

119TH CONGRESS
2D SESSION

S. _____

To amend the Federal Power Act to improve the processes, protections, and incentives relating to the transmission of electric energy in interstate commerce, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HICKENLOOPER (for himself, Mr. PADILLA, Mr. KING, Mr. GALLEGGO, and Ms. CORTEZ MASTO) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Federal Power Act to improve the processes, protections, and incentives relating to the transmission of electric energy in interstate commerce, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “_____ Act of
5 2026”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ADVANCED TRANSMISSION CONDUCTOR.—

2 The term “advanced transmission conductor” means
3 a conductor, including a carbon fiber conductor, a
4 composite core conductor, a superconductor, and any
5 other conductor, that—

6 (A) has a direct current electrical resist-
7 ance at least 10 percent lower than a tradi-
8 tional ACSR conductor of a similar diameter
9 and weight;

10 (B) has a potential energy carrying capac-
11 ity at least 70 percent greater than a tradi-
12 tional ACSR conductor of a similar diameter
13 and weight; and

14 (C) has a coefficient of thermal expansion
15 at least 50 percent lower than a traditional
16 ACSR conductor of a similar diameter and
17 weight.

18 (2) ASCR CONDUCTOR.—The term “ASCR
19 conductor” means an aluminum conductor steel-rein-
20 forced cable.

21 (3) BULK-POWER SYSTEM.—The term “bulk-
22 power system” has the meaning given the term in
23 section 215(a) of the Federal Power Act (16 U.S.C.
24 824o(a)).

1 (4) COMMISSION.—The term “Commission”
2 means the Federal Energy Regulatory Commission.

3 (5) ELECTRIC RELIABILITY ORGANIZATION.—
4 The term “Electric Reliability Organization” has the
5 meaning given the term in section 215(a) of the
6 Federal Power Act (16 U.S.C. 824o(a)).

7 (6) ELECTRIC UTILITY.—The term “electric
8 utility” has the meaning given the term in section
9 3 of the Federal Power Act (16 U.S.C. 796).

10 (7) GRID-ENHANCING TECHNOLOGY; GET.—
11 The term “grid-enhancing technology” or “GET”
12 means any hardware or software that—

13 (A) increases the capacity, efficiency, reli-
14 ability, resilience, or safety of transmission fa-
15 cilities and transmission technologies; and

16 (B) is installed in addition to transmission
17 facilities and transmission technologies—

18 (i) to give operators of the trans-
19 mission facilities and transmission tech-
20 nologies more situational awareness and
21 control over the electric grid;

22 (ii) to make the transmission facilities
23 and transmission technologies more effi-
24 cient; or

1 (iii) to increase the transfer capacity
2 of the transmission facilities and trans-
3 mission technologies.

4 (8) INDEPENDENT SYSTEM OPERATOR.—The
5 term “Independent System Operator” has the mean-
6 ing given the term in section 3 of the Federal Power
7 Act (16 U.S.C. 796).

8 (9) NATIONAL LABORATORY.—The term “Na-
9 tional Laboratory” has the meaning given the term
10 in section 2 of the Energy Policy Act of 2005 (42
11 U.S.C. 15801).

12 (10) REGIONAL TRANSMISSION
13 ORGANIZATION.—The term “Regional Transmission
14 Organization” has the meaning given the term in
15 section 3 of the Federal Power Act (16 U.S.C. 796).

16 (11) SECRETARY.—The term “Secretary”
17 means the Secretary of Energy.

18 (12) TRANSMISSION PLANNING REGION.—The
19 term “transmission planning region” has the mean-
20 ing given the term in section 225(a) of the Federal
21 Power Act.

22 **SEC. 3. TRANSMISSION PERMITTING.**

23 (a) DEFINITIONS.—Section 216 of the Federal Power
24 Act (16 U.S.C. 824p) is amended by striking subsection

25 (a) and inserting the following:

1 “(a) DEFINITIONS.—In this section:

2 “(1) COMMISSION.—The term ‘Commission’
3 means the Federal Energy Regulatory Commission.

4 “(2) IMPROVED RELIABILITY.—The term ‘im-
5 proved reliability’ has the meaning given the term in
6 section 225(a).

7 “(3) LANDOWNER INPUT.—The term ‘land-
8 owner input’ means input received—

9 “(A) by the Commission;

10 “(B) from affected landowners, such as
11 farmers and ranchers, in the path of the pro-
12 posed construction or modification of an electric
13 transmission facility; and

14 “(C) pursuant to notification provided to,
15 and consultation with, those affected land-
16 owners, farmers, and ranchers by the Commis-
17 sion.

18 “(4) NECESSARY IN THE NATIONAL INTER-
19 EST.—

20 “(A) IN GENERAL.—The term ‘necessary
21 in the national interest’, with respect to the
22 construction or modification of an electric
23 transmission facility, means that the construc-
24 tion or modification of that facility would mean-
25 ingfully address—

1 “(i) the problems identified in the
2 findings of the study carried out under sec-
3 tion 322 of the Fiscal Responsibility Act of
4 2023 (Public Law 118–5; 137 Stat. 46),
5 including any problems identified in the
6 November 2024 reports of the North
7 American Electric Reliability Corporation
8 entitled ‘Interregional Transfer Capability
9 Study (ITCS): Strengthening Reliability
10 Through the Energy Transformation; Rec-
11 ommendations for Prudent Additions to
12 Transfer Capability (Part 2) and Rec-
13 ommendations to Meet and Maintain
14 Transfer Capability (Part 3)’ and ‘Inter-
15 regional Transfer Capability Study
16 (ITCS): Strengthening Reliability Through
17 the Energy Transformation; Final Report’;
18 or

19 “(ii) any problems identified in any
20 subsequent report of the Electric Reli-
21 ability Organization (as defined in section
22 215(a)).

23 “(B) NECESSARY IN THE NATIONAL IN-
24 TEREST BASED ON TRANSMISSION BENEFITS.—

25 In addition to any construction or modification

1 described in subparagraph (A), the Commission
2 may, if the Commission determines appropriate,
3 find that the construction or modification of an
4 electric transmission facility is necessary in the
5 national interest if the Commission determines
6 that the construction or modification of that fa-
7 cility would provide 1 or more transmission
8 benefits, including—

9 “(i) improved reliability;

10 “(ii) reduced congestion;

11 “(iii) reduced power losses;

12 “(iv) greater carrying capacity;

13 “(v) reduced operating reserve re-
14 quirements;

15 “(vi) improved access to lower cost
16 generation that achieves reductions in the
17 cost of delivered power; or

18 “(vii) any other transmission benefit
19 identified by the Commission.

20 “(5) SECRETARY.—The term ‘Secretary’ means
21 the Secretary of Energy.”.

22 (b) CONSTRUCTION PERMIT.—Section 216(b) of the
23 Federal Power Act (16 U.S.C. 824p(b)) is amended—

24 (1) in the matter preceding paragraph (1)—

1 (A) by inserting “including a public com-
2 ment period of at least 60 days,” after “hear-
3 ing,”; and

4 (B) by striking “in a national interest elec-
5 tric transmission corridor designated by the
6 Secretary under subsection (a) if the Commis-
7 sion finds that” and inserting “if”; and

8 (2) by striking paragraphs (1) through (6) and
9 inserting the following:

10 “(1) the Commission approves a tariff (or tariff
11 revision, in the case of a modification) for the facili-
12 ties under section 205, subject to subsection (f); and

13 “(2) the Commission finds that the construction
14 or modification is necessary in the national inter-
15 est.”.

16 (c) STATE SITING AND CONSULTATION.—Section
17 216 of the Federal Power Act (16 U.S.C. 824p) is amend-
18 ed by striking subsection (d) and inserting the following:

19 “(d) STATE SITING AND CONSULTATION.—

20 “(1) PRESERVATION OF STATE SITING AUTHOR-
21 ITY.—The Commission shall have no authority to
22 issue a permit for the construction or modification
23 of an electric transmission facility within a State ex-
24 cept as provided in subsection (b).

1 “(2) CONSULTATION.—In any proceeding be-
2 fore the Commission under subsection (b), the Com-
3 mission shall afford each State in which a trans-
4 mission facility covered by the permit is or will be
5 located, each affected Federal agency and Indian
6 Tribe, private property owners, and other interested
7 persons, a reasonable opportunity to present their
8 views and recommendations with respect to the need
9 for and impact of a facility covered by the permit.

10 “(3) LANDOWNER INPUT.—In authorizing the
11 construction or modification of an electric trans-
12 mission facility under subsection (b), the Commis-
13 sion shall take into account landowner input.”.

14 (d) RIGHTS-OF-WAY.—Section 216(e) of the Federal
15 Power Act (16 U.S.C. 824p(e)) is amended—

16 (1) in paragraph (1), by striking “In the case
17 of a permit under subsection (b) for electric trans-
18 mission facilities to be located on property other
19 than property owned by the United States or a
20 State, if the permit holder” and inserting “If the
21 holder of a permit issued under subsection (b)”;

22 (2) in paragraph (3), by striking “shall con-
23 form” and all that follows through the period at the
24 end and inserting “shall be in accordance with rule
25 71.1 of the Federal Rules of Civil Procedure.”.

