Americans for a Clean Energy Grid

STATEMENT OF

Christina Hayes
Executive Director, Americans for a Clean Energy Grid

Before the U.S. House of Representatives Committee on Natural Resources, Subcommittee on Water, Wildlife, and Fisheries

Hearing on Bureaucratic Delays and the Costs to Ratepayers and Electric Power Systems

February 24, 2026

Chair Hageman, Ranking Member Hoyle, and Members of the Subcommittee, thank you for the opportunity to speak about several elements of a strong grid to support a high growth economy that works for all Americans.

My name is Christina Hayes, and I serve as the Executive Director of Americans for a Clean Energy Grid, also known as ACEG. ACEG brings together a diverse coalition of stakeholders focused on the need to expand, integrate and modernize the high-capacity electric grid in the United States. The ACEG coalition includes multi-state utilities and merchant transmission owners that develop, own, and operate transmission; trade groups that include transmission owners and transmission equipment manufacturers among their members; renewable energy trade groups and advocates, environmental advocacy organizations; buyers and consumers of energy; and energy policy experts. Our coalition seeks to educate the public, opinion leaders, and public officials about the needs and potential of the transmission grid. My comments today do not necessarily reflect the views of individual members.

I. INTRODUCTION: WHY TRANSMISSION

Transmission is critical to moving power across America. In times of increased demand, and concerns about the ability to secure sufficient supply, there is a history of increasing connectivity throughout the country in order to make the most of all resources. During World War II, under sections 202(c) and 202(d), the then-Federal Power Commission approved numerous applications for new transmission to "save critical materials needed in the war effort, and by coordinating facilities, to provide a dependable market for a large part of the electric power and energy generated."[1] The Commission found that, "increased demands for electric energy and critical types

[1] See, e.g., Determination and order for emergency use of interconnections, *Texas Power & Light Co.*, Docket No. IT-5890 (June 14, 1944).

of fuel, restrictions on the construction and installation of additional electric generating and transmission facilities, and emergencies in the maintenance of an adequate supply of electric energy essential to the war effort, necessitate[ed] the interconnection and interconnected use of electric facilities."[2]

Today, the United States faces a similarly urgent need to develop power quickly. An important component of that is the ability to ensure unconstrained access through the ready availability of high-capacity regional and interregional transmission. Not only do such lines provide the ability to move power to where it is needed, but by planning proactively, without waiting for new transmission to be built on a reactive basis, the grid is better able to interconnect new generation quickly, without the need for endless restudies and debates about who pays for upgrades that benefit all parties.

Transmission development is lagging – not only from where it has been in recent years, but from where it needs to be to meet increased electrification, data center, and manufacturing needs. In 2013, nearly 4,000 miles of transmission were built in the United States; according to the U.S. Department of Energy's 2024 National Transmission Planning Study, we need to build approximately 5,000 miles per year of high-capacity regional transmission to support grid reliability, reduce congestion, and enable continued economic growth – and even more miles of interregional transmission. Yet only 888 miles of new transmission were built in 2024, mostly focused on a small set of projects.[3]

Not only is transmission essential to making the most of every electron – a critical need when national security and economic opportunity rely on much-needed power – but it also makes the system more affordable for all customers. A recent study showed that a well-planned, high-capacity transmission system – adjusting for what is often an underestimate of benefits in initial planning studies – yields net benefits of nearly $5 for every $1 invested in transmission.[4] This analysis focused on the traditional energy-centric benefits of transmission.[5]

A significant benefit of transmission is access to lower cost resources, especially in times of extreme weather and pricing constraints. The greater the capacity of the interconnection, and the more lines that provide the interconnection, the less that prices will separate during severe conditions. That is, in times of extreme need, locational marginal pricing might be lower in one area – for instance, in the Chicago-area during Winter Storm Fern, there was an excess of power – but higher in another area – in that example, prices were higher in the D.C. area, even though it is

[2] Id. at 617-18 (approving the application for interconnection).

[3] Shreve, Nathan, et. al., Grid Strategies, Fewer New Miles: Strategic Industries Held Back by Slow Pace of Transmission, at 3 (July 2025).

[4] Zimmerman, Zach, et. al., Grid Strategies, Large-Scale Transmission Deployment Saves Consumers Money, at 4 (June 2025).

