

Informational Update: US Senate-Passed Infrastructure Package: Items of Note for PJM Stakeholders

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Highlights of the Electricity Portions of the Senate Package

Bill (HR 3684) includes:

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



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



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

- Passed Senate on a 69-30 bipartisan vote
- Legislation hailed as a victory by both President Biden and Senate R and D leadership
- Senate bill needs concurrence by the House
 - Bipartisan support for the bill on the House floor but...
 - House progressive caucus seeking to 'tie' passage of the Senate bipartisan infrastructure package to separate Democrat-only infrastructure package passed under 'Budget Reconciliation' procedures
 - Second package to contain federal Clean Electricity Standard for 80% CO2 reduction by 2035.

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