1 (e) COST ALLOCATION.—

2 (1) IN GENERAL.—Section 216 of the Federal
3 Power Act (16 U.S.C. 824p) is amended by striking
4 subsection (f) and inserting the following:

5 “(f) COST ALLOCATION.—

6 “(1) TRANSMISSION TARIFFS.—For the pur-
7 poses of this section, any transmitting utility that
8 receives a permit under subsection (b) shall file a
9 tariff or tariff revision with the Commission pursu-
10 ant to section 205 and the regulations of the Com-
11 mission allocating the costs of the new or modified
12 transmission facilities.

13 “(2) EXCEPTION.—In the case of an exempt
14 transmitting utility (as defined in section 225(a))
15 that owns, controls, or operates electric transmission
16 facilities described in paragraph (1), the Commis-
17 sion, notwithstanding section 211A(c), shall require
18 the exempt transmitting utility to provide trans-
19 mission services over such facilities pursuant to sec-
20 tion 211A and the regulations of the Commission al-
21 locating the costs of the new or modified trans-
22 mission facilities.

23 “(3) TRANSMISSION BENEFITS.—The Commis-
24 sion shall require that tariffs or tariff revisions filed
25 under this subsection—

1 “(A) be just and reasonable; and

2 “(B) allocate the costs of providing service
3 in accordance with the cost-causation principle
4 to customers benefitting from the new or modi-
5 fied transmission facilities, such as through—

6 “(i) improved reliability;

7 “(ii) reduced congestion;

8 “(iii) reduced power losses;

9 “(iv) greater carrying capacity;

10 “(v) reduced operating reserve re-
11 quirements; or

12 “(vi) improved access to lower cost
13 generation that achieves reductions in the
14 cost of delivered power.

15 “(4) LARGE LOAD FACILITIES.—In imple-
16 menting paragraph (3), the Commission shall ensure
17 that tariffs or tariff revisions filed under this sub-
18 section allocate the costs of providing service in ac-
19 cordance with the cost-causation principle to large
20 load facilities (as defined in section 225(a)) that
21 have materially contributed to the need for new or
22 modified transmission facilities.

23 “(5) RATEPAYER PROTECTION.—Customers
24 that receive no benefit, or benefits that are trivial in
25 relation to the costs sought to be allocated, from

1 electric transmission facilities constructed or modi-
2 fied under this section shall not be involuntarily allo-
3 cated any of the costs of those transmission facili-
4 ties, provided, however, that nothing in this section
5 shall prevent a transmitting utility from recovering
6 such costs through voluntary agreement with its cus-
7 tomers.”.

8 (2) SAVINGS PROVISION.—If the Commission
9 finds that requirements for issuance of a permit
10 under subsection (b) of section 216 of the Federal
11 Power Act (16 U.S.C. 824p) (as amended by sub-
12 section (b)) are met, nothing in this section or the
13 amendments made by this section shall be construed
14 to exclude transmission facilities located on the outer
15 Continental Shelf from being eligible for cost alloca-
16 tion established under subsection (f)(1) of that sec-
17 tion (as amended by paragraph (1)).

18 (f) COORDINATION OF FEDERAL AUTHORIZATIONS
19 FOR TRANSMISSION FACILITIES.—Section 216(h) of the
20 Federal Power Act (16 U.S.C. 824p(h)) is amended—

21 (1) in paragraph (2), by striking the period at
22 the end and inserting the following: “, except that—

23 “(A) the Commission shall act as the lead agen-
24 cy in the case of facilities permitted under sub-
25 section (b) and section 225; and

1 “(B) the Department of the Interior shall act
2 as the lead agency in the case of facilities located on
3 a lease, easement, or right-of-way granted by the
4 Secretary of the Interior under section 8(p)(1)(C) of
5 the Outer Continental Shelf Lands Act (43 U.S.C.
6 1337(p)(1)(C)).”;

7 (2) in each of paragraphs (3), (4)(B), (4)(C),
8 (5)(B), (6)(A), (7)(A), (7)(B)(i), (8)(A)(i), and (9),
9 by striking “Secretary” each place it appears and in-
10 serting “lead agency”;

11 (3) in paragraph (4)(A), by striking “As head
12 of the lead agency, the Secretary” and inserting
13 “The lead agency”;

14 (4) in paragraph (5)(A), by striking “As lead
15 agency head, the Secretary” and inserting “The lead
16 agency”; and

17 (5) in paragraph (7)—

18 (A) in subparagraph (A), by striking “18
19 months after the date of enactment of this sec-
20 tion” and inserting “18 months after the date
21 of enactment of the _____ Act of
22 2026”; and

23 (B) in subparagraph (B)(i), by striking “1
24 year after the date of enactment of this sec-
25 tion” and inserting “18 months after the date

1 of enactment of the _____ Act of
2 2026”.

3 (g) INTERSTATE COMPACTS.—Section 216(i) of the
4 Federal Power Act (16 U.S.C. 824p(i)) is amended—

5 (1) in paragraph (3), by striking “facilities, in-
6 cluding” and all that follows through the period at
7 the end and inserting “facilities.”; and

8 (2) in paragraph (4)—

9 (A) in subparagraph (A), by striking “;
10 and” and inserting a period;

11 (B) by striking subparagraph (B); and

12 (C) by striking “in disagreement” in the
13 matter preceding subparagraph (A) and all that
14 follows through “(A) the” in subparagraph (A)
15 and inserting “unable to reach an agreement on
16 an application seeking approval by the”.

17 (h) TRANSMISSION INFRASTRUCTURE INVEST-
18 MENT.—Section 219(b)(4) of the Federal Power Act (16
19 U.S.C. 824s(b)(4)) is amended—

20 (1) in subparagraph (A), by striking “and”
21 after the semicolon at the end;

22 (2) in subparagraph (B), by striking the period
23 at the end and inserting “; and”; and

24 (3) by adding at the end the following:

1 “(C) all prudently incurred costs associ-
2 ated with payments to jurisdictions impacted by
3 electric transmission facilities developed pursu-
4 ant to section 216 or 225.”.

5 (i) JURISDICTION.—Section 216 of the Federal
6 Power Act (16 U.S.C. 824p) is amended by striking sub-
7 section (k) and inserting the following:

8 “(k) JURISDICTION.—

9 “(1) ERCOT.—This section shall not apply
10 within the area referred to in section 212(k)(2)(A).

11 “(2) OTHER UTILITIES.—

12 “(A) IN GENERAL.—For the purposes of
13 this section, the Commission shall have jurisdic-
14 tion over all transmitting utilities, including
15 transmitting utilities described in section
16 201(f), but excluding any ERCOT utility (as
17 defined in section 212(k)(2)(B)).

18 “(B) CLARIFICATION.—Being subject to
19 Commission jurisdiction for the purposes of this
20 section shall not make an entity described in
21 section 201(f) a public utility for the purposes
22 of section 201(e).”.

23 (j) CONFORMING AMENDMENTS.—

24 (1) Section 50151(b) of Public Law 117–169
25 (42 U.S.C. 18715(b)) is amended by striking “facili-

1 ties designated by the Secretary to be necessary in
2 the national interest under section 216(a) of the
3 Federal Power Act (16 U.S.C. 824p(a))” and insert-
4 ing “facilities in a geographic area identified under
5 section 224 of the Federal Power Act”.

6 (2) Section 1222 of the Energy Policy Act of
7 2005 (42 U.S.C. 16421) is amended—

8 (A) in subsection (a)(1)(A), by striking “in
9 a national interest electric transmission corridor
10 designated under section 216(a)” and inserting
11 “in a geographic area identified under section
12 224”; and

13 (B) in subsection (b)(1)(A), by striking “in
14 an area designated under section 216(a)” and
15 inserting “in a geographic area identified under
16 section 224”.

17 (3) Section 40106(h)(1)(A) of the Infrastruc-
18 ture Investment and Jobs Act (42 U.S.C.
19 18713(h)(1)(A)) is amended by striking “in an area
20 designated as a national interest electric trans-
21 mission corridor pursuant to section 216(a) of the
22 Federal Power Act 16 U.S.C. 824p(a)” and insert-
23 ing “in a geographic area identified under section
24 224 of the Federal Power Act”.

1 (k) SAVINGS PROVISION.—Nothing in this section or
2 an amendment made by this section grants authority to
3 the Commission under the Federal Power Act (16 U.S.C.
4 791a et seq.) over sales of electric energy at retail or the
5 local distribution of electricity.

6 **SEC. 4. TRANSMISSION PLANNING.**

7 (a) IN GENERAL.—Part II of the Federal Power Act
8 (16 U.S.C. 824 et seq.) is amended by adding at the end
9 the following:

10 **“SEC. 224. TRANSMISSION STUDY.**

11 “(a) IN GENERAL.—Not later than 1 year after the
12 date of enactment of this section and every 3 years there-
13 after, the Secretary of Energy (referred to in this section
14 as the ‘Secretary’), in consultation with affected States
15 and Indian Tribes, shall conduct a study of electric trans-
16 mission capacity constraints and congestion.

