

EXECUTIVE SUMMARY

TRANSMISSION POLICY: Planning for and Investing in Wires

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America's power transmission network is critical to society, bringing the electricity needed to run homes, factories and businesses. Yet regardless of the energy mix involved – fossil fuels or renewables – the cost of moving power from here to there remains the smallest part of the typical consumer electric bill – about 11% on average¹ – compared with two-thirds of the bill for generation and a quarter for distribution. Needed investments in transmission can frequently be more than paid for by savings in energy costs the new capacity makes possible.

The primary barriers to building new high voltage lines and optimizing the grid aren't so much technical or economic but rather bureaucratic. Inefficient *institutions* and insufficient *policies* are the key factors preventing the United States from accessing its rich resources of clean energy, and spreading that wealth throughout the economy. This paper describes how to overcome these institutional and policy barriers, providing policymakers with clear guidance for planning and allocating the costs of badly-needed transmission upgrades.

As clean energy grows and modernizes America's power system, transmission can be either a strong enabler or the dominant constraint. Easing this constraint will require actions that sort into five categories:

1. Assess and communicate the benefits of transmission expansion.
2. Prioritize inter-regional lines that link balancing areas.
3. Harmonize grid operations and increase competition in electricity markets.
4. Slash the timeline for planning, building, and siting transmission.
5. Then, make the most of the lines once they are built.

Transmission upgrades and expansion are a critical part of any long-term investment plan for America's future. In fact, there is a growing body of reports indicating that transmission investments deliver benefits far exceeding their costs, and they are essential to delivering higher levels of renewable energy to consumers at least cost. Fortunately, there are specific actions that policymakers can take today to accelerate the grid modernizations that would enable electricity customers to access the most valuable renewable energy resources. From making the most of what we have, to opening up more competition in the electricity sector, to linking together new regions of the country, the next steps are clear. America's policymakers can enable a grid that will maximize the value of the country's energy resources by delivering clean power to the homes and businesses that need it.