Biden-Harris Administration Announces $1.3 Billion to Build Out Nation's Electric Transmission and Releases New Study Identifying Critical Grid Needs

President Biden's Investing in America Agenda Will Support Three Interregional Transmission Lines Across Six States Creating Thousands of High-Quality Jobs and Expanding Access to Cheap and Reliable Clean Energy

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COCHISE, ARIZONA — As part of the President's Investing in America agenda, a key pillar of Bidenomics, the U.S. Department of Energy (DOE) today announced up to a $1.3 billion commitment in three transmission lines crossing six states. This historic commitment, made possible by President Biden's Bipartisan Infrastructure Law, will advance transformative projects aimed at adding 3.5 gigawatts (GW) of additional grid capacity throughout the United States, equivalent to powering approximately 3 million homes, and creating more than 13,000 direct and indirect jobs. These projects will advance the Biden-Harris Administration's historic climate agenda, strengthen grid resilience and reliability, and bring low-cost clean electricity to more families and businesses.

To ensure that transmission buildout is done in an informed and precise manner, DOE also released the final National Transmission Needs Study (Needs Study) to provide insight into where the grid—and American communities—would benefit from increased transmission. These collective efforts will help realize the Biden-Harris Administration's unprecedented commitment to tackling the climate crisis and achieving a net-zero emissions economy by 2050 through the deployment of cleaner, cheaper power.

"To realize the full benefit of the nation's goal of 100% clean electricity by 2035, we need to more than double our grid capacity and President Biden's Investing in America agenda puts us in position to do just that," said **U.S. Secretary of Energy Jennifer M. Granholm**. "This historic effort to strengthen the nation's transmission will drive down costs for American families and deliver thousands of good paying jobs for American workers—helping communities keep the lights on in the face of climate change-induced extreme weather events."

The Needs Study released today estimates that by 2035 we must more than double the existing regional transmission capacity and expand existing interregional transmission capacity by more than fivefold on our way to economy-wide decarbonization and help President Biden's Inflation Reduction Act unlock its full clean energy potential. These regional and interregional transmission needs increase significantly to achieve economy-wide decarbonization by 2050. The Transmission Facilitation Program and the Needs Study represent financial and planning elements of DOE's three-pronged approach to expanding and modernizing critical electric infrastructure: enhancing transmission planning, strengthening permitting processes, and providing financial tools to support deployment.

Today's announcement of the first projects supported by the Transmission Facilitation Program marks the latest step in implementing the nation's largest investments ever in strengthening America's power grid, secured by President Biden in the Bipartisan Infrastructure Law and Inflation Reduction Act.

Transmission Facilitation Program

Funded by the President's Bipartisan Infrastructure Law, the Transmission Facilitation Program is a $2.5 billion revolving fund to help overcome the financial hurdles associated with building new, large-scale transmission lines, upgrading existing transmission lines, and connecting microgrids in

Hawaii, Alaska, and U.S. territories. Under the program, DOE is authorized to borrow up to $2.5 billion to purchase a percentage of the total proposed capacity of the eligible transmission line. By offering capacity contracts, DOE increases the confidence of additional investors, encourages additional customers to purchase transmission line capacity, and reduces the overall risk for project developers.

Today, DOE announced that it is entering into capacity contract negotiations with three interregional transmission line projects that will strengthen grid resilience and reliability, enable the addition of more clean energy resources to the grid, and bring diverse, clean energy to more customers.