17 “(b) REPORT.—Not less frequently than once every
18 3 years, the Secretary, after considering alternatives and
19 recommendations from interested parties (including an op-
20 portunity for comment from affected States and Indian
21 Tribes), shall issue a report, based on the study under
22 subsection (a) or other information relating to electric
23 transmission capacity constraints and congestion, which—

24 “(1) shall identify any geographic area in which
25 1 or more large load facilities (as defined in section

1 225(a)) are contributing to, or are expected to con-
2 tribute to, transmission capacity constraints or con-
3 gestion; and

4 “(2) may identify any other geographic area
5 that—

6 “(A) is experiencing electric energy trans-
7 mission capacity constraints or congestion that
8 adversely affects consumers; or

9 “(B) is expected to experience such energy
10 transmission capacity constraints or congestion.

11 “(c) CONSULTATION.—Not less frequently than once
12 every 3 years, the Secretary, in conducting the study
13 under subsection (a) and issuing the report under sub-
14 section (b), shall consult with affected transmission plan-
15 ning regions (as defined in section 225(a)) and any appro-
16 priate regional entity referred to in section 215.

17 “(d) ALASKA.—The Secretary—

18 “(1) shall, in consultation with the State of
19 Alaska and affected Indian Tribes, consider any
20 intrastate transmission capacity constraints and con-
21 gestion within the State of Alaska in the study
22 under subsection (a); and

23 “(2) in issuing the report under subsection (b),
24 may, subject to the approval of the Regulatory Com-

1 mission of Alaska, identify any geographic area in
2 the State of Alaska that—

3 “(A) is experiencing electric energy trans-
4 mission capacity constraints or congestion that
5 adversely affects consumers; or

6 “(B) is expected to experience such energy
7 transmission capacity constraints or congestion.

8 **“SEC. 225. PLANNING FOR TRANSMISSION FACILITIES THAT**
9 **ENHANCE GRID RELIABILITY, AFFORD-**
10 **ABILITY, AND RESILIENCE.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) ADVANCED TRANSMISSION CONDUCTOR.—
13 The term ‘advanced transmission conductor’ has the
14 meaning given the term in section 2 of the
15 _____ Act of 2026).

16 “(2) BULK-POWER SYSTEM.—The term ‘bulk-
17 power system’ has the meaning given the term in
18 section 215(a).

19 “(3) COMMISSION.—The term ‘Commission’
20 means the Federal Energy Regulatory Commission.

21 “(4) ERO.—The term ‘ERO’ has the meaning
22 given the term in section 215(a).

23 “(5) EXEMPT TRANSMITTING UTILITY.—The
24 term ‘exempt transmitting utility’ means a transmit-
25 ting utility that is—

1 “(A) a State or any political subdivision of
2 a State; or

3 “(B) an electric cooperative that sells less
4 than 4,000,000 megawatt hours of electricity
5 per year.

6 “(6) GRID-ENHANCING TECHNOLOGY.—The
7 term ‘grid-enhancing technology’ has the meaning
8 given the term in section 2 of the _____ Act
9 of 2026.

10 “(7) LARGE LOAD FACILITY.—The term ‘large
11 load facility’ means—

12 “(A) an end-use facility that has a demand
13 of 75 megawatts or greater at a single point of
14 interconnection with the bulk-power system; or

15 “(B) a commercial or industrial facility
16 that draws electrical power from the electric
17 grid, or an aggregation of such facilities at a
18 single site, that, in the determination of the
19 ERO, the appropriate Transmission Service
20 Provider, Transmission Owner, Transmission
21 Operator, Balancing Authority, or Reliability
22 Coordinator (as those terms are defined by the
23 ERO), or any other appropriate entity, can pose
24 reliability risks to the Bulk Electric System (as
25 defined by the ERO) due to the demand for

1 electric energy at that facility (or aggregation
2 of facilities), the operational characteristics of
3 that facility (or aggregation of facilities), or
4 other factors.

5 “(8) IMPROVED RELIABILITY.—The term ‘im-
6 proved reliability’ means that, on balance, consid-
7 ering each of the matters described in subpara-
8 graphs (A) through (D), reliability is improved in a
9 material manner that benefits customers through at
10 least one of—

11 “(A) facilitating compliance with a manda-
12 tory reliability standard (as defined in section
13 215(a));

14 “(B) a reduction in expected unserved en-
15 ergy, loss of load hours, or loss of load prob-
16 ability (as defined by the ERO);

17 “(C) facilitating compliance with a tariff
18 requirement or process for resource adequacy
19 on file with the Commission; or

20 “(D) any other similar material improve-
21 ment, including a reduction in correlated outage
22 risk, such as achieved through increased geo-
23 graphic or resource diversification.

1 Planning and Cost Allocation’ (90 Fed.
2 Reg. 17692 (April 28, 2025)); and

3 “(B) any successor order.

4 “(11) REGIONAL TRANSMISSION FACILITY.—
5 The term ‘regional transmission facility’ means a
6 transmission facility that is located within 1 trans-
7 mission planning region.

8 “(12) TRANSMISSION PLANNING REGION.—

9 “(A) IN GENERAL.—The term ‘trans-
10 mission planning region’—

11 “(i) when used in a geographical
12 sense, means a region for which the Com-
13 mission determines that electric trans-
14 mission planning is appropriate, such as a
15 region established in accordance with
16 Order No. 1000 of the Commission, enti-
17 tled ‘Transmission Planning and Cost Allo-
18 cation by Transmission Owning and Oper-
19 ating Public Utilities’ (76 Fed. Reg. 49842
20 (August 11, 2011)); and

21 “(ii) when used in a corporate sense,
22 means the Transmission Organization or
23 other entity responsible for planning or op-
24 erating electric transmission facilities with-
25 in a region described in clause (i).

1 “(B) EXCLUSION.—The term ‘trans-
2 mission planning region’ does not include the
3 Electric Reliability Council of Texas or the re-
4 gion served by members of the Electric Reli-
5 ability Council of Texas.

6 “(b) JURISDICTION.—

7 “(1) ERCOT.—This section shall not apply
8 within the area referred to in section 212(k)(2)(A).

9 “(2) OTHER UTILITIES.—

10 “(A) IN GENERAL.—For the purposes of
11 this section, the Commission shall have jurisdic-
12 tion over all transmitting utilities, including
13 transmitting utilities described in section
14 201(f), but excluding any ERCOT utility (as
15 defined in section 212(k)(2)(B)).

16 “(B) CLARIFICATION.—Being subject to
17 Commission jurisdiction for the purposes of this
18 section shall not make an entity described in
19 section 201(f) a public utility for the purposes
20 of section 201(e).

21 “(c) RULEMAKING REQUIREMENT.—Not later than
22 180 days after the date of enactment of this section, the
23 Commission shall, consistent with the requirements of this
24 section, by rule—

1 “(1) require each transmission planning region
2 to establish a process for planning regional trans-
3 mission facilities in accordance with this section;

4 “(2) require neighboring transmission planning
5 regions to jointly plan with each other;

6 “(3) require each transmission planning region
7 to submit to the Commission for approval—

8 “(A) a regional transmission plan; and

9 “(B) a joint interregional transmission
10 plan with each of its neighboring transmission
11 planning regions, which requirement may, at
12 the discretion of the transmission planning re-
13 gion, be satisfied through the submission of—

14 “(i) a separate joint interregional
15 transmission plan with each of its neigh-
16 boring transmission planning regions; or

17 “(ii) 1 or more joint interregional
18 transmission plans, any of which may be
19 submitted with any 1 or more of its neigh-
20 boring transmission planning regions; and

21 “(4) establish rate treatments for regional and
22 interregional transmission planning and cost alloca-
23 tion.

24 “(d) PLAN ELEMENTS.—The Commission shall re-
25 quire, within the rule under subsection (c), that regional

1 and joint interregional transmission plans contain the fol-
2 lowing elements:

3 “(1) COMPATIBILITY.—A common set of input
4 assumptions and models, on a consistent timeline,
5 that—

6 “(A) allow for the identification and selec-
7 tion, by transmission planning regions, of spe-
8 cific regional and interregional transmission fa-
9 cilities for construction or modification, includ-
10 ing through the use of advanced transmission
11 conductors (including superconductors) and
12 reconductoring;

13 “(B) consider and prioritize, to the extent
14 reasonable and economical, modifications that
15 maximize—

16 “(i) the cost-effectiveness of upgrades
17 assessed according to the guidance issued
18 under section 8(c)(3) of the _____
19 Act of 2026; and

20 “(ii) the transmission capabilities of
21 existing towers, structures, or rights-of-
22 way, including—

23 “(I) reconductoring with ad-
24 vanced transmission conductors;

1 “(II) the deployment of grid-en-
2 hancing technologies; and

3 “(III) foundational system up-
4 grades, which may include—

5 “(aa) communications tech-
6 nologies;

7 “(bb) data management sys-
8 tems;

9 “(cc) synchronization and
10 timing systems; or

11 “(dd) system digitization
12 and visualization; and

13 “(C) consider existing transmission plans.

