

February 28, 2023

Maria Robinson Director, Grid Deployment Office U.S. Department of Energy 1000 Independence Avenue, SW Washington, DC 20585

Re: Request for Information - Grants to Facilitate the Siting of Interstate Electricity Transmission Lines

Dear Director Robinson,

The National Association of State Energy Officials (NASEO) appreciates the opportunity to submit comments in response to the U.S. Department of Energy's (DOE) Request for Information (RFI) on the *Grants to Facilitate the Siting of Interstate Electricity Transmission Lines,* in accordance with the Infrastructure Investment and Jobs Act (IIJA). NASEO represents the governor-designated State Energy Directors and their offices from each of the 56 states, territories, and the District of Columbia. NASEO encourages DOE to consider the following:

# a. Eligible Siting Activities with Respect to Covered Transmission Projects1. What studies and analyses may be useful in identifying impacts from a covered transmission project?

While benefits of transmission projects are often considered on a regional or even national level, transmission siting decisions are made on the state-level with significant local and stakeholder input.

Currently, state-specific (e.g., economic, climate, equity, jobs, resilience, environmental and landscape impact) data required by governors and state legislators to jumpstart and navigate transmission deployment in their states is lacking in federal and national laboratory modeling and analyses. State decision-makers need policyfocused data to communicate the benefits of transmission projects to their constituents and to develop stronger platforms for stakeholder engagement and feedback processes. Additional innovative deployment options, such as highway rights-of-way, also require state-specific data and analysis. While rigorous, independent analysis through DOE and its national labs may be useful for creating this content, its development and delivery should be led state, regional, local, academic, and economic development institutions. With better inroads and insights into local policy, market, and economic conditions, such institutions can and do serve as effective messengers at the community and regional levels. NASEO recommends DOE consider offering support and technical assistance to interested states, localities, and other key community partners to develop the required analysis and collect data to understand and quantify benefits and impacts of transmission on a local and state1300 North 17<sup>th</sup> Street Suite 1275 Arlington, Virginia 22209

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specific level. Benefits analyses that only address multi-state or regional benefits do not fully inform state decisionmakers and state residents.

4. What methods and tools are available to assist siting authorities in examining alternative siting corridors for covered transmission projects? How could DOE grants expand access to these tools, and how would that improve the chances for successful siting request processing or shorten the time required to reach a decision?

State Energy Offices in many states provide place-based analysis and develop tools to support siting authorities as well as developers in examining optimal siting locations for transmission as well as other electric infrastructure projects, such as renewable energy developments. For example, the Oregon State Energy Office implemented the Oregon Renewable Energy Siting Assessment project that developed a report and mapping tool to provide an understanding of the opportunities and constraints that come with renewable energy and transmission development in Oregon. This project collected information about locations for current and future renewable energy and transmission development to build an understanding of the opportunities and constraints that come in specific locations. The state can now use the report and mapping tool to continue to support renewable energy growth and economic development. As DOE considers grants to expand access to these tools, it would be helpful to first consider an inventory of existing state and regional tools to allow for peer exchanges and enable states to consider leveraging existing tools.

13. What factors, if any, should be applied to prioritize grants to siting authorities for eligible activities with respect to a covered transmission project? For example, should certain transmission project characteristics (e.g., technology types employed, etc.), functions (e.g., provides reliability or resilience, supports deployment of low-cost or low-carbon generation resources, etc.), or planned dates to commence construction or enter service (e.g., planned to commence construction before December 31, 2027) be prioritized for grant support? What types of constraints, bottlenecks, and challenges are authorities encountering that grant funding would enable authorities to resolve?

