



National Association of State Energy Officials

June 13, 2022

Patricia A. Hoffman
Acting Director and Principal Deputy Director, Grid Deployment Office
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

RE: Notice of Intent and Request for Information regarding the Establishment of a Transmission Facilitation Program (TFP) (Federal Register Number 2022-10137)

Dear Director Hoffman,

The National Association of State Energy Officials (NASEO) appreciates the opportunity to submit comments in response to the U.S. Department of Energy's (DOE) Notice of Intent (NOI) and Request for information (RFI) on the establishment of a Transmission Facilitation Program (TFP), in accordance with the Infrastructure Investment and Jobs Act (IIJA). NASEO represents the governor-designated State Energy Directors and their offices from each of the 56 states, territories, and the District of Columbia.

In response to the NOI and RFI, NASEO encourages DOE to consider the following:

Question: (2) When considering the merits of TFP applications, how should DOE consider the impact a proposed project has on reliability and resilience, reducing greenhouse gas emissions, generating host community benefits, encouraging strong labor standards the growth of union jobs and expanding career-track workforce development in various regions of the country, improving energy equity and achieving environmental justice goals, maximizing the use of products and materials made in the United States, and maintaining or improving energy security? How should DOE evaluate eligible projects that include benefits that may vary across the set of preferred impacts? To what extent should DOE consider additionality of outcome on these dimensions? What information should DOE seek from applicants to inform such considerations? What metrics and methods are available for conducting such evaluations?

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Answer: When considering how a TFP application enhances reliability and resilience, reduces greenhouse gas emissions, generates host community benefits, enhances energy equity and environmental justice, supports the domestic workforce, and enhances energy security as well as other benefits, NASEO encourages DOE to consult with the impacted governor-designated State Energy Offices in the relevant states prior to acting on any TFP application. State Energy Offices advance practical energy policies, complete comprehensive state energy plans covering every energy production, distribution, and end-use sector, inform regulatory processes, engage with unregulated utilities and other energy providers on reliability and resilience issues, and support grid-related energy technology research, demonstration, and deployment investments. In partnership with the private sector, the State Energy Offices accelerate energy-related economic development and support meeting state energy affordability, reliability and climate goals through energy solutions that address their citizens' needs and enhance physical and cyber energy security. In doing so, State Energy Offices are part of long-term state energy planning, which often encompasses considerations of resilience and reliability, workforce development, clean energy and environmental goals, and stakeholder and community engagement. In particular, State Energy Offices lead the development of State Energy Plans and in most states develop and implement the State Energy Security Plans (SESP). The alignment of any proposed transmission project with these plans and overarching state energy goals is key to final implementation of the project. State Energy Offices engage with private-sector utility and non-utility transmission technology and service providers and are uniquely positioned to inform the economic and energy aspects of transmission projects. Moreover, State Energy Offices' policy development role for governors typically mean they possess a longer-term vision of energy policy changes (e.g., electrification, increased renewable electricity standards) that would impact transmission projects in ways non-policy authorities, regional organizations, and utilities may not fully appreciate. Additionally, the State Energy Offices will have knowledge about state-wide metrics tracking the impacts mentioned above and how the project applying for the TFP can contribute to achieving these goals. State Energy Offices, for example, have worked with NASEO and DOE to support state-focused energy and employment reports (similar to the national U.S. Energy and Employment Report) and have metrics on how to measure the workforce impact of energy projects in their states. NASEO therefore encourages DOE to include a requirement to coordinate with the State Energy Offices and other relevant state agencies as part of any application for the TFP.

Question: (10) The IJIA calls upon DOE to consult with, and consider the views of, specific organizations in its considerations of capacity contracts. Before DOE can enter into a capacity contract, the statute requires DOE to consult with the relevant transmission planning region regarding the region's identification of needs, and DOE is instructed to avoid duplication or conflict with a region's needs determination when selecting projects. What information should DOE seek from an applicant, transmission owner or operator, or from a regional transmission organization or regional reliability organization to satisfy the consultation requirement in the statute? What are the appropriate points in the process when such consultation should occur?

Answer: NASEO encourages DOE to also coordinate with State Energy Offices and Public Utility Commissions in the relevant states in the transmission planning region to understand the

relevant region's needs in addition to consultations with regional reliability and transmission organizations. This will ensure that proposed TFP projects align with state energy goals and state energy security planning, which might not be fully considered by the other organizations, especially as State Energy Security Plans are currently revised by the states. For example, many states are pursuing aggressive transportation, building electrification, and energy storage policies (distinct from regulation) that will dramatically impact transmission demands and benefits. Additionally, State Energy Offices can provide further support to the applicant on stakeholder consultation and community engagement. In addition to financing, both are critical to implement proposed projects successfully. Consultations and the stakeholder engagement process should be completed before an application is submitted to the TFP and NASEO encourages DOE to make this a requirement as part of the application process. Additionally, metrics to measure the economic impact of a proposed project within an affected state would enable further understanding of state-specific benefits of a project submitted to the TFP which in turn could enable further stakeholder support.

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

Best regards,

A handwritten signature in blue ink, appearing to read 'DTerry', with a long, sweeping flourish extending to the right.

David Terry
Executive Director, NASEO