

Legislative Principles to Support Transmission Deployment and Grid Expansion

2025-2026

Americans for a Clean Energy Grid (ACEG) brings together a diverse set of stakeholders, including utilities, merchant developers, energy generators, customers, manufacturers, NGOs, and labor advocates. Together, we advocate for policies to build out the interstate high-capacity electric grid.

Through extensive consultation, the following legislative principles were crafted to accelerate transmission buildout and develop a reliable grid that meets the nation's evolving electricity needs.

Siting and Permitting Reform

Growth in electricity demand is rapidly outstripping the grid's ability to deliver reliable and affordable power to all Americans. To accelerate construction of the high-capacity transmission lines needed to carry today's surging electricity demand, responsible siting and permitting reform can help. Specifically, Congress should

- 🏠 **Provide** parity between regionally significant transmission and other linear infrastructure through unified siting and permitting at a single federal agency.
- 🏠 **Require** that the federal permitting process for regionally significant transmission take no longer than five years, from initiation, to pre-application, to issuance of a notice to proceed.
- 🏠 **Analyze** transmission projects using a single environmental review, including corridor designation reviews.
- 🏠 **Prohibit** federal agencies from delaying deadlines without applicant agreement while limiting delays to no more than six months (applicant requests for delays should be accommodated).
- 🏠 **Make** available the Federal Power Act Section 216(h) appeals process in situations when a federal agency fails to make a designated deadline.
- 🏠 **Shorten** judicial review of a final siting decision down from the current six years and make consistent with other infrastructure projects (e.g., the FAST Act provides two years for seeking an appeal).
- 🏠 **Include** appropriate pre-application notice and consultation with stakeholders, as well as consideration of technical assistance and ongoing funding for impacted communities.

Interregional Transmission Planning and Cost Allocation

The Federal Energy Regulatory Commission (FERC) should issue a rulemaking within 180 days – and finalize a rule not later than one year after enactment – that establishes a minimum interregional transfer capability between any two Order No. 1000 planning regions. Specifically, such a rule should:

- 🏠 **Direct** every region to develop an interregional planning process based on expected needs and net benefits over the next 20 years.
- 🏠 **Require** all interregional plans to be completed within two years of enactment, updated every two years thereafter, and consider all potential transmission solutions regardless of regulatory or business model.
- 🏠 **Provide** for predictable cost recovery and allocate costs roughly commensurate with benefits (e.g., improved reliability, enhanced resilience, less congestion, reduced power losses, greater carrying capacity, lower planning and operating reserve requirements, improved access to generation).
- 🏠 **Select** projects meeting identified needs through a single, coordinated assessment using common metrics – including benefits, needs, and input assumptions.



Ensuring a Secure and Growing Domestic Supply Chain

To meet the urgent need for new transmission build and grid modernization, Congress should pursue policies that maximize the domestic production and/or reliable friend-sourcing of critical bulk power equipment.

Addressing Marketplace Uncertainty Related to Wildfire Liability Risk

Due to an increasing number of destructive wildfires across the country, utilities, transmission developers and domestic grid equipment providers face current financial risks which may impact their ability to enter into contracts for needed transmission build. Recognizing the critical importance of financially viable counterparties in the transmission ecosystem, Congress should address marketplace uncertainty and create the conditions for marketplace participants to continue to enter into contracts for needed transmission build.

Supporting Federal Investments in Transmission, Grid Expansion, and Grid Resilience

Congress should maintain or increase federal investments in transmission, grid expansion, and grid resilience, including but not limited to:

- Department of Energy (DOE) Office of Electricity and LPO
- Grid Deployment Office (GDO) Transmission Facilitation and Transmission Facility Financing Programs
- GDO Grant Programs
- Department of Agriculture Rural Energy for America Program

Creating a Transmission Investment Tax Credit

A transmission investment tax credit would help build the transmission needed to ensure grid reliability while lowering electricity costs for ratepayers. Such a credit should:

- **Provide** a 30% investment tax credit to a limited number of regionally significant transmission lines.
- **Define** “regionally significant” as being a minimum of:
 - 750 MW or 345 kV
 - Extending over at least two states (or one state and the outer-continental shelf) or 150 miles.
- **Apply** to 750 MW circuits that can be aggregated in the same right-of-way for offshore wind.
- **Include** upgrades of at least 500 MW and shared network interconnection facilities of at least 230 kV.
- **Incorporate** the same duration, domestic content and labor standards, and monetization options as similar energy infrastructure credits.

