

# Congress of the United States

Washington, DC 20515

June 24, 2024

The Honorable Jennifer Granholm  
U.S. Department of Energy  
1000 Independence Ave. SW  
Washington DC 20585

Dear Secretary Granholm,

We share the Department of Energy's (DOE) goal of ensuring a secure, clean, and affordable energy grid for the United States. As you champion a 21st century electrical grid, we cannot ignore the disconnected island squarely in the middle of the country: Texas. We applaud the DOE's efforts towards establishing National Interest Electric Transmission Corridors (NIETCs).<sup>1</sup> This announcement is a critical step in achieving our collective goals. However, we urge the Department to use all the tools available to establish more transfer capability between Texas and its neighbors.

Although Texas is sometimes known as the energy capital of the country, the state's grid is almost entirely isolated from our national electric infrastructure, and it is one of the most unreliable grids in the nation. This has resulted in hundreds of deaths, millions of people without power, and rampant price gouging. Given the pressing transmission needs in the state, we urge the DOE to do everything in its power to prioritize interconnecting Texas to its neighbors.

Importantly, prioritizing Texas will allow the entire nation to achieve this Administration's ambitious climate goals by leading the way in wind and solar generation and will produce annual savings across the entire U.S. system.

As Democrats, we are proud to have passed the *Infrastructure Investment and Jobs Act*, which increased the resources the NIETC designations can provide for the expansion of transmission lines through the Transmission Facilitation Program. Democrats also delivered key victories in the *Inflation Reduction Act* like the Transmission Facility Financing Program, which is another funding opportunity for DOE to grant loans to projects that will improve transmission facilities.

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<sup>1</sup> U.S. Department of Energy Grid Deployment Office. (2024). Initiation of Phase 2 of National Interest Electric Transmission Corridor (NIETC) designation process: Preliminary list of potential NIETCs.  
<https://www.energy.gov/sites/default/files/2024-05/PreliminaryListPotentialNIETCsPublicRelease.pdf>

## **Reliability Impacts**

During Winter Storm Uri more than 10 million Texans lost power<sup>2</sup> and hundreds died<sup>3</sup> as a result. However, places like El Paso and Beaumont, which are Texas cities that are not part of the Electric Reliability Council of Texas (ERCOT), were far less impacted than their neighbors inside of ERCOT during the storm.<sup>4</sup> As you noted in the DOE's National Transmission Needs Study,<sup>5</sup> there is no refuting that interconnection would increase grid reliability in Texas. In fact, the DOE report cites the lack of interconnection as a contributing factor to the collapse of the Texas grid during Winter Storm Uri. The DOE report also notes that, "MISO and SPP were less impacted given the strength of their connections with adjacent neighbors that were unaffected by the storm."<sup>6</sup> A 2024 Massachusetts Institute of Technology (MIT) Climate Policy Center report found that if Texas had roughly 36 Gigawatts (GW) of transfer capability between its neighbors, 79% fewer Texas households would have lost power during Winter Storm Uri.<sup>7</sup>

We agree that interconnection with its neighbors could have kept the lights on for many Texans and avoided the deadly disaster we saw in 2021.<sup>8</sup> Importantly, we know that Uri was not an isolated event, and it is critical that we act now to prevent future disasters by prioritizing the transmission needs in Texas.

## **Future Generation & Demand Growth**

In addition to bracing for increasing extreme weather events, Texas must prepare for a continued increase in both power production and demand for electricity. In total, ERCOT anticipates about 152 GW of new load by 2030.<sup>9</sup> The DOE analysis showed that in a high load scenario, interregional transfer capacity between just Texas and its Plains neighbors would need to increase 3,519% to meet demand.<sup>10</sup> To keep pace with demand, Texas must build more transmission both inside the state and interregionally.

We cannot miss this opportunity to support much needed transmission buildout to Texas, a state that is expected to see significant demand growth over the next decade.

