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## **Transmission Reform and Permitting Challenges**

As the U.S. faces growing energy demands and the need for a resilient electric grid, transmission reform and permitting issues are at the forefront. Rising transmission costs and slow permitting processes present challenges, particularly for local power utilities that aim to expand infrastructure efficiently without overburdening consumers with rate increases. Legislative and regulatory reforms are underway to balance these needs.

### **Federal Role in Transmission Costs and Regulation**

Transmission rates and infrastructure are regulated by the Federal Energy Regulatory Commission (FERC) under the Federal Power Act (FPA). FERC oversees planning and interconnection processes to ensure that transmission costs remain “just and reasonable,” though state and local authorities largely manage the siting and construction of new transmission lines. This division of authority can create regulatory friction, especially as the demand for renewable energy-driven transmission increases.

### **Legislative Action: The Energy Permitting Reform Act of 2024**

On July 31, 2024, the Senate Energy and Natural Resources Committee passed the bipartisan Energy Permitting Reform Act of 2024, co-authored by Senators Joe Manchin (I-WV) and John Barrasso (R-WY). The Act includes key provisions to streamline energy infrastructure permitting, with specific time limits on judicial reviews and improved access to federal lands for various energy projects. Additionally, it directs the North American Electric Reliability Corporation (NERC) to assess any federal regulations impacting the bulk power system’s reliability.

However, Title IV of the Act has sparked concerns due to its expansion of FERC’s jurisdiction over public power transmitting utilities, which could increase regulatory burdens on public power entities and potentially dissuade participation in new transmission projects by local utilities and potentially increase consumer costs.

***MRES and its members are wary of expanding FERC’s jurisdiction in any future permitting reform legislation.***

### **MRES Regional Collaboration: Big Stone South-Alexandria-Big Oaks Project**

Highlighting the need for infrastructure expansion, the Minnesota Public Utilities Commission recently approved the Certificate of Need for the Big Stone South-Alexandria-Big Oaks project, a high-voltage transmission line in the Upper Midwest. This project, a collaborative effort by MRES, Great River Energy, Minnesota Power, Otter Tail Power Company, and Xcel Energy, will relieve congestion, improve grid efficiency, and support reliable service across the region. The line is expected to enhance resilience while better meeting customer demand for energy, underscoring the importance of streamlined permitting and interregional collaboration to address national grid needs.

The path forward will involve balancing federal oversight with local flexibility, while projects like the Big Stone South-Alexandria-Big Oaks highlight the positive impact of collaborative infrastructure projects on regional grid resilience. In 2023, a Certificate of Need (CON) was

submitted to the Minnesota Public Utilities Commission (MPUC) for the Big Stone South to Alexandria (BSSA) portion of the project. The CON was approved in October of 2024. Meanwhile, the Route Permit has also been filed with the MPUC. Public scoping meetings on the Route Permit were held in January 2025. It is expected that the MPUC will complete the Rout Permit process in mid-2026. Additionally, in early February of 2025, the South Dakota Public Utilities Commission approved the Facility Permit for the South Dakota portion of the BSSA line. The BSSA line is targeted to have an in-service date by the end of 2030.

### **Nuclear Regulatory Reforms**

During the 118<sup>th</sup> Congress, efforts were made to not only streamline transmission siting and routing, but also generation. For example, the bipartisan ADVANCE Act was passed as part of the National Defense Authorization Act (NDAA). It included provisions to support the development of nuclear power by directing the Nuclear Regulatory Commission (NRC) to implement initiatives to streamline license application reviews, to establish expedited procedures for reviewing qualified new reactor license applications, and implement fee recovery changes. While this was a giant step forward, regulatory reforms and streamlining of processes should continue to be reviewed.

For example, in the 118<sup>th</sup> Congress, Representatives Jeff Duncan (R-SC) and Diana DeGette (D-CO) introduced H.R. 6544, the Atomic Energy Advancement Act, to require changes at the NRC designed to streamline and speed up the regulatory process and reduce regulatory costs for advanced reactor (including SMRs) applicants. The bill was approved in the House in February 2024, but did not advance further. Also, Senator Jim Risch (R-ID) introduced the S. 5421 Accelerating Reliable Capacity (ARC) Act in December 2024. The ARC Act would direct the Department of Energy's Loan Programs Office (LPO) to provide up to \$3.6 billion to address overruns for at least three "early mover" nuclear energy projects. The ARC Act did not advance out of the Senate in the 118<sup>th</sup> Congress. Senator Risch is expected to reintroduce the bill in the 119<sup>th</sup> Congress.

In the 118<sup>th</sup> Congress, it was suggested that continuing to streamline the federal permitting and siting processes would move new nuclear generation and associated transmission projects forward. Because of our size, MRES and its members are unlikely to be the lead utility in constructing a nuclear facility. However, as potential purchasers of such power, MRES and its members continue to support reviewing and streamlining federal regulatory processes.

***Looking ahead to the 119<sup>th</sup> Congress, MRES continues to advocate for legislative actions that promote transmission projects and streamline permitting processes to support a robust and adaptable energy infrastructure, including new generation.***