[5] *Id.* at 6 (analyzing production cost savings, reduced grid congestion, avoided transmission facilities, reduced generation capacity needs, reduced transmission energy losses, reliability benefits and increased resilience to extreme weather events).

in the same energy market as Chicago, in PJM. One analysis found that $190 million could have been saved had there been an additional 1 GW of transfer capacity from west to east PJM. Similar analyses showed further benefits during Winter Storm Elliott in December 2022.[6]

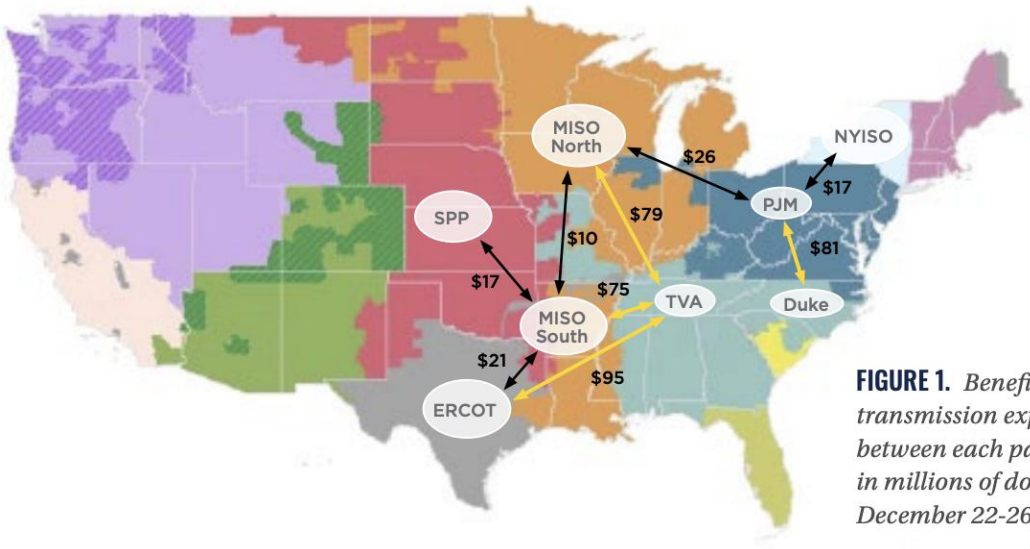

FIGURE 1. *Benefit of 1 GW transmission expansion between each pair of regions, in millions of dollars, December 22-26, 2022*

And delay in the construction of needed transmission can also raise costs. One recent study showed that, for every $1 billion investment in well-planned, large-scale transmission that is delayed, it costs consumers approximately $150 million to $370 million in lost net benefits for each year of delay, including postponed reliability improvements, reduced access to lower-cost generation, and foregone economic efficiencies.[7]

II. WHAT DO WE NEED TO MAKE TRANSMISSION HAPPEN

Building the next generation of the American electric grid requires progress in three areas: planning, permitting, and paying for the infrastructure we need. These three elements are tightly connected. Thoughtful planning ensures that we build the most effective system possible, but do not build more than we need, minimizing cost and the impact on landowners and communities. Effective permitting ensures those projects can be built in a timely fashion while mitigating the impact on the environment. Fair cost allocation ensures that the beneficiaries of transmission pay their share so that investment can move forward.

---

[6] Goggin, Michael, et. al., Grid Strategies, The Value of Transmission During Winter Storm Elliott (Feb. 2023).

[7] Zimmerman, Zach, et. al., Grid Strategies, Delaying Transmission Increases Costs and Reduces Benefits for Consumers (Nov. 2025).

If any element fails, the grid develops slowly, in a patchwork manner, and at a higher cost. When all three elements work together, the grid can expand in a way that is cost-effective, reliable, and responsive to the nation's evolving energy needs.

A. PLANNING

Transmission planning is the foundation of responsible grid development. A modern planning process identifies future reliability risks, evaluates economic opportunities, and ensures that new infrastructure provides benefits that exceed its costs.

Recent action by the Federal Energy Regulatory Commission in Order No. 1920 represents an important step forward in strengthening regional transmission planning.[8] The rule requires transmission providers to conduct long-term regional planning processes that consider a broad range of future scenarios, including new generation, load growth, electrification, and extreme weather.

Regional planning provides discipline in the buildout of transmission, through comprehensively analyzing regional energy needs and develops the most efficient solutions. By requiring planners to evaluate a wide range of benefits—including reliability improvements, congestion relief, resource access, and resilience—regional planning can replace some local lines that need to be upgraded. Moreover, the process adopted by Order No. 1920 ensures that transmission lines demonstrate clear value before being approved. The result is that fewer, more cost-effective projects move forward, and only where they can show that their economic and reliability benefits exceed their costs.

