

Response to Questions for the Record (May 13, 2026)

Prepared for the U.S. House of Representatives Energy and Commerce Committee Subcommittee on Energy and the Environment

August 2026

Rob Gramlich, Grid Strategies

Questions: Some argue that existing regional planning processes are already adequately identifying transmission needs. If that is the case, why do we continue to see significant congestion costs, growing interconnection backlogs, and reliability concerns tied to transfer limitations between regions?

The U.S. is currently meeting transmission needs in the most ineffective and costly manner. Most transmission planning processes are designed to identify and address near-term reliability needs. Although these processes can produce just-in-time upgrades needed to maintain reliability, they generally do not use multi-value planning to identify the lowest-cost solutions for consumers. Analysis by the Brattle Group highlights the scale of the problem. They estimate that annual U.S. transmission investment is on track to reach \$40-50 billion, with most of that spending justified solely based on reliability needs and not subject to benefit-cost analyses. Additionally, roughly half of annual transmission investment is driven by local utility criteria (i.e. aging assets) and does not even go through the regional planning processes.¹

Grid Strategies' 2025 Transmission Planning and Development Report Card found that regional planning is beginning to improve in some areas. However, many regions still fall well short of best practices, and progress remains uneven relative to the scale and urgency of current transmission needs.² Accelerating electricity demand — driven by data centers, manufacturing growth, and electrification — is increasing the importance of forward-looking transmission planning, compressing planning timelines, and raising the stakes for regions that continue to rely on incremental or reactive approaches. FERC Order No. 1920, which requires regions to adopt long-term planning practices, has already contributed to improvements in several regions, even before compliance is finalized. At the same time, widespread extensions of Order No. 1920 compliance deadlines mean that many of the rule's benefits may not be realized for years.

¹ The Brattle Group, "Annual U.S. Transmission Investment," 1 (June 2026), <https://www.brattle.com/wp-content/uploads/2026/06/Annual-US-Transmission-Investments-1996%E2%80%932025.pdf>.

² See Zimmerman, et al., *2025 Transmission Planning and Development Report Card* (Feb. 2026), https://gridstrategiesllc.com/wp-content/uploads/ACEG_2025-Transmission-Planning-and-Development-Report-Card.pdf

Even where planning processes meet reliability requirements, they often fail to evaluate congestion or generation in interconnection queues over sufficiently long time horizons. Persistent congestion and large interconnection backlogs indicate that current processes continue to underbuild proactive, high-capacity regional and interregional transmission. DOE's 2026 Draft Transmission Needs Study reinforces this point, finding that congestion and public policy each accounted for less than 1% of new transmission circuit-miles from 2016-2024.³

On the interconnection side, network upgrade costs triggered by new generation interconnecting through the queue are evaluated project by project, making them more expensive and less efficient than they would be under holistic planning.

In our Generator Interconnection Interim Progress Report with Brattle, we found that regions are reforming their interconnection processes in response to sharp increases in interconnection requests over the past decade, resulting queue backlogs, rising electricity demand, and FERC Order No. 2023.⁴ However, if regional planning were already adequately anticipating generation development and system needs, fewer resources would be waiting for project-specific network upgrades rather than being integrated into proactive, multi-value transmission plans.

SPP's Consolidated Planning Process illustrates one effort to address these problems. Since 2020, SPP has been developing the CPP in response to recognized shortcomings in its traditional planning framework. Historically, resource, load, transmission, and generator interconnection planning were conducted through separate processes, creating uncertainty, delays, duplication, and less efficient transmission solutions. The CPP is intended to integrate these planning functions, align transmission and generator interconnection planning, identify the right upgrades at the right time, create more certainty for generators through a flat entry fee, and allocate costs based on benefits.

The need for new interregional transmission capacity is also significant. As directed by Congress, NERC's 2024 Interregional Transfer Capability Study (ITCS) found 35 GW of additional interregional transfer capability would be a prudent investment to maintain reliability.⁵ Our follow-on analysis found for each dollar invested in the NERC

³ U.S. Department of Energy, *National Transmission Needs Study Draft for Consultation and Public Comment*, 26 (Jul. 2026), <https://www.energy.gov/documents/national-transmission-needs-study-draft-july-2026>.

⁴ See Grid Strategies and The Brattle Group, *Generator Interconnection Interim Progress Report* (Jun. 2026), https://gridstrategiesllc.com/wp-content/uploads/GS_Generator-Interconnection-Interim-Progress-Report.pdf.

⁵ North American Reliability Corporation (NERC), *Interregional Transfer Capability Study (ITCS)*, v-xvi (Nov. 2024), https://www.nerc.com/pa/RAPA/Documents/ITCS_Final_Report.pdf ("NERC ITCS").

recommended interregional capacity additions could produce between \$4.30 to \$5.80 in benefits, with a payback period of less than three years.⁶

Despite the well-documented value of interregional transmission, regions are planning very little of it. Current rules and planning structures often require a proposed interregional line to be identified as needed and approved in both regions and then approved again through a joint evaluation process. This structure makes projects difficult to advance, particularly when regions use different modeling assumptions, identify different needs, calculate benefit differently, and lack compatible cost-allocation approaches. In addition, FERC's efforts to encourage interregional planning remain limited, and there is no formal requirement for regions to conduct proactive, multi-value interregional planning.⁷

Some interregional transmission planning is being conducted through state coordination, voluntary regional efforts, and independent or merchant projects. However, these approaches remain largely voluntary. In most regions, interregional coordination relies on reliability-focused studies rather than proactive, scenario-based planning with durable selection and cost-allocation frameworks. As a result, interregional transmission remains one of the weakest elements of the national planning landscape, with planned capacity generally falling short of estimated need.

⁶ Goggin, et al., *NERC's recommended grid expansion would save billions*, 1-2 (Feb. 2025), https://gridstrategiesllc.com/wp-content/uploads/GS_NRDC_NERCs-Recommended-Grid-Expansion-Report54.pdf.

⁷ For additional discussion of the value and barriers to interregional transmission see Pfeifenberger, J., "The Value of Interregional Transmission: Grid Planning for the 21st Century" (Sep. 2023), <https://www.brattle.com/wp-content/uploads/2023/09/The-Value-of-Interregional-Transmission-Grid-Planning-for-the-21st-Century.pdf>; See also NARUC and Energy and Environmental Economics, Collaborative Enhancements to Unlock Interregional Transmission (Jun. 2024), <https://pubs.naruc.org/pub/BACDDB9D-02BF-0090-0109-B51B36B74439>.