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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Federal Power Act to improve the electric grid through the integration of local, regional, and interregional electricity transmission planning, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CASTEN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Federal Power Act to improve the electric grid through the integration of local, regional, and interregional electricity transmission planning, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Integrated Local, Regional, and Interregional Transmission Planning Act of 2026''.

SEC. 2. TRANSMISSION PLANNING.

(a) IN GENERAL.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

"SEC. 224. PLANNING FOR TRANSMISSION FACILITIES THAT ENHANCE GRID RELIABILITY, AFFORDABILITY, AND RESILIENCE.

''(a) DEFINITIONS.—In this section:

''(1) BULK-POWER SYSTEM.—The term 'bulk-power system' has the meaning given the term in section 215(a).

''(2) COMMISSION.—The term 'Commission' means the Federal Energy Regulatory Commission.

''(3) COVERED LOCAL TRANSMISSION FACILITY.—The term 'covered local transmission facility' means an electric transmission facility—

''(A) that is planned by a transmission owner outside of an interregional or regional planning process to address needs, including—

''(i) asset management or replacement (including end-of-life replacement that may be driven by equipment, material, condition, performance, or risk);

''(ii) load growth;

''(iii) infrastructure resilience;

''(iv) operational flexibility; and

''(v) efficiency; and

''(B) the replacement of which has the potential to provide transmission benefits if used as a regional transmission facility or an interregional transmission facility.

''(4) ERO.—The term 'ERO' has the meaning given the term in section 215(a).

''(5) IMPROVED RELIABILITY.—The term 'improved reliability' means that, on balance, reliability of electric energy is improved in a material manner that ultimately benefits customers of electric energy, including large load facilities, through at least one of the following:

''(A) Facilitating compliance with a reliability standard.

''(B) A reduction in expected unserved energy, loss of load hours, or loss of load probability (as defined by the ERO).

''(C) Facilitating resource adequacy and resilience.

''(D) Any other similar material improvement as determined by the Commission, including a reduction in correlated outage risk, such as achieved through increased geographic or resource diversification.

''(6) IN-KIND REPLACEMENT ESTIMATE.—The term 'in-kind replacement estimate' means an estimate of the electric transmission facilities operating at and above 200 kilovolts, or a lower threshold as determined by the Commission, that the transmitting utilities that own the electric transmission facilities anticipate replacing in-kind with new electric transmission facilities during the next 10 years.

''(7) INTERREGIONAL TRANSMISSION FACILITY.—The term 'interregional transmission facility' means an electric transmission facility that—

''(A) is located within 2 or more immediately adjacent Transmission Planning Regions; or

''(B) as determined by the Transmission Planning Regions, significantly impacts the ability of 1 or more Transmission Planning Regions to transmit electricity among immediately adjacent Transmission Planning Regions.

''(8) LARGE LOAD FACILITY.—The term 'large load facility' means a commercial or industrial facility, or an aggregation of such facilities at a single site, that—

''(A) draws at least 30 megawatts of electric power from the electric grid; and

''(B) may pose reliability risks to the bulk-power system, as determined by the ERO, the appropriate Transmission Planning Region, or other appropriate body, as determined by the Commission, due to the demand for electricity from such facility, the operational characteristics of such facility, or other factors.

''(9) REGIONAL TRANSMISSION FACILITY.—The term 'regional transmission facility' means a transmission facility that meets regional transmission needs, as identified by a regional transmission planning process.

''(10) RELIABILITY STANDARD.—The term 'reliability standard' has the meaning given such term in section 215(a).

''(11) RESILIENCE.—The term 'resilience' means the ability to prepare for and withstand disruptions to electric supply or demand.

''(12) RESOURCE ADEQUACY.—The term 'resource adequacy' means, with respect to an electric system, the ability of the electric system to meet the energy needs of electricity customers, by having sufficient generation that is deliverable to meet projected electric demand.

''(13) TRANSMISSION BENEFIT.—The term 'transmission benefit' includes—

''(A) improved reliability;

''(B) improved resilience;

''(C) reduced transmission congestion;

''(D) reduced power losses;

''(E) greater grid utilization;

''(F) improved access to lower cost generation;

''(G) improved access to the electric grid by transmission customers;

''(H) improved access to the electric grid by new generation facilities; and

''(I) cost savings associated with the avoidance of the need for the construction or modification of transmission facilities or new generation capacity at a later date.