This is particularly important because the electric system is undergoing rapid change. Load growth from electrification and advanced manufacturing is increasing demand in many regions. Regional planning allows grid operators to look ahead decades and plan proactively for new generation, long-term resilience, and economic growth, rather than reacting only to immediate reliability concerns.

The Need for Interregional Planning

While regional planning is essential, it is not sufficient. The United States operates a patchwork of regional transmission systems, and the boundaries between those regions often represent weak points in the grid. Interregional transmission—the lines that connect different planning regions—is frequently the most difficult infrastructure to develop. Yet these connections are often the most valuable. They allow regions to share resources, reduce congestion, and improve resilience during extreme weather.

[8] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Order No. 1920, 147 FERC ¶ 61,111 (May 13, 2024).

Recent work by the North American Electric Reliability Corporation highlights this challenge. NERC's analysis of Interregional Transfer Capability Study (ITCS) levels and minimum transfer capability across major grid regions identified significant gaps in the system's ability to move power across regional boundaries. These constraints limit the ability of neighboring regions to support one another during emergencies and restrict access to lower-cost energy resources.

Some progress has been made through initiatives such as collaborative efforts to address the impacts of new generation, as seen in the MISO-SPP Joint Transmission Interconnected Queue (JTIQ) projects, and individual merchant or "one-off" transmission projects. These efforts demonstrate that interregional transmission can be built when the incentives are aligned.

However, these projects remain the exception rather than the rule. Without a systematic interregional planning framework, many beneficial projects never advance beyond the conceptual stage. Congress can help address this gap by encouraging stronger coordination between regional planning authorities and ensuring that the benefits of interregional transmission are recognized and fairly allocated.[9]

The Role of Grid Enhancing Technologies

Part of planning for grid expansion must include use of best available technology, weighing the costs and benefits of the many new options that are coming to light. In many cases, existing infrastructure can be expanded or optimized through the deployment of grid enhancing technologies (GETs) and high-capacity conductors.

GETs include tools such as dynamic line ratings, advanced power flow control devices, topology optimization software, and advanced conductors. These technologies can significantly increase the capacity and efficiency of existing transmission corridors. Additionally, reconductoring existing lines with advanced conductors can dramatically increase capacity while avoiding the need for entirely new rights-of-way. This approach can deliver substantial benefits at a fraction of the cost and with far fewer permitting challenges.

Federal policy already recognizes the value of these technologies. Section 219 of the Federal Power Act authorizes incentives for transmission investments that improve reliability and reduce congestion. These incentives can help accelerate the deployment of transmission technologies and encourage utilities to pursue innovative solutions alongside traditional infrastructure.

Incorporating GETs and advanced and high-capacity conductors into planning processes ensures that the grid is expanded in the most efficient way possible—combining new construction with modernization of existing facilities. This is especially effective as a near-term solution and enhancement of proposed lines, but is not a complete replacement for responsible regional transmission planning.

[9] Energy Permitting Reform Act of 2024, S.4753 (July 22, 2024).

B. PERMITTING

Even the best-planned transmission project cannot succeed if it cannot obtain the permits necessary for construction. Today, permitting is widely recognized as one of the largest barriers to transmission development in the United States. There are multiple examples: Transwest Express, an independent transmission line, began working its way through the permitting process in 2008, but didn't receive final federal approval from the Bureau of Land Management (BLM) until 2023.[10] Boardman to Hemingway, a joint project between Idaho Power and PacifiCorp, began permitting in 2006, received a record of decision in 2017, and broke ground in 2025 – but still did not have every permit that it needed from BLM to finish the transmission line. Projects may undergo years of environmental analysis – and then can still be stymied through delayed notices to proceed.

Streamlined Permitting for Transmission is Essential

Transmission lines frequently cross multiple jurisdictions—federal lands, state boundaries, tribal lands, and private property. Each layer introduces additional reviews, timelines, and uncertainty. Therefore, while efforts to streamline federal permitting are essential, it's not enough without a single, comprehensive federal siting authority for high-capacity multi-state transmission lines, comparable to what exists for interstate natural gas pipelines.

Natural gas pipelines benefit from a centralized process led by the Federal Energy Regulatory Commission. Once a certificate is granted, developers have a clear federal pathway for permitting and construction. Transmission, by contrast, often faces a fragmented approval process involving multiple agencies and jurisdictions. This fragmentation can add years of delay even for projects that provide broad regional benefits.