14 “(2) TRANSMISSION BENEFITS.—A common set
15 of benefits for regional and interregional trans-
16 mission planning and cost allocation, including—

17 “(A) improved reliability;

18 “(B) reduced congestion;

19 “(C) reduced power losses;

20 “(D) greater carrying capacity;

21 “(E) reduced operating reserve require-
22 ments; and

23 “(F) improved access to lower cost genera-
24 tion that achieves reductions in the cost of de-
25 livered power.

1 “(3) SELECTION CRITERIA.—Criteria governing
2 the selection by transmission planning regions, for
3 construction or modification, of regional trans-
4 mission facilities and interregional transmission fa-
5 cilities that—

6 “(A) provide improved reliability;

7 “(B) protect or benefit consumers; and

8 “(C) are consistent with the public inter-
9 est.

10 “(e) DEADLINE; UPDATES.—The regional and joint
11 interregional transmission plans required to be submitted
12 to the Commission pursuant to the rule under subsection
13 (c) shall be—

14 “(1) submitted to the Commission not later
15 than 2 years after the date of enactment of this sec-
16 tion; and

17 “(2) updated not less frequently than once
18 every 4 years.

19 “(f) COMMISSION REVIEW.—The Commission shall—

20 “(1) review each regional and joint inter-
21 regional transmission plan submitted pursuant to
22 the rule under subsection (c); and

23 “(2) approve the regional or joint interregional
24 transmission plan if the Commission finds that the
25 plan—

1 “(A) meets the requirements of subsection
2 (d);

3 “(B) allocates costs in accordance with
4 subsection (g);

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

8 “(D) is consistent with the public interest.

9 “(g) COST ALLOCATION.—

10 “(1) TRANSMISSION TARIFFS.—For the pur-
11 poses of this section, any transmitting utility that
12 owns, controls, or operates electric transmission fa-
13 cilities constructed or modified as a result of this
14 section shall file a tariff or tariff revision with the
15 Commission pursuant to section 205 and the regula-
16 tions of the Commission allocating the costs of the
17 new or modified transmission facilities.

18 “(2) EXCEPTION.—In the case of an exempt
19 transmitting utility that owns, controls, or operates
20 electric transmission facilities described in para-
21 graph (1), the Commission, notwithstanding section
22 211A(c), shall require the exempt transmitting util-
23 ity to provide transmission services over such facili-
24 ties pursuant to section 211A and the regulations of

1 the Commission allocating the costs of the new or
2 modified transmission facilities.

3 “(3) REQUIREMENT.—The Commission shall
4 require that tariffs or tariff revisions filed under this
5 subsection—

6 “(A) be just and reasonable; and

7 “(B) allocate the costs of providing service
8 in accordance with the cost-causation principle
9 to customers benefitting from the new or modi-
10 fied transmission facilities, such as through 1
11 or more of the benefits described in subsection
12 (d)(2).

13 “(4) LARGE LOAD FACILITIES.—In imple-
14 menting paragraph (3), the Commission shall ensure
15 that tariffs or tariff revisions filed under this sub-
16 section allocate the costs of providing service in ac-
17 cordance with the cost-causation principle to large
18 load facilities that have materially contributed to the
19 need for new or modified transmission facilities.

20 “(5) RATEPAYER PROTECTION.—Customers
21 that receive no benefit, or benefits that are trivial in
22 relation to the costs sought to be allocated, from
23 electric transmission facilities constructed or modi-
24 fied under this section shall not be involuntarily allo-

1 cated any of the costs of those transmission facili-
2 ties.

3 “(h) ORDER NO. 1920.—Compliance with Order No.
4 1920 shall satisfy the requirements for planning and cost
5 allocation for regional transmission facilities under this
6 section.

7 “(i) FORECASTING DATA.—

8 “(1) IN GENERAL.—A regional transmission
9 plan under subsection (c) shall include forecasted
10 load growth in the transmission planning region over
11 a 20-year period.

12 “(2) REQUIREMENT.—To support transmission
13 planning regions in carrying out paragraph (1), the
14 Commission shall provide to each transmission plan-
15 ning region any relevant filings of a transmission op-
16 erator or a transmitting utility relating to projected
17 load growth in the transmission planning region over
18 a period described in paragraph (1).

19 “(j) CONSTRUCTION PERMIT.—For the purposes of
20 obtaining a construction permit under section 216(b), a
21 project that is selected by transmission planning regions
22 pursuant to a regional or joint interregional transmission
23 plan in accordance with this section shall be considered
24 to satisfy paragraph (2) of that section.

1 “(k) DISPUTE RESOLUTION.—In the event of a dis-
2 pute between transmission planning regions with respect
3 to a material element of a joint interregional transmission
4 plan—

5 “(1) the transmission planning regions shall
6 submit to the Commission their respective proposals
7 for resolving the material element in dispute for res-
8 olution; and

9 “(2) not later than 60 days after the proposals
10 are submitted under paragraph (1), the Commission
11 shall issue an order directing a resolution to the dis-
12 pute.

13 “(l) FAILURE TO SUBMIT PLAN.—In the event that
14 a transmission planning region fails to submit to the Com-
15 mission a regional or joint interregional transmission plan
16 under this section, the Commission shall, as the Commis-
17 sion determines to be appropriate—

18 “(1) grant a request to extend the time for sub-
19 mission of the plan; or

20 “(2) require, by order, the transmitting utilities
21 within the affected transmission planning regions to
22 comply with a regional or joint interregional trans-
23 mission plan approved by the Commission—

1 “(A) based on the record of the planning
2 process conducted by the affected transmission
3 planning regions; and

4 “(B) in accordance with the cost allocation
5 provisions in subsection (g).

6 “(m) NEPA.—For purposes of the National Environ-
7 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.)—

8 “(1) any approval of a regional or joint inter-
9 regional transmission plan under subsection (f) or
10 (l) or order directing resolution of a dispute under
11 subsection (k) shall not be considered a major Fed-
12 eral action; and

13 “(2) any permit granted under section 216(b)
14 for a project that is selected by transmission plan-
15 ning regions pursuant to a regional or joint inter-
16 regional transmission plan shall be considered a
17 major Federal action.

18 “(n) SAVINGS PROVISION.—Except as expressly pro-
19 vided in this section, nothing in this section shall be con-
20 strued as conferring, limiting, or impairing any authority
21 of the Commission under any other provision of law.”.

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

24 (1) in subsection (b)(2)—

1 (A) in the first sentence, by striking “and
2 222” and inserting [“222, and 225” / “222,
3 225, and 226”]; and

4 (B) in the second sentence, by striking “or
5 222” and inserting [“222, or 225” / “222,
6 225, or 226”]; and

7 (2) in subsection (e)—

8 (A) by striking “206(f),”; and

9 (B) by striking “or 222” and inserting
10 [“222, or 225” / “222, 225, or 226”].

11 (c) SAVINGS PROVISION.—Nothing in this section or
12 an amendment made by this section grants authority to
13 the Commission under the Federal Power Act (16 U.S.C.
14 791a et seq.) over sales of electric energy at retail or the
15 local distribution of electricity.

16 **SEC. 5. EXPEDITING GENERATOR INTERCONNECTION PRO-**
17 **CEDURES.**

18 (a) DEFINITIONS.—In this section:

19 (1) ENERGY STORAGE PROJECT.—The term
20 “energy storage project” means—

21 (A) any equipment that receives, stores,
22 and delivers energy using batteries, compressed
23 air, pumped hydropower, hydrogen storage (in-
24 cluding hydrolysis), thermal energy storage, re-
25 generative fuel cells, flywheels, capacitors,

1 superconducting magnets, or other technologies
2 identified by the Commission; and

3 (B) any project for the construction or
4 modification of equipment described in subpara-
5 graph (A) as part of an effort to build-out
6 transmission interconnection opportunities.

7 (2) GENERATION PROJECT.—The term “gen-
8 eration project” means—

9 (A) any facility—

10 (i) that generates electricity; and

11 (ii) for which an interconnection re-
12 quest is subject to the jurisdiction of the
13 Commission; and

14 (B) any project for the construction or
15 modification of a facility described in subpara-
16 graph (A).

17 (3) INTERCONNECTION REQUEST.—The term
18 “interconnection request” means a request sub-
19 mitted to a public utility to interconnect a new gen-
20 eration project or energy storage project to the elec-
21 tric system of a public utility for the purposes of
22 transmission of electric energy in interstate com-
23 merce or the sale of electric energy at wholesale in
24 interstate commerce.

1 (4) PUBLIC UTILITY.—The term “public util-
2 ity” has the meaning given the term in section
3 201(e) of the Federal Power Act (16 U.S.C. 824(e)).