''(14) TRANSMISSION PLANNING REGION.—

''(A) IN GENERAL.—The term 'Transmission Planning Region'—

''(i) when used in a geographical sense, means a region for which the Commission determines that electric transmission planning is appropriate, such as a region established in accordance with

Order No. 1000 of the Commission, entitled 'Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities' (76 Fed. Reg. 49842 (August 11, 2011)); and

''(ii) when used in a corporate sense, means the Transmission Organization or other entity responsible for planning or operating electric transmission facilities within a region described in clause (i).

''(B) EXEMPTION.—The term 'Transmission Planning Region' does not include the Electric Reliability Council of Texas or the region served by members of the Electric Reliability Council of Texas.

''(b) RULEMAKING.—Not later than 6 months after the date of enactment of this section, the Commission shall propose a rule, and not later than 18 months after the date of enactment of this section, the Commission shall issue a final rule, to modify and augment existing transmission planning processes, so as to—

''(1) integrate the planning for interregional transmission facilities, regional transmission facilities, and covered local transmission facilities;

''(2) account for near-term (less than 5 years), medium term (5–10 years), and long term (10–20 years and beyond) transmission needs;

''(3) ensure that more efficient or cost-effective long-term solutions replace the need for less efficient short-term solutions; and

''(4) utilize a reasonable number of scenarios of 20 years or more that include a reasonable number of factors that affect electricity demand and current and future resource mix, including—

''(A) Federal, State, and local laws and regulations, and laws and regulations of federally recognized Indian Tribes, affecting the resource mix and electricity demand;

''(B) State-approved integrated resource plans;

''(C) trends in fuel costs and in the cost, performance, and availability of technologies for generation, energy storage resources, and building and transportation electrification;

''(D) planned retirement of generation facilities;

''(E) generator and load interconnection requests;

''(F) Federal, State, and local policy goals and policy goals of federally recognized Indian Tribes; and

''(G) the risk of extreme weather events.

''(c) JOINT PLANNING.—The final rule issued under subsection (b) shall—

''(1) require each Transmission Planning Region to jointly plan with each of its immediately adjacent Transmission Planning Regions;

''(2) require each Transmission Planning Region to solicit transmission solutions, recommended assumptions, and cost estimation guides from transmission owners and developers;

''(3) require each Transmission Planning Region to submit to the Commission for approval a joint transmission plan with immediately adjacent Transmission Planning Regions, which requirement may, at the discretion of the Transmission Planning Region, be satisfied through the submission of—

''(A) a separate joint transmission plan with each immediately adjacent Transmission Planning Region; or

''(B) 1 or more joint transmission plans, any of which may be submitted with one or

more immediately adjacent Transmission Planning Regions;

''(4) require each transmitting utility and owner of a covered local transmission facility to provide to the relevant Transmission Planning Region an in-kind replacement estimate;

''(5) require each Transmission Planning Region to identify in each joint transmission plan submitted to the Commission pursuant to paragraph (3) the covered local transmission facilities, regional transmission facilities, and interregional transmission facilities that are in the service territory of the Transmission Planning Region; and

''(6) establish cost allocation methodologies applicable to projects selected for cost allocation under the transmission planning processes modified and augmented under subsection (b) that are just and reasonable and allocate the costs of transmission to customers that receive transmission benefits.

''(d) PLAN ELEMENTS.—The final rule issued under subsection (b) shall require that joint transmission plans contain the following elements:

''(1) COMMON SELECTION METHODOLOGY.—A methodology that—

''(A) allows for the joint identification and selection, by any immediately adjacent Transmission Planning Region, of specific regional transmission facilities, interregional transmission facilities, and covered local transmission facilities for construction or modification, including through the use of advanced transmission conductors (including superconductors), reconductoring, and grid-enhancing technologies;

''(B) reflects a comprehensive accounting of transmission benefits, such that total transmission benefits net of costs can be maximized in consideration of public interest; and

''(C) takes into account existing transmission plans as of the date of enactment of this section.

''(2) MINIMUM INTERREGIONAL TRANSFER CAPABILITY.—An identification of the optimal transfer capability between each Transmission Planning Region and any immediately adjacent Transmission Planning Region.

''(3) SELECTION CRITERIA.—Criteria governing the selection by Transmission Planning Regions, for

construction or modification, of transmission facilities that—

''(A) provide improved reliability, resource adequacy, or resilience;

''(B) protect or benefit consumers; and

''(C) are consistent with the public interest.

''(e) DEADLINE; UPDATES.—The joint transmission plans required to be submitted to the Commission pursuant to the final rule issued under subsection (b) shall be—

''(1) submitted to the Commission not later than 1 year after the date such final rule takes effect; and

''(2) updated and submitted to the Commission not less frequently than once every 3 years thereafter.