Establishing a one-stop federal siting process for major interstate transmission lines would significantly reduce uncertainty while preserving appropriate environmental and community review. Such a process would not eliminate state or local input but would ensure that decisions occur within a predictable and coordinated framework. Without this type of structure, even projects that are in the national interest and have significant regional benefits can stall indefinitely.

The Importance of Early Engagement

A key element to facilitating efficient permitting is early community engagement—particularly with landowners. Transmission projects traverse private land, agricultural areas, and rural communities. When landowners feel excluded from the planning process, opposition can grow quickly. Successful transmission developers understand this reality. They prioritize early and

[10] TransWest Express. "TransWest Express Transmission Project: Schedule and Timeline."

transparent engagement with affected communities, seeking to identify and address concerns long before formal permitting begins.

Last year, ACEG released *The PACE of Trust*, a report informed by roundtable discussions with agricultural organizations, labor, Tribal representatives, transmission developers, and other stakeholders. The report offers practical, consensus-based recommendations for strengthening community engagement and reflects a central finding: the timeline for transmission development is often directly linked to the level of trust established with affected communities. These findings are organized into the PACE framework, which identifies four core pillars for effective engagement and durable project outcomes.

First, participation and engagement ensure that outreach begins early and continues throughout the project lifecycle. Creating meaningful opportunities for communities to shape decisions helps identify barriers sooner, broadens representation in the process, and advances energy, climate, and environmental justice goals.

Second, accountability and good governance provide structured, transparent forums—such as Community Benefit Advisory Boards—to gather representative input, develop community benefits plans, and streamline negotiations. This approach supports informed, collective decision-making and helps align projects with local priorities while meeting impact-assessment requirements.

Third, communication, transparency, and trust ensure that accurate and timely information is accessible to all stakeholders. Clear communication enables communities to provide informed feedback, allows developers to anticipate and address concerns, and helps bridge the technical complexity that often creates confusion and opposition.

Finally, economic and non-economic benefits demonstrate that host communities will share in the value created by transmission investment. Identifying funding mechanisms to support community participation, establishing local hiring pathways, and delivering on developer commitments are essential to building long-term confidence in the development process.

Together, these elements reinforce a key lesson: when trust is built early and engagement is continuous, projects move more efficiently, conflicts are reduced, and infrastructure can be delivered at the scale and speed required for reliability and economic growth.[11]

Research and stakeholder work—including recommendations developed through the PACE initiative—highlight several best practices for improving community engagement:

- Initiating outreach at the earliest stages of project development
- Providing clear and accessible information about routes and alternatives
- Offering fair compensation and easement arrangements
- Establishing responsive communication channels for landowner concerns

[11] Vu, C., Putnam, M., Holder, K., DNV, *The PACE of Trust: A Framework By Community Voices For Advancing Transmission* (Jan. 2025).

- Incorporating community feedback into routing decisions when feasible

These practices build trust and reduce conflict. In many cases, early collaboration can avoid costly delays and litigation later in the process.

Transmission infrastructure is ultimately a partnership between developers and the communities that host these projects. Respectful engagement helps ensure that this partnership succeeds.

C. PAYING

The final piece of the transmission puzzle is cost allocation—determining who pays for new infrastructure. When we build new power lines, the rule is simple: only build when the benefits outweigh the costs and only those who benefit pay. Defining benefits ensures ratepayer protection, boosting reliability, and building the economy to meet the needs of the 21st century.

If a line is located completely within a utility's borders, then allocating costs is straightforward – that utility's customers pay for the line. However, for regional and interregional transmission projects that benefit multiple states and categories of customers, the cost allocation process can be more complicated. As a result, cost allocation – an old concept that has been relied upon for decades by utilities to charge their customers for needed infrastructure investments – can become a contentious issue even when the underlying project provides clear benefits.

Aligning Costs with Benefits

Identifying beneficiaries is not always easy or straightforward, and can change over time. Since precise measurements are difficult, courts have approved cost allocation methodologies that are "roughly commensurate" with the benefits customers receive.[12] Importantly, cost allocation for regional transmission projects is effectively part of the planning process where utilities, developers, and other key stakeholders collaborate to determine transmission needs, solutions, and beneficiaries. FERC reviews transmission cost allocation proposals to ensure that, based on the evidence in the record, they are just, reasonable, and allocate costs roughly commensurate with benefits, as required by law. FERC's defined framework ensures that all regions measure benefits consistently, making planning decisions more defensible and grounded in real customer value.