4 (b) RULEMAKING TO EXPEDITE GENERATOR INTER-
5 CONNECTION PROCEDURES.—Not later than 180 days
6 after the date of enactment of this Act, the Commission
7 shall, by rule, require transmission providers—

8 (1) to employ automation software and ad-
9 vanced computing to expedite the evaluation of gen-
10 erator interconnection requests; and

11 (2) to implement procedures designed to pro-
12 vide a generator interconnection agreement not later
13 than 1 year after the filing of a valid generator
14 interconnection request.

15 (c) SAVINGS CLAUSE.—Nothing in this section alters,
16 or may be construed to alter, the allocation of costs of
17 the transmission system pursuant to the ratemaking au-
18 thority of the Commission under section 205 of the Fed-
19 eral Power Act (16 U.S.C. 824d).

20 **SEC. 6. PUBLIC-PRIVATE PARTNERSHIPS FOR**
21 **RECONDUCTORING AND GRID-ENHANCING**
22 **TECHNOLOGIES.**

23 (a) FEDERAL POWER MARKETING ADMINISTRA-
24 TIONS.—

1 (1) IN GENERAL.—Each Federal power mar-
2 keting administration shall, as applicable, update the
3 systems and processes of the Federal power mar-
4 keting administration to fully deploy grid-enhancing
5 technologies and advanced transmission conductors.

6 (2) BORROWING AUTHORITY.—A Federal power
7 marketing administration may use to carry out para-
8 graph (1) any borrowing authority otherwise avail-
9 able to the Federal power marketing administration.

10 (b) PUBLIC-PRIVATE PARTNERSHIPS.—

11 (1) IN GENERAL.—Not later than 1 year after
12 the date of enactment of this Act, the Secretary and
13 each Federal power marketing administration shall
14 issue 1 or more requests for proposals to enter into
15 a public-private partnership for—

16 (A) the reconductoring of transmission
17 lines—

18 (i) to support large load growth; or

19 (ii) with advanced transmission con-
20 ductors;

21 (B) the deployment and integration of
22 grid-enhancing technologies; and

23 (C) foundational system upgrades, which
24 may include—

25 (i) communications technologies;

- 1 (ii) data management systems;
2 (iii) synchronization and timing sys-
3 tems; and
4 (iv) system digitization and visualiza-
5 tion.

6 (2) REQUIREMENT.—A proposal submitted
7 under paragraph (1) shall include workforce develop-
8 ment, training, and standardized inspection proto-
9 cols.

10 (3) REVENUE SHARING.—The increased reve-
11 nues attributable to any reconductoring, deployment
12 or integration of grid-enhancing technologies, or
13 foundational system upgrades carried out pursuant
14 to a public-private partnership under paragraph (1)
15 shall be shared among the private entities that en-
16 tered into the partnership and the Secretary or the
17 applicable Federal power marketing administration.

18 (c) REPORT.—Not later than 2 years after the date
19 of enactment of this Act, and not less frequently than once
20 every 2 years thereafter for the duration of each public-
21 private partnership entered into by the applicable Federal
22 power marketing administration under subsection (b),
23 each Federal power marketing administration shall issue
24 a publicly available report that describes the activities of

1 the Federal power marketing administration under this
2 section.

3 **SEC. 7. COMPENSATING MERCHANT TRANSMISSION FACILI-**
4 **TIES FOR RELIABILITY SERVICES.**

5 Part II of the Federal Power Act (16 U.S.C. 824 et
6 seq.) (as amended by section 4(a)) is amended by adding
7 at the end the following:

8 **“SEC. 226. RECOVERY BY MERCHANT TRANSMISSION FA-**
9 **CILITIES OF COSTS RELATING TO RELI-**
10 **ABILITY BENEFITS PROVIDED.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) COMMISSION.—The term ‘Commission’
13 means the Federal Energy Regulatory Commission.

14 “(2) MERCHANT TRANSMISSION FACILITY.—
15 The term ‘merchant transmission facility’ means an
16 electric transmission facility that—

17 “(A) assumes at least some of the market
18 risk associated with the facility; and

19 “(B) does not recover its costs entirely
20 from captive customers.

21 “(3) NEGOTIATED RATE AUTHORITY.—The
22 term ‘negotiated rate authority’ means authority to
23 charge rates that are mutually agreed on by a mer-
24 chant transmission facility and 1 or more customers
25 of the merchant transmission facility.

1 “(b) RULEMAKING.—Not later than 180 days after
2 the date of enactment of this section, the Commission
3 shall, by rule—

4 “(1) establish procedures by which a merchant
5 transmission facility may, if necessary, file a tariff
6 or tariff revision with the Commission pursuant to
7 section 205 and the regulations of the Commission
8 to recover from 1 or more transmitting utilities costs
9 equivalent to the value of the reliability benefits that
10 the merchant transmission facility provides those
11 transmitting utilities; and

12 “(2) require the creation and, if appropriate,
13 filing of any tariffs or other mechanism necessary to
14 facilitate the recovery of those costs from the trans-
15 mitting utilities.

16 “(c) RTO AND ISO TARIFFS.—The Commission
17 may, at the discretion of the Commission, approve a tariff
18 or tariff revision filed by a Regional Transmission Organi-
19 zation or Independent System Operator to facilitate the
20 recovery of costs described in subsection (b) by a merchant
21 transmission facility under this section, subject to the con-
22 dition that the approval by the Commission of the tariff
23 or tariff revision does not preclude the merchant trans-
24 mission facility from using the procedures established

1 under that subsection to recover costs from transmitting
2 utilities not covered by the tariff or tariff revision.

3 “(d) RELIABILITY BENEFITS.—In determining the
4 value of the reliability benefits that a transmitting utility
5 will receive from a merchant transmission facility for pur-
6 poses of the rulemaking under subsection (b), the Com-
7 mission shall include, at a minimum—

8 “(1) avoided or deferred reliability transmission
9 projects and aging infrastructure replacement;

10 “(2) reduced loss of load probability, reduced
11 planning reserve margin, or accredited capacity pro-
12 vided by a merchant transmission facility;

13 “(3) mitigation of extreme weather events and
14 unexpected system conditions;

15 “(4) all ancillary services that the merchant
16 transmission facility is capable of providing; and

17 “(5) any other reliability benefits not already
18 associated with the benefits described in paragraphs
19 (1) through (4).

20 “(e) REQUIREMENT.—All rates approved under the
21 rule adopted pursuant to subsection (b), including any re-
22 visions to that rule, are subject to the requirements of sec-
23 tions 205 and 206 that all rates, charges, terms, and con-
24 ditions be just and reasonable and not unduly discrimina-
25 tory or preferential.

1 “(f) JURISDICTION.—This section shall not apply
2 within the area referred to in section 212(k)(2)(A).

3 “(g) RULE OF CONSTRUCTION.—Nothing in this sec-
4 tion shall be construed—

5 “(1) to limit the existing authority of the Com-
6 mission under this part to address—

7 “(A) the issues addressed by this section;

8 or

9 “(B) similar issues; or

10 “(2) to prevent or limit the eligibility of any
11 merchant transmission facility to receive from the
12 Commission negotiated rate authority.”.

13 **SEC. 8. ADVANCING GRID-ENHANCING TECHNOLOGIES.**

14 (a) DEFINITIONS.—In this section:

15 (1) EFFECTIVE LOAD CARRYING CAPABILITY;
16 ELCC.—

17 (A) IN GENERAL.—The term “effective
18 load carrying capability” or “ELCC” means the
19 ability of a generating resource to produce elec-
20 tricity when the grid needs it, measured as the
21 additional load (or perfect replacement capac-
22 ity) that the system can supply with a par-
23 ticular generator of interest with no net change
24 in reliability.

1 (B) CLARIFICATION.—The additional load
2 (or perfect replacement capacity) referred to in
3 subparagraph (A)—

4 (i) may be measured using LOLE,
5 EUE, or other metrics; and

6 (ii) may be divided by the nameplate
7 capacity of the generating resource to yield
8 a percentage.

9 (2) EXPECTED UNSERVED ENERGY; EUE.—

10 The term “expected unserved energy” or “EUE”
11 means the cumulative amount of energy (in mega-
12 watt-hours) per year that is not provided to cus-
13 tomers due to outages.

14 (3) INTEGRATED RESOURCE PLANNING.—The
15 term “integrated resource planning” means mod-
16 eling and evaluating how projected long-term elec-
17 tricity demands (such as electricity demands over pe-
18 riods of 5, 10, 20, or more years) within a service
19 area can be met with a combination of electric gen-
20 eration resources that best achieve desired metrics,
21 such as metrics relating to reliability, resilience, and
22 cost.

23 (4) LOSS OF LOAD EXPECTATION; LOLE.—

24 (A) IN GENERAL.—The term “loss of load
25 expectation” or “LOLE” means the expected

1 number of days per year that the available gen-
2 eration capacity is less than the system load for
3 the applicable power grid region or service area.

