STATE TRANSMISSION POLICY

MAY 28, 2015

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NCSL OVERVIEW

- Bipartisan organization
  - Serves 7,383 legislators and 30,000+ legislative staff across 50 states, as well as commonwealths and territories

- Services
  - Research on policy topics of interest to the state legislators
  - Technical assistance and training
  - Opportunities for policymakers to exchange ideas
  - Lobbying at the federal level for states' interests
State Laws Influence Many Aspects Of Transmission Development

- Planning
- Siting
- Cost Recovery
- Competition
- Interstate Coordination
- Resilience
- Efficiency
Regional Coordination

- **New Mexico House Bill 46 (2013, enacted)** allows certain corporations in adjacent states to extend transmission lines into New Mexico to provide rural areas.
- The **Energy Policy Act of 2005** enables states to create regional interstate compacts to govern interstate transmission line siting. Attempts have been made in Washington and Kansas though no multistate agreements have been adopted.
- **Integrated Resource Plans** often included regional planning and coordination for generation and transmission
Siting

- Virginia S.B. 418 (Enacted 2013) State PUC approval not need for 138 KV lines if line is determined to be needed, will minimize scenic and environment impacts, and has received local planning commission approval.

- GA S.B. 777 (Pending) Requires the Public Utilities Commission to hold a public hearing prior to issuing an order relating to electric transmission lines in residential neighborhoods.
Planning and Resilience

- **MI S.B. 282 (Pending)**
  - Creates Michigan electric infrastructure board to regulate the siting and construction of transmission lines,
  - Ensure that adequate transmission resources will be available to reduce congestion and energy prices, and
  - Ensure reliable and efficient operation of the transmission system to support state energy policy goals

- **MN H.B. 729 (Enacted 2013)**
  - Orders Minnesota electric utilities and transmission companies to study and develop plans for the transmission network enhancements that would support increasing the renewable energy standard, while maintaining reliability.
  - Allows utility cost-recovery for transmission lines.
  - Requires certificate of need and evidence for the construction or expansion of a transmission line.

- **Energy Infrastructure Resilience**
  - AZ, KY, ME and VA have recently enacted legislation to study and identify risks and vulnerabilities related to transmission system.
EPA Proposed Climate Rules

- May require significant changes in generation, and transmission.
- Timing is critical
- State legislation may be desired or required to:
  - Ensure that agencies and stakeholders work together – a coordinated, least-cost approach to meeting requirements will require extensive planning.
  - Promote Multi-state Collaboration
  - Delegate authority for administering the plan
  - Craft enforceable policies – these will be needed for efforts that EPA will count as part of the emissions reductions plan.
State Responses to EPA GHG Regulations

- In 2014, 23 states introduced 53 bills and resolutions.

- In 2015, more than 80 bills have been introduced in 29 states. Just 3 have passed:
  - Emphasis on state authority, flexibility
  - Pennsylvania H.B. 2354 requires legislative approval of a state plan
    - How best to avoid “stranded investments” in existing affected power plants.
    - Importance and necessity of having a diverse generation fleet for reliability.
    - Must be based on a least-cost compliance.
State Responses to EPA GHG Regulations

In 2015, at least 27 states have introduced nearly 60 bills and resolutions

- Establish legislative, executive or PUC oversight of state plans
  - AZ, CO, KS, MS, MO, MT, NE, OK, SC, TN, VA, WV

- Postpone state plans until legal issues are resolved
  - IN, KS, VA

- Develop assessments or studies on implementation
  - AR, AZ, IL SD, VA

- Develop task forces, compliance strategies or diversification requirements
  - CA, MA, NY, OR, VA

- Develop carbon markets or taxes
  - IL, NM, OR, WA
Conclusion

- State Legislatures play a major role in Transmission Development
- Federal and market developments are increasing the state policymaker’s role.
Contact Information

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Additional Resources

- NCSL Energy and Environment Database
  - NCSL Energy Program