

FERC Takes on Long-Term Planning with Historic Transmission Rule

May 13, 2024

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FERC Order No. 1920 - Securing a Reliable Energy Future



FERC acted today to ensure the transmission grid can meet the nation’s growing demand for reliable electricity with a new rule that outlines how to plan and pay for facilities that regions of the country will need to keep the lights on and power the American economy through the 21st Century.

Today’s rule, Order No. 1920, marks the first time in more than a decade that FERC has addressed regional transmission policy – and the first time the Commission has ever squarely addressed the need for long-term transmission planning.

“Our country is facing an unprecedented surge in demand for affordable electricity while confronting extreme weather threats to the reliability of our grid and trying to stay one step ahead of the massive technological changes we are seeing in our society,” FERC Chairman Willie Phillips said. “Our nation



needs a new foundation to get badly needed new transmission planned, paid for and built. With this new rule, that starts today.”

The grid rule adopts specific requirements for transmission providers to conduct long-term planning for regional transmission facilities and determine how to pay for them. It reflects tens of thousands of pages of comments, filed over the course of the past three years, from hundreds of stakeholders representing all sectors of the electric power industry, advocacy groups and state and other government entities.

The rule requires transmission operators to conduct and periodically update long-term transmission planning over a 20-year time horizon to anticipate future needs. It also provides for cost-effective expansion of transmission that is being replaced, when needed, known as “right-sizing” transmission facilities. And it expressly provides for the states’ pivotal role throughout the process of planning, selecting, and determining how to pay for transmission lines.

“We need to seize this moment,” Chairman Phillips said. “Over the last dozen years, FERC has worked on five after-action reports on lessons learned from extreme weather events that caused outages that cost hundreds of lives and millions of dollars. We must get beyond these after-action reports and start planning to maintain a reliable grid that powers our entire way of life. The grid cannot wait. Our communities cannot wait. Our nation cannot wait.”

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