4 (B) CLARIFICATION.—As of November
5 2023, a commonly acceptable value for loss of
6 load expectation is 0.1 days per year, as de-
7 scribed in the standard of the North American
8 Electric Reliability Corporation entitled “Plan-
9 ning Resource Adequacy Analysis, Assessment
10 and Documentation” and numbered BAL-502-
11 RF-03.

12 (5) PLANNING RESERVE MARGIN.—

13 (A) IN GENERAL.—The term “planning re-
14 serve margin” means the quotient, expressed as
15 a percentage, obtained by dividing—

16 (i) the difference between—

17 (I) deliverable electric system
18 supply capacity for a power grid re-
19 gion or service area; and

20 (II) net demand in that power
21 grid region or service area; by

22 (ii) net demand in that power grid re-
23 gion or service area.

24 (B) CLARIFICATION.—As of November
25 2023, a reserve margin falling within the range

1 from 15 percent to 25 percent is typical for a
2 power grid region or service area.

3 (6) POWER GRID.—The term “power grid”
4 means that portion of an Interconnection (as defined
5 in section 215(a) of the Federal Power Act (16
6 U.S.C. 824o(a))) that is located within the United
7 States, including the relevant portion of each of the
8 following:

9 (A) The Eastern Interconnection.

10 (B) The Western Interconnection.

11 (C) The Texas Interconnection.

12 (7) POWER GRID REGION.—The term “power
13 grid region” means a geographic area—

14 (A) located within a power grid; and

15 (B) for which a regional entity (as defined
16 in subsection (a) of section 215 of the Federal
17 Power Act (16 U.S.C. 824o)) has enforcement
18 authority under that section.

19 (8) PROBABILISTIC MODELING.—

20 (A) IN GENERAL.—The term “probabilistic
21 modeling” means a modeling approach that
22 uses statistics to simulate and quantify the like-
23 lihood of achieving desired metrics, taking into
24 consideration all modeled uncertainties, for de-
25 termination of the optimal resource portfolio,

1 such as a modeling approach consistent with
2 the document of the North American Electric
3 Reliability Corporation entitled “Probabilistic
4 Assessment Technical Guideline Document”
5 and dated August 2016, including the rec-
6 ommendations described in that document.

7 (B) INCLUSION.—The term “probabilistic
8 modeling” includes modeling that can identify
9 the most important parameters that impact a
10 simulated metric for further characterization or
11 optimization.

12 (9) RESOURCE ADEQUACY.—The term “re-
13 source adequacy” means the adequate supply and
14 provision of electricity from various electric genera-
15 tion resources to meet projected electricity demands
16 in a particular power grid region or service area.

17 (10) SERVICE AREA.—The term “service area”
18 means the area or region served by—

19 (A) an electric utility;

20 (B) a Regional Transmission Organization;

21 or

22 (C) an Independent System Operator.

23 (b) STUDY AND REPORT ON RECONDUCTING AND
24 GETS OPTIMIZATION.—Not later than 1 year after the
25 date of enactment of this Act, each transmission planning

1 region shall conduct, and submit to the Commission a re-
2 port on the results of, a study on the potential opportuni-
3 ties for, effects of, and challenges to—

4 (1) reductoring in the transmission planning
5 region; and

6 (2) the deployment of grid-enhancing tech-
7 nologies in the transmission planning region.

8 (c) COST-BENEFIT ANALYSES.—

9 (1) IN GENERAL.—In preparing a regional or
10 joint interregional transmission plan pursuant to the
11 rule issued under subsection (c) of section 225 of
12 the Federal Power Act, transmission planning re-
13 gions shall conduct a cost-benefit analysis for each
14 transmission facility identified as a candidate for up-
15 grade or modification in accordance with subsection
16 (d)(1)(B) of that section.

17 (2) REQUIREMENTS.—A cost-benefit analysis
18 under paragraph (1) that relates to the deployment
19 of grid-enhancing technology shall take into consid-
20 eration—

21 (A) traditional, monetary costs and bene-
22 fits; and

23 (B) nontraditional or nonmonetary bene-
24 fits, including increased flexibility, increased re-

1 silience, reduced restoration time, and oper-
2 ational savings.

3 (3) GUIDANCE ON COST-BENEFIT ANALYSES.—

4 (A) IN GENERAL.—Not later than 18
5 months after the date of enactment of this Act,
6 the Secretary, in coordination with the Commis-
7 sion, shall issue guidance relating to the prepa-
8 ration of cost-benefit analyses under paragraph
9 (1).

10 (B) REQUIREMENTS.—The guidance under
11 subparagraph (A) shall standardize a method-
12 ology for transmission planning regions to
13 quantify the nontraditional and nonmonetary
14 benefits described in paragraph (2)(B) to en-
15 sure that grid-enhancing technologies are evalu-
16 ated on affordability, sustainability, reliability,
17 and resilience metrics, and are not evaluated
18 solely on capital cost comparisons.

19 (C) UPDATES.—The guidance issued under
20 subparagraph (A) shall be updated not less fre-
21 quently than once every 5 years.

22 (d) CONGESTION REPORTING.—

23 (1) ANNUAL REPORTS.—

24 (A) IN GENERAL.—Beginning on the date
25 that is 1 year after the effective date of the rule

1 promulgated under paragraph (2), all operators
2 of transmission facilities or transmission tech-
3 nologies shall submit to the Commission and
4 the Secretary annual reports containing data on
5 the costs associated with congestion manage-
6 ment with respect to the transmission facilities
7 or transmission technologies, including all rel-
8 evant constraints.

9 (B) REQUIREMENT.—Each annual report
10 submitted under subparagraph (A) shall—

11 (i) identify, with respect to each re-
12 ported constraint that caused more than
13 \$500,000 in associated costs—

14 (I) the cause of the constraint,
15 including physical infrastructure and
16 transient disruptions; and

17 (II) the next limiting element
18 type and its identified rating limit;

19 (ii) assess the potential for grid-en-
20 hancing technologies, such as dynamic line
21 ratings—

22 (I) to address any constraints
23 identified under clause (i); and

24 (II) to alleviate any congestion;

1 (iii) identify each constraint described
2 in clause (i) that will be addressed by
3 planned future upgrades to infrastructure
4 and facilities; and

5 (iv) include any cost-benefit analysis
6 relating to those upgrades prepared by a
7 transmission planning region under sub-
8 section (c)(1).

9 (2) RULEMAKING.—Not later than 18 months
10 after the date of enactment of this Act, the Commis-
11 sion—

12 (A) shall issue a final rule establishing a
13 universal metric and protocol for the measuring
14 and reporting of data under paragraph (1); and

15 (B) complete the rulemaking process and
16 issue a final rule with respect to the advance
17 notice of proposed rulemaking of the Commis-
18 sion entitled “Implementation of Dynamic Line
19 Ratings” (89 Fed. Reg. 57690 (July 15,
20 2024)).

21 (3) USES OF DATA.—

22 (A) ANALYSES.—

23 (i) IN GENERAL.—The Commission
24 and the Secretary shall each use the data
25 submitted under paragraph (1) to conduct

1 analyses, as the Commission or the Sec-
2 retary, as applicable, determines to be ap-
3 propriate.

4 (ii) COORDINATION.—The Commis-
5 sion and the Secretary may coordinate
6 with respect to any analyses conducted
7 using the data submitted under paragraph
8 (1).

9 (B) MAP.—The Commission and the Sec-
10 retary, acting jointly, shall—

11 (i) use the data submitted under para-
12 graph (1) to create a map of costs associ-
13 ated with congestion management in the
14 transmission system; and

15 (ii) update that map not less fre-
16 quently than once each year.

17 (4) PUBLICATION OF DATA AND MAP.—The
18 Commission and the Secretary shall make the data
19 submitted under paragraph (1) and the map de-
20 scribed in paragraph (3)(B) publicly available on the
21 websites of—

22 (A) the Commission; and

23 (B) the Department of Energy.

24 (e) DOE GUIDANCE, TECHNICAL ASSISTANCE,
25 CLEARINGHOUSE, AND DEMONSTRATION PROJECTS.—

1 (1) DEFINITIONS.—In this subsection:

2 (A) APPLICATION GUIDE.—The term “ap-
3 plication guide” means the application guide es-
4 tablished under paragraph (2)(A).

5 (B) DEVELOPER.—The term “developer”
6 means a developer of transmission facilities or
7 transmission technologies, including a developer
8 of transmission facilities or transmission tech-
9 nologies that pays to install grid-enhancing
10 technology with respect to those transmission
11 facilities or transmission technologies.

12 (2) APPLICATION GUIDE.—

13 (A) IN GENERAL.—Not later than 18
14 months after the date of enactment of this Act,
15 the Secretary shall establish an application
16 guide for utilities and developers seeking to im-
17 plement grid-enhancing technologies.

18 (B) REQUIREMENT.—The application
19 guide shall include guidance for utilities and de-
20 velopers with respect to the assessment of the
21 costs and benefits of grid-enhancing tech-
22 nologies, including the nontraditional and non-
23 monetary benefits described in paragraph
24 (2)(B) of subsection (c), which shall be con-

1 sistent with the guidance issued under para-
2 graph (3) of that subsection.