In practice, this means that transmission planning processes must quantify and evaluate the benefits of proposed projects. These benefits can include:

- Improved reliability
- Reduced congestion and lower electricity costs
- Access to diverse generation resources
- Increased resilience during extreme weather

[12] *Illinois Commerce Commission v. FERC*, 576 F.3d 470, 7th Cir. 2009).

- Enhanced system flexibility

These benefits are essential to reliable and cost-effective electricity service. Projects that demonstrate strong benefits across multiple regions are the most likely to move forward.

Interregional Cost Allocation

Interregional projects present a particular challenge because their benefits often span multiple planning regions with different regulatory structures. Legislative proposals such as the Manchin–Barrasso Energy Permitting Reform Act (EPRA) of 2024 sought to address this issue by establishing clearer mechanisms for identifying and allocating the costs of interregional transmission lines.[13]

Under such a framework, transmission planners would identify projects with significant benefits and apply to FERC to recover the costs of the project proportionally among those that would benefit. As noted above, FERC is bound by the Federal Power Act to analyze any such proposal under the provision that requires that any tariff filing by "just and reasonable," a framework that FERC has interpreted as requiring that any project that is selected should provide benefits that exceed costs, limiting the benefit to cost ratio to no more than 1.25:1.[14] While FERC has issued rulemakings on regional planning, there is no such structure for interregional planning. This approach would provide an avenue for developers to go straight to FERC and seek cost recovery, and ensure that no single state or region is asked to bear the full cost of infrastructure that serves a much broader purpose.

Unlocking Private Investment

Clear cost allocation rules also help unlock private capital. Transmission infrastructure requires significant upfront investment and long development timelines. Investors need predictable regulatory frameworks in order to commit resources to these projects.

When planning processes identify worthwhile projects, permitting processes provide clear pathways, and cost allocation rules fairly distribute expenses, the financial community can step forward with confidence. The result is a transmission system that evolves alongside the nation's energy needs while protecting consumers from unnecessary costs.

Together, these efforts can help ensure that the United States builds the transmission infrastructure necessary for a reliable, affordable, and resilient electric system.

[13] Energy Permitting Reform Act of 2024, S.4753 (July 22, 2024).

[14] Order No. 1920 at P 958.

Transmission may not always attract the same attention as generation or new technologies, but it remains the backbone of the power system. Without it, the benefits of new resources, innovation, and investment cannot reach American homes and businesses.

Policymakers have aligned around a common set of benefits, creating more predictable, transparent, and fair processes for utilities, developers, and ratepayers alike. Congress should clarify the benefits that FERC will consider when reviewing transmission planning and cost-benefit analyses. By affirming FERC's focus on economic and reliability benefits, Congress can support regulatory certainty, facilitating greater investment and preventing years of litigation at a moment when the US is competing on the international stage for strategic industries, such as artificial intelligence and advanced manufacturing, likely to determine the trajectory of the 21st century.

With thoughtful policy and continued collaboration among federal agencies, states, industry, and communities, the nation can build the grid it needs for the decades ahead.

III. WILDFIRE LIABILITY THREATENS TRANSMISSION DEVELOPMENT

In recent years, wildfires in the United States have become more frequent and severe, with an annual average of 70,000 fires burning 7 million acres since 2000—more than double the acreage burned in the 1990s.[15] As costs associated with wildfires have climbed, the existing policy framework must be updated.

How Has Accountability for Wildfires Evolved?

Wildfires can have many causes such as sparks from lightning or unattended campfires. In some cases, a spark from a transmission line or other electricity infrastructure can also ignite a fire.[16] Where utilities operate irresponsibly, they should absolutely be held accountable for wildfire damages. But there are inherent risks in operating a utility, particularly in wildfire-prone regions where even the best mitigation practices cannot eliminate all threats. The system has evolved in a way that places unsustainable financial burdens on utilities, even when they've acted responsibly. Utilities now face unlimited liability, meaning they are often held responsible for all damages resulting from a wildfire. Even if utilities lawfully mitigate wildfire risks, new challenges continue to emerge. For example, Southern California Edison is investigating whether an idle power line, also known as a "zombie line," sparked the 2025 Eaton fire in Los Angeles that burned 14,000 acres.[17]

[15] Congressional Research Service, "Wildfire Management: Federal Funding and Related Statistics." (June 2023).

[16] National Park Service, "Wildfire Causes and Evaluations." (2025).

