion and making the most of existing lines. Dynamic line ratings, power-flow control devices, and other GETs are typically much cheaper than traditional grid buildout and can be deployed quickly.

FERC recognized the importance of incentivizing these technologies when it proposed an additional rate of return for GETs in its March 2020 notice of proposed rulemaking (NPRM) titled “Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act” (Docket No. RM20-10-000). It is time for FERC to follow through and ensure these technologies are properly incentivized.

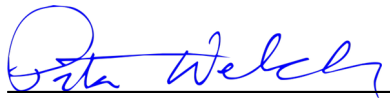
We are encouraged by FERC’s consideration of a shared savings incentive for GETs and urge the Commission to implement that type of incentive, which is the most promising structure to achieve what Congress intended—a rapid and cost-effective deployment of innovative technologies. Stakeholder feedback to FERC’s September 2021 workshop and NPRM demonstrate broad support for the value of GETs, a recognition of the slow pace of GETs

deployment in the U.S. compared to peer nations, and support for shared savings as a key solution to the issue.

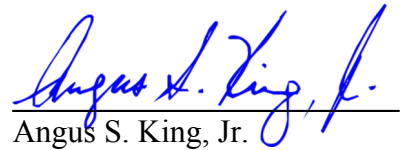
A shared savings incentive would address a fundamental misalignment of incentives between ratepayers and utilities. Because the vast majority of utilities in the United States earn a fixed rate of return on their capital investments, they are not incentivized to implement solutions which will save them, and ultimately ratepayers, money. A well-implemented shared saving system would fix this problem—and help us build a grid responsive to existing and future challenges.

All signs point toward the need to rapidly expand our electric grid to ensure reliability, affordability, and the achievement of our nation’s climate goals. Nineteen years after Congress first directed FERC to support the deployment of technologies like GETs that increase the efficiency and capacity of the transmission system, we are hopeful that the Commission will recognize, as we do, the urgency of the current moment and implement a shared savings incentive.

Sincerely,



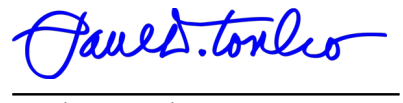
Peter Welch
United States Senator



Angus S. King, Jr.
United States Senator



Kathy Castor
Member of Congress



Paul D. Tonko
Member of Congress