3 (C) UPDATES.—The application guide
4 shall be reviewed and updated annually.

5 (3) TECHNICAL ASSISTANCE.—On request of a
6 utility or developer using the application guide, the
7 Secretary shall provide technical assistance to that
8 utility or developer with respect to—

9 (A) the use of grid-enhancing technologies
10 for particular applications; or

11 (B) the assessment of the costs and bene-
12 fits of grid-enhancing technologies for par-
13 ticular applications.

14 (4) CLEARINGHOUSE.—

15 (A) IN GENERAL.—The Secretary shall es-
16 tablish a centralized clearinghouse of previously
17 completed grid-enhancing technology projects—

18 (i) to track the deployment of grid-en-
19 hancing technologies across the United
20 States;

21 (ii) to make data and success stories
22 relating that deployment readily available
23 to the public; and

24 (iii) to enable the Secretary, utilities,
25 and developers to identify issues and solu-

1 tions relating to the use of grid-enhancing
2 technologies for particular applications

3 (B) REQUIREMENTS.—The clearinghouse
4 established under subparagraph (A) shall in-
5 clude information relating to—

6 (i) the types of grid-enhancing tech-
7 nologies deployed;

8 (ii) the benefits, performance metrics,
9 and technical specifications of those tech-
10 nologies; and

11 (iii) utility-scale demonstration
12 projects.

13 (5) DEMONSTRATION PROJECTS ON FEDERAL
14 LAND.—The Secretary shall collaborate with other
15 Federal agencies, such as the Bureau of Land Man-
16 agement and the Department of Defense, to identify
17 opportunities for, and implement, demonstration
18 projects on Federal land or at Federal facilities with
19 respect to the use of grid-enhancing technologies.

20 (f) NATIONAL LABORATORY MODELING AND EVAL-
21 UATION PROGRAM.—

22 (1) IN GENERAL.—The Secretary, acting
23 through 1 or more National Laboratories, in con-
24 sultation with the Commission and the Electric Reli-
25 ability Organization, shall establish a program to

1 model and evaluate the performance of the electric
2 grid.

3 (2) REQUIREMENTS.—In carrying out the pro-
4 gram established under paragraph (1), the Secretary
5 shall develop 1 or more probabilistic models for
6 transmission planning, resource adequacy modeling,
7 and integrated resource planning that—

8 (A) reflect the specific needs, resources,
9 and attributes of a given power grid region or
10 service area;

11 (B) ensure consistent methods based on
12 best practices;

13 (C) include consideration of uncertainties
14 relating to—

15 (i) transmission systems and infra-
16 structure;

17 (ii) the impact of weather (such as the
18 impact of temperature on transmission fa-
19 cilities, including line ratings);

20 (iii) congestion and thermal overload;
21 and

22 (iv) the costs of new or modified
23 transmission infrastructure, including
24 reconductoring with advanced transmission

1 (vi) congestion; and

2 (vii) cost;

3 (B) to identify the parameters and proc-
4 esses considered under paragraph (2) that—

5 (i) have the most impact on the mag-
6 nitude or uncertainty of the applicable sim-
7 ulated metrics; and

8 (ii) can be further characterized or
9 optimized to improve the modeling and de-
10 termination of the optimal resource port-
11 folio and transmission system for the ap-
12 plicable power grid region or service area;
13 and

14 (C) to identify areas where the deployment
15 of advanced transmission technologies, such as
16 advanced transmission conductors or grid-en-
17 hancing technologies, may improve electric grid
18 performance.

19 (4) REGIONAL COLLABORATIVES.—

20 (A) IN GENERAL.—In carrying out the
21 program under paragraph (1), the Secretary
22 shall establish regional collaboratives between
23 the National Laboratories and institutions of
24 higher education.

1 (B) CONSIDERATIONS.—The Secretary
2 shall, to the maximum extent practicable,
3 prioritize establishing regional collaboratives
4 under subparagraph (A) that—

5 (i) are between regional institutions of
6 higher education and National Labora-
7 tories that are owned and operated by the
8 Federal Government;

9 (ii) include institutions of higher edu-
10 cation with existing demonstration capa-
11 bility, such as field-scale systems of not
12 less than 100 kilovolt-amperes or labora-
13 tory capabilities of not less than 10 kilo-
14 volt-amperes, to support technology valida-
15 tion, utility adoption, industry engagement,
16 and workforce development;

17 (iii) demonstrate rural grid planning
18 models (including transmission and dis-
19 tribution co-simulation and digital twin ca-
20 pabilities); or

21 (iv) utilize existing active data sharing
22 and joint modeling programs between insti-
23 tutions of higher education and partici-
24 pating utilities at a statewide scale.

1 (g) SUPPLY CHAIN AND DOMESTIC MANUFACTURING
2 INCENTIVES.—

3 (1) IN GENERAL.—Not later than 18 months
4 after the date of enactment of this Act, and not less
5 frequently than once every 5 years thereafter, the
6 Secretary shall conduct a study on the availability
7 and reliability of domestic manufacturing resources
8 and supply chains for grid-enhancing technologies
9 and advanced transmission conductors, including
10 any components of those supply chains, technologies,
11 and conductors.

12 (2) INCENTIVES.—Based on the study under
13 paragraph (1), the Secretary shall offer incentives,
14 including technical and financial assistance, includ-
15 ing through the Loan Programs Office of the De-
16 partment of Energy, to support or enhance domestic
17 manufacturing and workforce development to sup-
18 port the deployment of grid-enhancing technologies
19 and advanced transmission conductors.

20 (h) TECHNOLOGY NEUTRALITY.—In considering a
21 transmission enhancement project that is eligible for cost
22 allocation, rate base recovery, a permit, or any other ap-
23 proval or incentive under the jurisdiction of the Commis-
24 sion or the Secretary, the Commission or the Secretary,
25 as applicable, shall take a technology-neutral approach

1 that allows for future advancement and cost-effective ap-
2 plication of new technologies and materials, including—

3 (1) grid-enhancing technologies; and

4 (2) reconductoring with advanced transmission
5 conductors, such as conductors utilizing composite
6 materials, advanced types of steel, or heat-dis-
7 sipating coatings.

8 (i) SHARED SAVINGS INCENTIVE FOR GRID-ENHANC-
9 ING TECHNOLOGIES.—

10 (1) DEFINITION OF DEVELOPER.—In this sub-
11 section, the term “developer”, with respect to grid-
12 enhancing technology, means the entity that pays to
13 install the grid-enhancing technology.

14 (2) ESTABLISHMENT OF SHARED SAVINGS IN-
15 CENTIVE.—Not later than 18 months after the date
16 of enactment of this Act, the Commission shall pro-
17 mulgate a final rule to implement section 219(b)(3)
18 of the Federal Power Act (16 U.S.C. 824s(b)(3)) by
19 providing a shared savings incentive that returns a
20 portion of the savings attributable to an investment
21 in grid-enhancing technology to the developer of that
22 grid-enhancing technology, in accordance with this
23 subsection.

24 (3) REQUIREMENTS.—

1 (A) IN GENERAL.—The Commission shall
2 determine the percentage of savings attributable
3 to an investment in grid-enhancing technology
4 that can be returned to the developer of that
5 grid-enhancing technology pursuant to the
6 shared savings incentive established under para-
7 graph (2), subject to the conditions that the
8 percentage—

9 (i) is not less than 10 percent and not
10 more than 25 percent;

11 (ii) is not determined on a per-project,
12 per-investment, or case-by-case basis; and

13 (iii) is applied consistently to all in-
14 vestments in grid-enhancing technology eli-
15 gible for the shared savings incentive, re-
16 gardless of the type of grid-enhancing tech-
17 nology installed.

18 (B) TIME PERIOD FOR RECOVERY.—The
19 shared savings incentive established under para-
20 graph (2) shall return a percentage, determined
21 in accordance with subparagraph (A), of the ap-
22 plicable savings to the developer of the applica-
23 ble grid-enhancing technology over a period of
24 3 years.

1 Commission, are at least 4 times the cost
2 of the investment.

3 (ii) DETERMINATION.—

4 (I) IN GENERAL.—The Commis-
5 sion shall determine how to quantify
6 the cost of an investment and the ex-
7 pected savings attributable to an in-
8 vestment for purposes of clause (i).

9 (II) COSTS.—For purposes of
10 clause (i), the cost of an investment
11 may include any costs associated with
12 the permitting, installation, or pur-
13 chase of the applicable grid-enhancing
14 technology.

15 (B) ALREADY INSTALLED GETS.—The
16 shared savings incentive established under para-
17 graph (2) may not be applied with respect to
18 grid-enhancing technology that is already in-
19 stalled as of the date of enactment of this Act.

20 (C) CONSUMER PROTECTION.—The Com-
21 mission shall determine appropriate consumer
22 protections for the shared savings incentive es-
23 tablished under paragraph (2).