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<sup>2</sup> Castellanos, S., Potts, J., Tiedmann, H., Alverson, S., Glazer, Y. R., Robison, A., Russo, S., Harmon, D., Ken-Opulum, B., Weisz, M., Acuna, F., Stephens, K. K., Faust, K., & Webber, M. E. (2023). A synthesis and review of exacerbated inequities from the February 2021 winter storm (Uri) in Texas and the risks moving forward. *Progress in Energy*, 5(1), 012003.

<https://iopscience.iop.org/article/10.1088/2516-1083/aca9b4#:~:text=Abstract,and%20almost%20250%20lives%20lost>.

<sup>3</sup> Proffer, E. (2022, February 15). Here is why death totals from winter storm Uri may vary. KVUE.

<https://www.kvue.com/article/weather/winter-storm/here-is-why-death-totals-from-winter-storm-uri-may-vary/269-f2bf277f-74d9-443b-ab2e-ff89f336f3ec#:~:text=The%20Texas%20Department%20of%20State,the%20way%20deaths%20were%20counted.&text=The%20State%27s%20report%20shows%20how%20it%20measured%20the%20amount>

<sup>4</sup> Limón, Elvia and Aguilar, Julián. "Why Texas power outages didn't affect some parts of the state." *Texas Tribune*, 18 February 2021.

<https://www.texastribune.org/2021/02/18/texas-power-grid-outage-ercot/>

<sup>5</sup> National Transmission Needs Study. (2023). Department of Energy. [https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final\\_2023.12.1.pdf](https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final_2023.12.1.pdf)

<sup>6</sup> *ibid*

<sup>7</sup> Botterud, Audun, Knittel, Christopher R., Parson, John E. (May 31, 2024). *Evaluating the Impact of the Connect the Grid Act for Texas*. MIT Center for Energy and Environmental Policy Research.

<sup>8</sup> Botterud, Audun, Knittel, Christopher R., Parson, John E. (May 31, 2024). *Evaluating the Impact of the Connect the Grid Act for Texas*. MIT Center for Energy and Environmental Policy Research.

<sup>9</sup> Walton, R. (2024, April 24). ERCOT launches new planning efforts as 2030 load growth projections soar 40 GW in a year. *Utility Dive*. <https://www.utilitydive.com/news/ercot-transmission-planning-2030-load-growth-projections/714104/>

<sup>10</sup> National Transmission Needs Study. (2023). Department of Energy. [https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final\\_2023.12.1.pdf](https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final_2023.12.1.pdf)

## **Climate Impacts**

The U.S. cannot meet its ambitious climate goals without Texas. Texas leads the country in wind generation and is second only to California in solar generation<sup>11</sup>. In 2023, Texas generated 119.8k GWh of wind and 31.7k GWh of solar,<sup>12</sup> and the amount of generation is only expected to increase. As we work to transition away from fossil fuels, it is clear that Texas must be interconnected to unlock the potential of the renewable energy projects inside the state.

In addition to increasing renewables, interconnecting the Texas grid would drastically reduce CO<sub>2</sub> emissions. A 2024 MIT study<sup>13</sup> found that a 9.4 GW to 36.7 GW transfer capability between Texas and its neighbors would bring an annual system-wide CO<sub>2</sub> emissions reduction of 12.8 million metric tonnes (Mmt) to 31.1 Mmt and an annual Texas CO<sub>2</sub> emissions reduction of 11.47 Mmt to 13.24 Mmt by 2035 which translates to between \$2.44 billion to \$5.91 billion in societal benefit<sup>14</sup>. Further, the DOE's own study<sup>15</sup> shows that increased transmission to Texas is necessary for us to be able to meet a high ambition clean energy future.

## **Consumer Impacts**

We are concerned that the status quo will result in increasingly high prices for consumers. The isolation of the Texas grid has already resulted in high costs for consumers and devastating price hikes during extreme weather events. One report found that in the heat wave of 2019, Texas could've saved consumers nearly \$75 million if there was even just an additional 1 GW transmission tie to the Southeast.<sup>16</sup> The same study found that during Winter Storm Uri in 2021, each additional 1 GW of transmission<sup>17</sup> ties between the Texas power grid and the Southeastern U.S. could have saved nearly \$1 billion.

