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# **Biden-Harris Administration Invests \$1.5 Billion to Bolster** the Nation's Electricity Grid and Deliver Affordable **Electricity to Meet New Demands**

With Funding from the Investing in America Agenda, DOE Announces \$1.5 Billion Transmission Investment to Improve Grid Reliability Across the Country

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October 3, 2024



(**^**) 6 min

With Funding from the Investing in America Agenda, DOE Announces \$1.5 Billion Transmission Investment to Improve Grid Reliability Across the Country New DOE Study Shows Accelerated Expansion Leading to More Than \$270 Billion in Savings Through 2050.

washington, D.C. – In support of the Biden-Harris Administration's Investing in America agenda and work to lower costs for American families, the U.S. Department of Energy (DOE) announced two critical actions in its continued efforts to support the expansion of the transmission infrastructure needed to ensure that the nation's electricity grid is reliable, resilient, and ready to meet customer demands with low-cost clean electricity. First, DOE announced an investment of \$1.5 billion in four transmission projects that will improve grid reliability and resilience, relieve costly transmission congestion, and open access to affordable energy to millions of Americans across the country. Supported by the Bipartisan Infrastructure Law and administered through DOE's Grid Deployment Office (GDO), the projects selected today for the Transmission Facilitation Program will enable nearly 1,000 miles of new transmission development and 7,100 MW of new capacity throughout Louisiana, Maine, Mississippi, New Mexico, Oklahoma, and Texas, while creating nearly 9,000 good-paying jobs.

DOE also released the final National Transmission Planning (NTP) Study, a set of long-term planning tools and analyses that examine a wide range of potential future scenarios through 2050 to identify pathways to maintain grid reliability, increase resilience, and reduce costs, while meeting local, regional, interregional, and national interests and supporting the changing energy landscape. The study finds that the United States will need to approximately double to triple the 2020 transmission capacity by 2050 in order to meet demand growth and reliability needs, and hundreds of billions of dollars of cost savings can be achieved through substantial transmission expansion and interregional planning.

The Biden-Harris Administration has taken aggressive action to support these needed grid expansions, including <u>streamlining the federal permitting process</u> for new transmission <u>projects</u>, <u>supporting upgrades of existing lines</u>, advancing long-term transmission <u>planning</u>, and <u>delivering the largest investment in grid infrastructure in the nation's history</u> through the Administration's Investing in America agenda.

"The U.S. transmission network is the backbone of our nation's electricity system. Though our grid has served U.S. energy needs for more than a century, our country's needs are changing," said **U.S. Deputy Secretary of Energy David** 

**Turk**. "DOE's approach to deploying near-term solutions and developing long-term planning tools will ensure our electric grid is more interconnected and resilient than ever before, while also supporting greater electricity demand. The Biden-Harris Administration is committed to bolstering our power grid to improve the everyday life of Americans through affordable power, fewer blackouts, more reliable power, and additional jobs across our country."

## Accelerating Near-Term Transmission Development through Federal Financing Support

To catalyze near-term transmission deployment, today DOE announced an investment of \$1.5 billion in four transmission projects through the <a href="Transmission Facilitation Program">Transmission Facilitation Program</a>, an innovative revolving fund program that helps overcome the financial hurdles facing transmission development.

Today's investments will improve critical interregional grid connections, bring diverse clean energy resources to more customers, bolster resilience to extreme weather, and deliver hundreds of millions of dollars in direct and indirect community benefits. These investments advance the Biden-Harris Administration's <u>Justice40 Initiative</u>, which sets the goal that 40% of the overall benefits of certain federal climate, clean energy, and other investments flow to disadvantaged communities that are marginalized by underinvestment and overburdened by pollution. Four projects announced today will enter capacity contract negotiations with DOE:

- Aroostook Renewable Project will construct a new substation in
  Haynesville, Maine and a 111-mile transmission line with a capacity of
  1,200 MW to connect the new substation to the Independent System
  Operator-New England (ISO-NE) system at a substation in Pittsfield,
  Maine. The project will provide New England with access to low-cost
  clean energy generated in northern Maine, while creating more than 4,200
  construction jobs and 30 permanent operations jobs. (up to \$425 million
  potential contract value)
- Cimarron Link is a 400-mile high-voltage direct-current (HVDC) transmission line from Texas County, Oklahoma to Tulsa, Oklahoma. The line will transmit 1,900 MW of firm, point-to-point capacity to deliver low-cost wind and solar energy to growing load centers in eastern Oklahoma and elsewhere in the Southwest Power Pool, while creating more than 3,600 construction jobs and 20 permanent operations jobs. (up to \$306 million potential contract value)

- Southern Spirit will construct a new 320-mile HVDC line connecting the Electric Reliability Council of Texas (ERCOT) grid for the first time with electric grids in the southeastern U.S. power markets, including Midcontinent Independent System Operator South (MISO-S) and Southern Company (SOCO), which will enhance reliability and prevent outages during extreme weather events, like Winter Storm Uri that hit Texas in 2022. This line across Texas, Louisiana, and Mississippi will provide 3,000 MW of bidirectional capacity and create 850 construction jobs and 305 permanent operations jobs. (up to \$360 million potential contract value)
- Southline will construct a new 108-mile transmission line that will deliver 1,000 MW of new, bidirectional capacity between Hidalgo County, New Mexico and Las Cruces, New Mexico, creating at least 150 new construction jobs and helping meet energy needs of industries investing in the region, including semiconductor, battery manufacturing, and data center facilities. (up to \$352 million potential contract value). Today's new selection is for Phase 2 of the Southline Project, following the prior selection of Southline Phase 1, a 175-mile line from Hidalgo County, New Mexico to Pima County, Arizona in the first round of the Transmission Facilitation Program.

With today's announcement following prior selections of Southline Phase 1, the Southwest Intertie Project-North, and the Cross-Tie 500kV Transmission Line Project, nearly all of the legislated \$2.5 billion of TFP funding is now committed. GDO will continue to evaluate the TFP revolving fund balance as projects advance in construction and relieve DOE of its current obligations. The program intends to open future funding opportunities when there are sufficient uncommitted funds available.

## **Long-term Interregional Planning Benefits**

While transmission planning usually happens at the local or regional level, the National Transmission Planning Study shows that grid reliability can be maintained at the lowest cost with the highest level of reliability by coordinating interregional transmission. The NTP Study was developed in partnership with the National Renewable Energy Laboratory (NREL) and the Pacific Northwest National Laboratory (PNNL) to be used as a long-term planning tool. Key takeaways include:

- A substantial expansion of the transmission system throughout the entire contiguous United States will deliver the largest benefits and could lead to national electric system cost savings of \$270 billion-\$490 billion through 2050.
- Significant return on investment, with every dollar spent on transmission meaning approximately \$1.60 to \$1.80 in system costs is saved.
- When transmission regions coordinate to achieve resource adequacy, system costs through 2050 are lowered by \$170 billion-\$380 billion.

The NTP Study is designed to enhance and encourage interregional planning efforts. It does not replace industry planning or identify a specific set of transmission lines that should be built. Rather, the NTP Study identifies potential opportunities for industry planners to consider projects that would benefit customers under a wide range of future scenarios. The NTP Study development included the expansion and creation of transmission planning tools—including open-source software, new modeling capabilities, and free research licenses—that DOE now is making available to planning entities, regional transmission operators/independent system operators, utilities, and states to help advance planning of interregional transmission across the nation. The findings and tools will be explored in a public webinar on Wednesday, October 16<sup>th</sup> from 3:15 to 4:30 pm ET. Register here.

Learn more about the **Grid Deployment Office**.

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