24 (6) EVALUATION AND SUNSET OF SHARED SAV-
25 INGS INCENTIVE.—

1 (A) EVALUATION.—Not earlier than 7
2 years, and not later than 10 years, after the
3 shared savings incentive is established under
4 paragraph (2), the Commission shall—

5 (i) evaluate the necessity and efficacy
6 of the shared savings incentive; and

7 (ii) determine whether to maintain,
8 revise, or suspend the shared savings in-
9 centive.

10 (B) PUBLIC COMMENT.—In conducting the
11 evaluation under subparagraph (A)(i), the Com-
12 mission shall provide an opportunity for public
13 comment, including by stakeholders.

14 (j) RETURN ON EQUITY FOR ADVANCED TRANS-
15 MISSION CONDUCTORS.—Section 219 of the Federal
16 Power Act (16 U.S.C. 824s) is amended—

17 (1) in subsection (a), by striking “Not later
18 than 1 year after the date of enactment of this sec-
19 tion, the” and inserting “The”;

20 (2) in subsection (b), in the matter preceding
21 paragraph (1), by inserting “issued under subsection
22 (a)” after “rule”;

23 (3) in subsection (c)—

24 (A) in the second sentence, by striking
25 “The Commission” and inserting the following:

1 “(2) RECOVERABLE COSTS.—The Commission”;

2 and

3 (B) in the first sentence, by striking “In
4 the rule issued under this section” and insert-
5 ing the following:

6 “(1) IN GENERAL.—In the rule issued under
7 subsection (a)”;

8 (4) in subsection (d), by striking “All rates ap-
9 proved under the rules adopted pursuant to this sec-
10 tion, including any revisions to the rules, are” and
11 inserting “Any rate approved under a rule issued
12 pursuant to this section (including a revision to a
13 rule) shall be”; and

14 (5) by adding at the end the following:

15 “(e) ADVANCED TRANSMISSION CONDUCTORS.—

16 “(1) RETURN ON EQUITY.—Not later than 1
17 year after the date of enactment of the
18 _____ Act of 2026, the Commission shall
19 promulgate new, or revise existing, rules under this
20 section to improve the return on equity for invest-
21 ments in advanced transmission conductors (as de-
22 fined in section 2 of that Act).

23 “(2) CONSUMER PROTECTIONS.—The Commis-
24 sion shall ensure that all rates approved under the
25 rules promulgated or revised under this subsection

1 (including any subsequent revisions to those rules)
2 are just and reasonable and not unduly discrimina-
3 tory or preferential, as required by subsection (d).”.

4 (k) TRANSMISSION INFRASTRUCTURE INVEST-
5 MENT.—

6 (1) IN GENERAL.—In addition to the implemen-
7 tation of section 219(b)(3) of the Federal Power Act
8 (16 U.S.C. 824s(b)(3)) required under subsection
9 (i)(2), the Commission shall develop other require-
10 ments and incentives to encourage grid optimization
11 under that section.

12 (2) REPORT.—Not later than 18 months after
13 the date of enactment of this Act, the Commission
14 shall submit to Congress a report that describes the
15 progress of the Commission in carrying out para-
16 graph (1).

17 (l) NATIONAL TRANSMISSION CONDUCTOR STAND-
18 ARD.—

19 (1) IN GENERAL.—The Commission shall estab-
20 lish a national transmission conductor standard to
21 increase the reliability of the bulk-power system, in-
22 cluding through increased transmission capacity and
23 reduced sag.

24 (2) REQUIREMENTS.—The standard established
25 under paragraph (1) shall—

1 (A) incentivize utilities to use conductors
2 with proven performance characteristics that
3 exceed the performance characteristics of tradi-
4 tional legacy conductors, including with respect
5 to—

- 6 (i) thermal limits;
7 (ii) sag profiles; and
8 (iii) loss reductions; and

9 (B) require utilities to assess the most
10 cost-effective way to achieve those performance
11 characteristics.

12 (m) STATE ENERGY PROGRAMS.—Section
13 362(c)(7)(B) of the Energy Policy and Conservation Act
14 (42 U.S.C. 6322(c)(7)(B)) is amended by inserting “, in-
15 cluding reconductoring with advanced transmission con-
16 ductors (as defined in section 2 of the _____ Act
17 of 2026) and the installation of grid-enhancing tech-
18 nologies (as defined in that section)” before the semicolon
19 at the end.

20 (n) CATEGORICAL EXCLUSION FOR
21 RECONDUCTORING.—Part II of the Federal Power Act
22 (16 U.S.C. 824 et seq.) is amended by inserting after sec-
23 tion 216 the following:

1 **“SEC. 216A. GRID CAPACITY EXPANSION IN EXISTING**
2 **RIGHTS-OF-WAY.**

3 “(a) DEFINITION OF PREVIOUSLY DISTURBED OR
4 DEVELOPED.—In this section, the term ‘previously dis-
5 turbed or developed’ has the meaning given the term in
6 section 1021.102(g)(1) of title 10, Code of Federal Regu-
7 lations (or a successor regulation).

8 “(b) ESTABLISHMENT OF CATEGORICAL EXCLU-
9 SION.—Activities to increase the capacity of the electric
10 grid within existing rights-of-way or on previously dis-
11 turbed or developed land are a category of actions des-
12 igned as being categorically excluded from the prepara-
13 tion of an environmental assessment or an environmental
14 impact statement under the National Environmental Pol-
15 icy Act of 1969 (42 U.S.C. 4321 et seq.).

16 “(c) INCLUSIONS.—The activities to which the cat-
17 egorical exclusion established by subsection (b) shall apply
18 include any repair, maintenance, replacement, upgrade,
19 modification, optimization, or minor relocation of, addition
20 to, or addition of energy storage at or near, an existing
21 electric transmission or distribution facility or associated
22 infrastructure, including electrical substations, within an
23 existing right-of-way or on otherwise previously disturbed
24 or developed land, including reconductoring and installa-
25 tion of grid-enhancing technologies.”.

1 **SEC. 9. PREVENTING OUTAGES AND ENHANCING THE RE-**
2 **SILIENCE OF THE ELECTRIC GRID.**

3 Section 40101 of the Infrastructure Investment and
4 Jobs Act (42 U.S.C. 18711) is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (3)
7 through (5) as paragraphs (4) through (6), re-
8 spectively; and

9 (B) by inserting after paragraph (2) the
10 following:

11 “(3) **EXTREME WEATHER.**—

12 “(A) **IN GENERAL.**—The term ‘extreme
13 weather’ means a weather phenomenon that—

14 “(i) is of greater magnitude, fre-
15 quency, duration, or spatial extent than in
16 the historical period prior to 1990; or

17 “(ii) is unexpected, unusual, severe, or
18 unseasonal.

19 “(B) **INCLUSIONS.**—The term ‘extreme
20 weather’ includes—

21 “(i) a tornado;

22 “(ii) a thunderstorm;

23 “(iii) an ice storm;

24 “(iv) a heat wave;

25 “(v) extreme cold;

26 “(vi) flooding;

1 “(vii) drought;
2 “(viii) high winds;
3 “(ix) mudslides; and
4 “(x) a wildfire smoke event.”;

5 (2) in subsection (d)(3)(B)—

6 (A) in clause (iii)—

7 (i) by redesignating subclauses (I)
8 through (IV) as items (aa) through (dd),
9 respectively, and indenting appropriately;
10 and

11 (ii) in the matter preceding item (aa)
12 (as so redesignated)—

13 (I) by striking “, as applicable”
14 and inserting “during the previous 10
15 years”; and

16 (II) by striking “Tribe during the
17 previous 10 years, as determined
18 based on the number” and inserting
19 the following: “Tribe, as determined
20 based on—

21 “(I) projections of the likelihood
22 and severity of extreme weather,
23 wildfires, and natural disasters, in-
24 cluding any projected changes in the
25 frequency of such events, in the State

1 or on the land of the Indian Tribe
2 during appropriate future periods, as
3 determined by the Secretary,
4 leveraging appropriate resources and
5 expertise, such as the Grid Resilience
6 Technical Assistance Consortium, as
7 the Secretary determines appropriate;
8 and

9 “(II) the number”; and

10 (B) by adding at the end the following:

11 “(vi) The extent to which the State or
12 Indian Tribe depends on electricity to meet
13 energy needs, as determined based on—

14 “(I) the percentage of total en-
15 ergy demand in the State or on the
16 land of the Indian Tribe that is satis-
17 fied by electricity; or

18 “(II) a suitable proxy for that
19 percentage, as determined by the Sec-
20 retary, such as the percentage of oc-
21 cupied housing units using electricity
22 for heating, as reported by the Bu-
23 reau of the Census.”;

24 (3) in subsection (e)(1)—

1 (A) in subparagraph (H)(i), by inserting “,
2 including the electric generating components of
3 microgrids” after “microgrids”; and

4 (B) in subparagraph (K), by striking “of
5 other” and inserting “or other”;

6 (4) in subsection (i)(1), by striking “2026” and
7 inserting “2031”; and

8 (5) in subsection (j), by striking “2022 through
9 2026” and inserting “2027 through 2031”.