[17] Katherine Blunt, "California's Eaton Fire Likely Ignited by Power Line." (March 2025).

How Does This Impact Customers?

Because utilities can be exposed to unlimited liability for wildfire damages, they have begun to be classified as "high-risk" clients and have undergone credit downgrades. As a result, utilities face rising insurance premiums, shrinking insurer options, and increasing borrowing costs, which make it more expensive to invest in new resources and upgrade transmission infrastructure. Importantly, these increasing costs are ultimately passed on to customers, driving up electricity bills for households and businesses.[18] While California experiences some of the most destructive and costly wildfires, fires have also intensified in other states like Texas, North Carolina, and Florida.[19] Previously only California required utilities to pay for all wildfire damages regardless of negligence, but this legal theory is beginning to spread.[20]

What Should Congress Do?

Although some states are trying to address the issue, this can lead to a patchwork quilt of state-by-state policies that don't match the multi-state nature of the wholesale electric grid. Congress should set a floor to address marketplace uncertainty and create the conditions for marketplace participants to continue to enter into contracts for needed transmission build.

Projects Withdrawn in Hawaii

In August 2023, a Maui fire swept through the historic city of Lahaina, causing more than $3 billion in damages and killing over 100 people. Many factors contributed to the fire, including a fallen power line owned by the local utility, Hawaiian Electric Company (HECO). After being sued, HECO settled the lawsuit for $2 billion and saw its credit rating slashed to junk status. Its downgraded credit rating made contracting too risky for some energy generation developers.[21] In November 2024, Clearway Energy withdrew three hybrid solar and storage projects from HECO's 2023 procurement due to the utility's financial uncertainty.[22]

PacifiCorp Pauses RFP: Multi-Billion Dollar Liability "An Element" in Decision

After significant wildfires throughout Oregon in 2020, a jury found PacifiCorp was responsible for wildfire costs. As lawsuits multiplied, the utility faced more than $45 billion in wildfire-related claims.[23] The enormity of this legal and financial risk directly threatens PacifiCorp's ability to

[18] Michael Wara, Michael D. Mastrandrea, and Eric Macomber, "Climate Change and Utility Wildfire Risk: A Proposal for a Federal Backstop." (May 2024).

[19] Insurance Information Institute, "Facts + Statistics: Wildfires." (2024).

[20] Robins Cloud LLP, "Who Can Be Held Liable for a Wildfire?" (January 2025).

[21] Stewart Yerton, "HECO's Shaky Credit Prompts Proposal For Help From State." (December 2024).

[22] Matthew Biss, "Clearway withdraws solar-plus-storage from Hawaiian Electric procurement, citing utility's 'ongoing financial uncertainty'" (November 2024).

[23] S&P Global Commodity Insights, "Wildfire claims against PacifiCorp surge to $4.6B on Oregon mass complaints." (May 24, 2024).

invest in new resources. In 2022, PacifiCorp paused its request for proposals (RFP) for almost 2,000 MW of new energy projects. Rick Link, PacifiCorp's Senior Vice President of Resource Planning, Procurement, and Optimization, said the company's potential liability from the 2020 wildfire lawsuits "was an element" in its decision to pause the RFP process.[24] In 2025, the Oregon Department of Forestry concluded that PacifiCorp's power lines did not contribute to the fires.[25]

Colorado Utility Credit Rating Slashed Due to Wildfire Risk

In December 2021, more than 1,000 homes burned near Boulder, Colorado in the Marshall Fire, leading to more than $2 billion in damages. Even though the Public Service Company of Colorado (PSCo) has developed and implemented enhanced wildfire mitigation efforts, S&P noted in 2025 the ongoing threat of severe wildfires.[26] As a consequence, S&P downgraded PSCo's credit rating with a negative outlook. A lower credit rating increases borrowing costs—costs that are often passed on to customers—and can ultimately impact needed investment.[27]

[24] Greg Mason, "PacifiCorp Suspends 2022 RFP, Citing Uncertain Federal Regulations." (October 2023).

[25] Oregon Department of Forestry, "ODF publishes 2020 Santiam Canyon Wildfire Event investigation report." (March, 2025).

[26] Leo Wolfson, "Rocky Mountain Power To Cancel Planned Retirements Of Its Wyoming Coal Plants." (January 2025).

[27] S&P Global Ratings, "Public Service Co. Of Colorado Lowered To 'BBB+' From 'A-' Following Wildfire Review; Outlook Negative." (February 2025).