NASEO encourages DOE to capitalize on the existing state plans that have thoroughly evaluated longterm existing electrical grid needs and projects wherever possible. The factors and priorities used in evaluating projects should be directly linked to and reflective of the state-driven plans developed through these existing initiatives outlined here. State Energy Directors and their offices conduct comprehensive energy planning at the direction of the Governor or Legislature to establish a strategy or framework to meet current and future energy needs in a cost-effective manner, enhance energy system reliability, expand economic opportunity, and address environmental quality. State energy plans enable states to capitalize on existing energy resources, infrastructure, and human capital through targeted goals and directives to encourage economic development and, at the direction of the Governor, set forward-thinking energy policies for the state. In addition, they allow states to address stakeholderidentified objectives such as fostering competitive energy markets, promoting diverse energy supplies, and ensuring energy affordability and reliability. Furthermore, State Energy Offices lead the update of the State Energy Security Plans under IIJA (Section 40108). The State Energy Security Plans serve as the foundation of resilience planning by identifying threats, hazards, and vulnerabilities as well as outlining mitigation efforts, all in consultation with energy sector stakeholders, including Public Utility Commissions (PUC) and utilities (investor-owned utilities (IOUs) as well as consumer-owned utilities). Section 40109 of IIJA also outlines that State Energy Offices engage in mandatory transmission and distribution planning. Many State Energy Offices have established programs to support grid-interactive efficient buildings, microgrids, energy storage, EV charging infrastructure, and mission-critical facility resilience upgrades and are deeply engaged in strengthening building codes and increasing clean energy generation. Additionally, it would be helpful for DOE to engage State Energy Offices to leverage longterm planning, potential technologies, and existing state and federal funding for proposed projects. State Energy Offices can provide additional insights and analysis on long-term planning needs to ensure that proposed transmission projects take into account state policies on electrification, reliability, and clean energy and are planned for the grid of the future in term of capacity and need. Additionally, NASEO encourages DOE to consider projects identified as needed in independent studies (such as the DOE National Transmission Needs and Planning Studies) and where upgrades to existing transmission lines (such as reconductoring or dynamic line-rating) have exhausted efficiency and capacity gains. NASEO further encourages to ensure that these grants have a strong equity, stakeholder engagement, and disadvantaged community focus (see also below).

# b. Economic Development Activities for Affected Communities

14. What types of economic development activities for communities that may be affected by the construction and operation of a covered transmission project could be supported by a grant? In recognition of the critical role that energy plays in state and local economies, many State Energy Offices shape policies, plans, programs, and investments not only to address climate and environmental goals but also to support economic growth and competitiveness, resilience, equity, and energy affordability and reliability. Several State Energy Offices have opted to elevate workforce development as a key strategy to support the achievement of these goals. To aid states in realizing the workforce potential of their infrastructure investments, the Markle Foundation, the Eno Center for Transportation (Eno), and the National Association of State Energy Officials (NASEO) launched an initiative to convene state transportation or energy agencies, respectively, with the counterpart state workforce agencies in six states. The initiative focused on opportunities in transportation in California, Illinois, and Indiana, as well as opportunities in clean energy in Colorado, Massachusetts, and Pennsylvania. A report published in February 2023 includes examples of how state energy infrastructure projects can foster economic development and expand access to good quality jobs. NASEO encourages DOE to consider leveraging and learning from existing state efforts, such as workforce training and readiness programs; and to work with states to identify ways to provide support for improved job quality and workforce requirements or preferences, such as family-supporting wages, childcare, health care and retirement benefits; strategies to maximize the involvement of local workers, worker-owned cooperatives, and women- and minority owned businesses in the economic development activities supported by federal transmission siting grants; and partnerships to support clean energy entrepreneurship and increasing STEM education, mentoring, and career awareness programs to support the growth of a strong energy sector. Additionally, NASEO recommends to DOE to design the program with enough flexibility so that states can use funding to fill gaps within existing workforce systems (i.e., wraparound services) to lower barriers to entry for underrepresented groups.

17. In what ways, if any, could efforts to mitigate ecosystem, natural resource, or environmental damage be considered eligible economic development activities under the program?

NASEO believes the effort to bring together the U.S. hydropower industry and the environmental and river conservation communities on issues related to hydropower's impact on the U.S. ecosystem can be informative. In a Joint Statement of Collaboration on U.S. Hydropower: Climate Solution and Conservation Challenge, the U.S. hydropower industry and the environmental and river conservation communities committed to advancing the renewable energy and storage benefits of hydropower and the environmental and economic benefits of healthy rivers. After a two-and-a-half year long process, the parties developed this joint statement to agree to work together to address a range of challenges, including licensing / relicensing, dam safety, and valuing hydropower's grid services. Potential grant support by DOE to replicate these efforts with developers, utilities, and environmental groups could

allow for a deeper understanding of the impacts on the ecosystem of transmission projects as well as outline efforts to mitigate the impact that is supported by all stakeholders.