''(f) COMMISSION REVIEW.—The Commission shall—

''(1) review each joint transmission plan submitted pursuant to the final rule issued under subsection (b); and

''(2) approve such joint transmission plan if the Commission finds that the plan—

''(A) meets the requirements of subsection (d);

''(B) allocates costs in accordance with subsection (g);

''(C) ensures that all rates, charges, terms, and conditions will be just and reasonable and not unduly discriminatory or preferential; and

''(D) is consistent with the public interest.

''(g) COST ALLOCATION.—

''(1) TRANSMISSION TARIFFS.—For the purposes of this section, any transmitting utility that owns, controls, or operates transmission facilities constructed or modified pursuant to a joint transmission plan submitted pursuant to this section may file a tariff or tariff revision with the Commission pursuant to section 205 and the regulations of the Commission allocating the costs of the new or modified transmission facilities. Any cost allocation methodology filed for such a transmission project shall reflect cost allocation principles adopted by the Commission in the final rule issued under this section.

''(2) REQUIREMENT.—The Commission shall require that tariffs or tariff revisions filed pursuant to this section are just and reasonable and allocate the costs in a manner commensurate with benefits, including through transmission benefits.

''(3) RATEPAYER PROTECTION.—Customers that receive no reasonably identifiable benefit, from the construction or modification of a transmission facility pursuant to this section shall not be involuntarily allocated any of the costs of such construction or modification.

''(h) CONSTRUCTION PERMIT.—For the purposes of obtaining a construction permit under section 216(b), a project that is selected by a Transmission Planning Region pursuant to a joint transmission plan shall be considered to satisfy paragraphs (2) through (6) of section 216(b).

''(i) DISPUTE RESOLUTION.—In the event of a dispute with an immediately adjacent Transmission Planning Region with respect to a material element of a joint transmission plan—

''(1) each applicable Transmission Planning Region shall submit to the Commission their respective proposals for resolving the material element in dispute for resolution; and

''(2) not later than 60 days after the proposals are submitted under paragraph (1), the Commission shall issue an order directing a resolution to the dispute.

''(j) FAILURE TO SUBMIT PLAN.—If a Transmission Planning Region fails to submit to the Commission a joint transmission plan pursuant to this section, the Commission shall, as the Commission determines to be appropriate—

''(1) grant a request for a one-time extension of the time for submission of the joint transmission plan by up to 180 days;

''(2) require the affected Transmission Planning Region to submit to the Commission a joint transmission plan by a firm date established by the Commission or be subject to civil penalty under this Act for noncompliance; or

''(3) require the affected Transmission Planning Region to comply with a joint transmission plan approved by the Commission—

''(A) based on the record of the planning process conducted by the transmission planning region; and

''(B) in accordance with the cost allocation provisions in subsection (g).

''(k) NEPA.—For purposes of the National Environmental Policy Act of 1969—

''(1) any acceptance of a joint transmission plan submitted to the Commission pursuant to the

final rule issued under this section, or issuance of an order directing resolution of a dispute under subsection (i), shall not be considered a major Federal action; and

''(2) granting a permit under section 216(b) for a project that is selected by a Transmission Planning Region pursuant to a joint transmission plan shall be considered a major Federal action.

''(l) SAVINGS PROVISIONS.—Except as expressly provided in this section, nothing in this section shall be construed as conferring, limiting, or impairing any authority of the Commission under any other provision of law.''.

(b) SITING OF INTERREGIONAL FACILITIES.—Section 216(b) of the Federal Power Act (16 U.S.C. 824p(b)) is amended by inserting ''selected for construction or modification pursuant to a joint transmission plan approved by the Commission pursuant to section 224 or'' after ''construction or modification of electric transmission facilities''.

(c) CONFORMING AMENDMENTS.—Section 201 of the Federal Power Act (16 U.S.C. 824) is amended—

(1) in subsection (b)(2)—

(A) in the first sentence, by striking ''and 222'' and inserting ''222, and 224''; and

(B) in the second sentence, by striking ''or 222'' and inserting ''222, or 224''; and

(2) in subsection (e)—

(A) by striking ''206(f),''; and

(B) by striking ''or 222'' and inserting ''222, or 224''.

(d) SAVINGS PROVISION.—Nothing in this section or an amendment made by this section grants the Federal Energy Regulatory Commission authority over sales of electricity at retail or the local distribution of electricity.