The selected projects are:

- **Cross-Tie 500kV Transmission Line (Nevada, Utah)**. Cross-Tie is a proposed 214-mile,1500 MW transmission line connecting existing transmission systems in Utah and Nevada to increase transmission capacity, improve grid reliability and resilience, relieve congestion on other key transmission lines, and expand access to low-cost renewable energy across the region. The bidirectional nature of Cross-Tie will increase transfer capabilities in the West, unlocking increased access to renewable energy resources in the region. Construction is expected to start in Q1 of calendar year 2025. The Needs Study estimates that by 2030 the Mountain region will need nearly 2,300 gigawatt-miles GW-mi of new transmission to unlock the power sector emissions savings enabled by Inflation Reduction Act (IRA). Cross-Tie will contribute 14% to this regional need.
- **Southline Transmission Project (Arizona, New Mexico)**. Southline is a proposed 175-mile, 748 MW transmission line from Hidalgo County, New Mexico to Pima County, Arizona that will help unlock renewable energy development in southern New Mexico and deliver clean energy to growing markets in Arizona that currently rely on fossil fuel generation. The project, which is the first phase of a longer line, will make smart use of existing transmission rights of way along parts of its route, upgrading aging transmission facilities that are the source of congestion and constraints in the region. Construction is expected to start in Q1 of calendar year 2025. The Needs Study estimates that by 2030 the Southwest will need 935 GW-mi of new transmission to unlock the power sector emissions savings enabled by IRA. The Southline project will contribute 14% to this regional need.
- **Twin States Clean Energy Link (New Hampshire, Vermont)**. Twin States is a proposed 1,200 MW high-voltage direct current (HVDC) bidirectional line that will expand the capacity of the New England electric grid and improve its resiliency, reliability, and efficiency by providing access to clean firm energy supplies in Quebec, Canada. The bidirectional design of the Twin States line will also allow the New England grid to export power to Canada when New England is producing more energy than it needs to meet its own demand, which is expected to occur as the offshore wind industry in New England expands. Construction is expected to start in Q3 or Q4 of calendar year 2026. The Needs Study predicts the North East region will need 1.5 GW of new transfer capacity with its neighbors; Twin States will provide 79% to this interregional need.

DOE anticipates releasing a second round of TFP funding in the first half of 2024 through a request for proposals that may include a combination of public-private partnerships, loans, and

capacity contracts, totaling up to $1 billion.

National Transmission Needs Study

The National Transmission Needs Study serves as DOE's triennial state of the grid report and is a robust assessment of current and near-term future transmission needs through 2040. The Needs Study is not intended to displace existing transmission planning processes and is not intended to identify specific transmission solutions to address identified needs, but it does identify key national needs that can inform investments and planning decisions.

Key findings of the Needs Study include the following:

- There is a pressing need for additional electric transmission infrastructure in nearly all regions of the country to improve reliability and resilience, address high energy costs, and reduce congestion and constraints. Regions with historically high levels of within-region congestion — the Northwest, Mountain, Texas, and New York regions in particular — as well as regions with unscheduled flows that pose reliability risks — California, Northwest, Mountain, and Southwest regions — need additional, strategically placed transmission deployment to reduce this congestion.
- Increasing interregional transmission — that is, the ability to move power across regions of the country —is needed to move electricity from where it is available to where it is needed, and results in the largest benefits to customers in reducing congestion and constraints. Historically, the data assessed show a need for transmission to alleviate transmission constraints that prevent moving electricity across the interconnection seams —between the Mountain and Plains regions and between Texas and all its neighbors.
- Needs will shift over time as the clean energy transition, evolving regional demand, and increasingly extreme weather events must all be accommodated by the future power grid. By 2030 large relative deployments of interregional transfer capacity are needed between the Delta and Plains, Midwest and Plains, and Mid-Atlantic and Midwest regions to meet future demands of the power grid. By 2040 there is a significant need for new interregional transmission between nearly all regions.

The Needs Study, along with other information relating to electric energy transmission capacity constraints and congestion, can inform potential designation of National Interest Electric Transmission Corridors (NIETCs). The Needs Study released today does not designate any NIETCs. DOE is planning to release further guidance regarding its process for designating NIETCs.

An information webinar reviewing the results of the Needs Study will be held on November 8, 2023 at 1:00 p.m. EST. Registration is required.

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