18. In what ways, if any, could efforts by transmission project developers to reroute, underground, or increase line capacity to avoid repeat or future disruptions from project development, or otherwise implement project designs to limit impacts on communities and landowners be considered eligible economic development activities under the program?

NASEO encourages DOE to consider state efforts, such as those in Wisconsin and Minnesota, to locate transmission into the highway right-of-way as eligible economic development activities. Supporting these explorations and the coordination between State Departments of Transportations, State Energy Offices, State Public Utilities Commissions, and utilities would enable transmission project to be located in areas where the impacts on surrounding communities are lessened as well as increase the potential to use the transmission lines to provide local benefits, such as electricity for EV charging stations. The innovative, co-location of infrastructure can result in positive economic benefits for local communities. NASEO also encourages DOE to consider projects more favorably that utilize to the maximum extent practical strategies that can augment system resilience and leverage technologies such as reconductoring of power lines with low-sag, low-resistance, high performance, efficient, cost-effective, advanced conductors.

# c. Equity, Energy, and Environmental Justice

- 22. What approaches (e.g., partnerships and business models) would you recommend for providing services and technical assistance in need areas of expertise to disadvantaged, underserved, and frontline communities, or "energy communities"? What successful approaches have you observed and/or undertaken in providing such services and technical assist to these communities? And
- 23. How can applicants ensure community-based stakeholders/organizations (especially in underserved communities) are engaged and included in the planning, decision-making, and implementation processes (e.g., including community-based organizations on the project team)? State Energy Offices across the country are enhancing their stakeholder engagement processes in order to integrate the principles of equity, inclusion, and access into state energy policy and program design and implementation. NASEO's publication on Designing Equity-Focused Stakeholder Engagement to Inform State Energy Office Programs and Policies outlines resources such as the "Spectrum of Community Engagement to Ownership" and "A Guidebook on Equitable Clean Energy Program Design for Local Governments and Partners" that describe how community voices are necessary for equitable program and policy design. The two guides also explain how the type of engagement implemented has an impact on community and resident perceptions of project goals, outcomes, and success. The "Spectrum of Community Engagement to Ownership" goes a step further and identifies specific activities to create deeper trust and build relationships. The work does not end after a stakeholder meeting; applying the perspectives and priorities of the community in day-to-day policy and program work, as well as medium- and long-term planning, will create accountability, build trust, ad can result in longterm change. NASEO encourages DOE to consider how impacted communities have been engaged from the beginning of the project, and to ensure that those contributing expertise, insights, and time through engagement processes are appropriately compensated.
- 24. Which regional and location-specific metrics should DOE track to estimate the environmental, social, and economic impact related to the siting of interstate and offshore electricity transmission lines?

To support transmission planning and projects, a broader assessment of benefits of these projects is required. NASEO encourages DOE to include, for example, an analysis of the state-by-state economic impact and job creation from interregional transmission developments, reduced electricity prices, and shifts in the locations of clean-energy investment. These metrics could aid in transmission siting and stakeholder engagement in states. DOE should also track impacts on underserved communities in conjunction with state energy justice metrics. Additionally, there is a need to develop resilience metrics in partnership with other federal agencies, states, and local communities to understand resilience impacts of electricity transmission both on the state and regional level. A more unified approach to resilience metrics would allow siting and regulatory agencies in multiple states to review projects with the same understanding of benefits.

As a general consideration, NASEO would like to encourage DOE to set up the program yearly as well as allow for the program to be modified from year to year to increase flexibility and incorporate lessons learned from previous application cycles. Additionally, to ensure that state agencies can take advantage of this opportunity, NASEO suggests DOE have long lead and application deadlines and allow for ample technical assistance for potential applicants. NASEO proposes that DOE provide 10 - 12 weeks for the submission of a concept paper and an additional ten to twelve weeks for full application submission. However, a potentially more realistic proposal could be to have a rolling deadline, so that awards can be made on a continual basis. Additionally, NASEO encourages DOE to engage with the U.S. Department of Interior on siting transmission lines on federal lands, which remains a stumbling block for many projects, particularly in the West.

We appreciate the opportunity to provide comments and look forward to continuing our partnership with DOE in supporting states on enhancing grid resilience and implementing the IIJA.

Best regards,

David Terry /s/

David Terry President, NASEO