

Informational Update:  
Grid Infrastructure Legislation  
Pending in Congress:  
*Items of Note for PJM Stakeholders*



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## Your Scorecard---Two Separate Pieces of Legislation

### *Bipartisan Infrastructure Package*—Passed Senate 69-30

- House vote expected today—September 27

### *Reconciliation Package*---Passed House Committees

- Will require House and Senate passage with Democrat votes only
- Provisions can come back as ‘base text’



# Highlights of the Bipartisan Infrastructure Package

Bill (HR 3684) includes:

- Funding for various industry-related initiatives
- Policy reforms in key areas

**Topic #1:**

Overview of New Funding Initiatives Affecting the Electric Sector

**Federal \$\$ Support**---2500 Page Bipartisan Bill includes:

- Section 40101---DOE grants to TOs, RTOs and state to support grid resilience actions including re-conductoring, distributed resource development and monitoring and control technologies;
- Section 40103---\$5B for demonstration projects focused on grid resilience including spare transformer programs
- Section 40121---DOE funding for utilities to assess vendor supply chain cybersecurity threats

## **Federal \$\$\$' Support (cont'd)**

- Section 40122—Support for ‘Cyber Sense’ program to serve as test bed for products to be utilized on the grid
- Section 40125---Support for the expansion of the EISAC (electric industry liaison to DOE and DHS (made up of EEI, EPISA, NRECA, APPA et al.))
- Section 40432---Increases the salary for the director of the new FERC Office of Public Participation

## Topic #2

# Overview of New Federal Policy Initiatives



## *New Federal Policy Initiatives:*

- Section 40105---Establishes authority of FERC to site new transmission lines if state either fails to act or unreasonably conditions siting approval after one year. Lines must be in DOE-designated national interest transmission corridors. Corridor requirements expanded to include facilitating new interconnection
- Section 40106---DOE Secretary authorized to fund new transmission lines and market the capacity of those lines in a manner which ‘maximizes the return to the Treasury’



- Section 40123---Calls for new transmission incentives for investments in cybersecurity and authorizes ‘single issue rate filings’ for recovery of cybersecurity costs.
- Section 40323---Authorizes the Secretary of Energy to spend up to \$6B to support existing nuclear units that are ‘projected to cease operations due to economic factors’. Payments can continue for up to four years and DOE can require the unit to commit to generate a specific number of MWH during that period.

## *PJM work with Congressional Staff:*

- Secured amendments to Section 40106 re: DOE Secretary funding of new transmission lines and authority to market capacity on those lines:
  - Ensures that DOE Secretary's actions marketing capacity must be conducted in accordance with the transparency and nondiscrimination requirements of the Federal Power Act
  - Requires DOE Secretary to coordinate her choice of lines to fund with Planning Authorities to avoid duplication or misalignment with plans chosen through the regional planning process

## **Reconciliation Package**

### **Key Electricity Provisions**

- Funding Provisions—Support for new Transmission
- Policy Provisions—The CEPP

## **Financial Support for Transmission**

- \$8B in loans and grants for integration of clean energy facilities and development of a ‘robust and resilient’ grid
- Language re: eligibility for PJM and other RTO members to obtain loan and grant funding
  - PJM---Seeking corrective amendments to ensure PJM member eligibility

## **Additional Financial Support for the Sector**

- \$ 100M to states to support ‘expanding or improving organized wholesale electricity markets
- \$100 M for transmission planning for interregional planning and off shore wind planning

## **The Clean Electricity Performance Program (the 'CEPP')**

4% annual increase in 'clean energy' purchases from average of 2019/2020 baseline

- If LSE achieves—Paid \$ 150/mwhr credit from the US Treasury to be used for energy efficiency, worker retention, low income support
- If LSE fails to achieve---Pays to US Treasury \$40/mwhr penalty that ramps up between now and 2030; money to come from shareholders and not ratepayers

## **Industry Issues Being Discussed:**

- Need for Reliability Safety Valve provision
- Impact of 4% annual increases
- Disproportionate impact on different LSEs based on baseline year
- No trading program/potential diminished value of voluntary RECs
- Impact of electrification of the transportation sector on increased emissions



Questions, comments or seeking more information?

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