August 3, 2026

The Honorable Robert E. Latta
Chairman
Subcommittee on Energy
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

Re: **Responses to Questions for the Record — May 13, 2026 Hearing Entitled "Wires, Rates, and States: Permitting Transmission for Reliable and Affordable Power"**

Dear Chairman Latta:

Enclosed please find my responses to the Questions for the Record following May 13, 2026 oversight hearing entitled, "Wires, Rates, and States: Permitting Transmission for Reliable and Affordable Power".

I appreciate the opportunity to provide additional technical detail and clarification on the issues discussed during the hearing. The Northern California Power Agency (NCPA) and the Transmission Access Policy Study Group (TAPS) remain committed to supporting federal efforts to address transmission permitting, planning, reliability and affordability for the communities we serve.

Please do not hesitate to contact me should further information be helpful. Thank you again for your continued leadership on these important issues.

Sincerely,

Randy S Howard

Randy S Howard
Former General Manager
Northern California Power Agency

Enclosure: Responses to Questions for the Record

Responses to Questions for the Record

Mr. Randy Howard, Former General Manager, Northern California Power Agency

The Honorable Brett Guthrie (R-KY)

Question 1(a). We've seen in testimony and heard during this hearing that massive regional and interregional transmission, at least on paper, are supposed to deliver huge affordability and reliability benefits to the electric system, and consumers. Do you consider this kind of transmission in your planning and, if so, why is it either getting built or not getting built?

Yes. transmission owners and users regularly evaluate regional and interregional transmission opportunities as part of long-term resource and transmission planning processes. We support consideration of large-scale transmission projects when they demonstrate measurable reliability, economic, operational, or public-policy benefits that justify their costs.

In practice, however, many proposed regional and interregional transmission projects are not ultimately constructed because the anticipated benefits often prove difficult to quantify with sufficient certainty, especially over planning horizons that extend twenty or more years into the future. In addition, beneficiaries may be dispersed across multiple balancing authority areas, states, and utility systems, creating disagreements regarding cost allocation and who should bear financial responsibility.

Large transmission projects also face permitting challenges, environmental review requirements, siting disputes, and extended development timelines. Even projects that appear beneficial in planning studies can encounter significant uncertainty regarding future generation portfolios, load growth, electrification trends, and technological developments such as energy storage and distributed energy resources.

For these reasons, transmission providers generally proceed when there is a clear demonstration that project benefits exceed costs and when there is reasonable agreement regarding beneficiary identification and cost responsibility. TAPS supports planning processes that evaluate regional and interregional opportunities, but believes decisions should remain grounded in demonstrated consumer benefits rather than assumptions that all large transmission projects are inherently beneficial.

The objective should not be to maximize transmission construction, but rather to ensure that transmission investments deliver verifiable reliability and affordability benefits to consumers who ultimately pay for them. Upon constructing the transmission, other actions such as responsible ratemaking and allocation of costs must be applied in a manner that protects consumers.

The Honorable Mariannette Miller-Meeks (R-IA)

Question 1. You warn that codifying a rigid list of benefits for cost allocation purposes can create a parallel standard that increases litigation risk and confusion. But you also acknowledge that the current lack of clarity is itself a barrier. Where is the line between enough definitional clarity to enable interregional planning and so much rigidity that it creates the problems you describe?

The appropriate balance is achieved when the Federal Energy Regulatory Commission ("FERC") promulgates planning regulations that establish broad, understandable categories of benefits while allowing regions sufficient flexibility to determine how those benefits are evaluated based on local system conditions and planning practices.

Some level of definitional clarity by FERC, as it provided in Order 1920, is necessary because transmission providers, regulators, state officials, and stakeholders need a common framework for discussing project benefits and allocating costs. Without that framework, disagreements over methodology can impede planning and delay investment decisions.

However, a rigid Congressionally-mandated list that prescribes exactly which benefits must be measured, how they must be quantified, or how heavily they must be weighted can create a separate set of regulatory requirements that may not align with existing regional planning processes. Such rigidity can encourage disputes over whether planners properly applied federal definitions rather than focusing on whether a project produces net benefits for consumers.

The electric grid varies significantly across regions. Reliability drivers, congestion patterns, resource mixes, weather risks, and state policies differ substantially. As a result, a one-size-fits-all approach may either overstate benefits in some circumstances or fail to capture legitimate benefits in others.

TAPS therefore supports an approach that establishes guiding principles while preserving local and regional flexibility regarding evaluation methods and maintaining existing Court-approved and FERC-established principles for cost allocation under the Federal Power Act's just, reasonable, and not-unduly discriminatory or preferential standard. Such an approach provides predictability and transparency while minimizing unnecessary litigation and preserving the ability of planners to address unique regional circumstances.

The Honorable Diana Harshbarger (R-TN)

Question 1. In Tennessee, transmission projects are ultimately paid for by families, farmers, and small businesses served by public power utilities and co-ops. Some of my colleagues say we need to frontload transmission projects, but what happens to electric rates in Tennessee and around the country if we build more than we actually need? Who ends up paying for that?

Transmission investments are generally paid for by electricity consumers through transmission charges that are collected in retail electric rates. As a result, if transmission facilities are built that ultimately prove unnecessary, oversized, or incapable of delivering the anticipated benefits, the costs remain with consumers.

Transmission assets are long-lived investments with recovery periods that can span several decades. Once a project is approved and constructed, transmission owners are typically authorized to recover prudently incurred costs through rates, regardless of whether future conditions develop exactly as forecasted.

For that reason, TAPS believes transmission planning should be disciplined, evidence-based, and focused on demonstrated need. While transmission investments are essential for reliability and can produce significant consumer benefits, planners should seek to avoid speculative overbuilding based on uncertain forecasts or assumptions.

Consumers benefit most when transmission projects are developed in response to identified reliability and growth needs, demonstrated economic value, or other measurable system benefits. Maintaining strong planning and existing Court-approved and FERC-established principles for cost allocation under the Federal Power Act’s just, reasonable, and not-unduly discriminatory or preferential standard help protect families, farmers, small businesses, and all electricity customers from bearing costs that exceed the benefits they receive.

Question 2. As I understand it, FERC has played an important role in improving planning through Orders 890, 1000, and now 1920, but it has never directly reviewed or approved regional plans themselves. Can you explain why moving FERC from setting planning rules to actually approving regional and interregional plans is a fundamental change to its structure? Why does TAPS believe that could work against cost-effective, consumer-focused planning?

Historically, FERC has established the rules governing transmission planning and cost allocation while leaving responsibility for developing and administering regional planning processes to transmission providers, regional transmission organizations (RTOs), independent system operators (ISOs), and other regional entities. Orders 890, 1000, and 1920 all follow that framework.

A system in which FERC directly approves specific regional or interregional transmission plans would represent a significant shift from oversight of planning processes to direct involvement in planning outcomes. Such a change could fundamentally alter the respective roles of federal regulators, transmission providers, states, and regional stakeholders.

TAPS is concerned that direct federal approval of plans could reduce incentives for regional consensus-building and encourage parties dissatisfied with regional outcomes to seek federal intervention. That dynamic could increase litigation, lengthen planning timelines, and make transmission development more contentious rather than more efficient.

Regional planners generally possess the most detailed understanding of local reliability needs, transmission constraints, resource characteristics, operational practices, and state policy considerations. Those planners are often better positioned to evaluate competing alternatives and identify cost-effective solutions.

FERC plays an important and valuable role in structuring planning processes to identify needs and evaluate how to address them efficiently and cost-effectively, and ensuring that these planning processes are fair, transparent, and consistent with federal law. TAPS believes that role is best exercised through oversight of planning frameworks and compliance requirements rather than direct approval of individual regional plans. Preserving that distinction helps maintain regional accountability while supporting planning outcomes that remain focused on consumer benefits and cost effectiveness.