Without interconnection, roughly 13 million Texans were left without power *and* astronomic electricity bills during Winter Storm Uri. These high bills were a consequence of the spike in wholesale prices during the storm,<sup>18</sup> resulting in Texans paying prices as high as \$9,000 MWh.<sup>19</sup> In fact, City Public Service (CPS), the energy and gas utility in San Antonio, paid \$1 billion<sup>20</sup> to

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<sup>11</sup> Olano, M. V. (2024, April 12). Chart: Which US states generate the most solar and wind energy? Canary Media. <https://www.canarymedia.com/articles/clean-energy/chart-which-us-states-generate-the-most-solar-and-wind-energy>

<sup>12</sup> Rajwani-Dharsi, Naheed, Fitzpatrick, Alex, Beheraj, Kavya (April 4, 2024). *Texas wind, solar production surges*. Axios Dallas <https://www.axios.com/local/dallas/2024/04/04/texas-wind-solar-renewable-energy-production>

<sup>13</sup> Botterud, Audun, Knittel, Christopher R., Parson, John E. (May 31, 2024). *Evaluating the Impact of the Connect the Grid Act for Texas*. MIT Center for Energy and Environmental Policy Research.

<sup>14</sup> Botterud, Audun, Knittel, Christopher R., Parson, John E. (May 31, 2024). *Evaluating the Impact of the Connect the Grid Act for Texas*. MIT Center for Energy and Environmental Policy Research.

<sup>15</sup> Department of Energy. (2023, October). National Transmission Needs Study. Energy.gov. [https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final\\_2023.12.1.pdf](https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final_2023.12.1.pdf)

<sup>16</sup> Goggin, Michael. "More Interregional Transmission Could Have Saved Nearly \$1 Billion, Preserved Power for 200,000 Homes during Texas Freeze." ACORE, 22 July 2021, [https://acore.org/wp-content/uploads/2021/07/GS\\_Resilient-Transmission\\_proof.pdf](https://acore.org/wp-content/uploads/2021/07/GS_Resilient-Transmission_proof.pdf)

<sup>17</sup> Department of Energy. (2023, October). National Transmission Needs Study. Energy.gov. [https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final\\_2023.12.1.pdf](https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final_2023.12.1.pdf)

<sup>18</sup> McDonnell Nieto del Rio, Guiliana, Bogel-Burroughs, Nicholas, Penn, Ivan (February 20, 2021). *His Lights Stayed on During Texas' Storm. Now He Owes \$16,752*. New York Times. <https://www.nytimes.com/2021/02/20/us/texas-storm-electric-bills.html>

<sup>19</sup> Douglas, Erin, Ferman, Mitchell (March 4, 2021), ERCOT overcharged power companies \$16 billion for electricity during winter freeze, firm says. Texas Tribune. <https://www.texastribune.org/2021/03/04/ercot-texas-electricity-16-billion/>

<sup>20</sup> Mendoza-Moyers, D. (2021, March 2). CPS Energy — and ratepayers — owe \$1 billion in winter storm bills. San Antonio Express-News. <https://www.expressnews.com/business/article/CPS-Energy-and-ratepayers-owe-1-billion-15993877.php>

natural gas suppliers and ERCOT. Now, San Antonians are covering the costs<sup>21</sup> from the storm. If Texas continues to be isolated, it could cost the state \$27 billion over the next 11 years.<sup>22</sup> In total, Winter Storm Uri created over \$100 billion in economic damages.<sup>23</sup>

We know that interconnection would have benefits across the U.S. A proposed 36 GW transfer capability between Texas and its neighbors would save \$1.24 billion across the continental U.S. grid in a normal weather year without any extreme events, and ERCOT would expect to see annual net revenues of about \$123 million.<sup>24</sup> It is critical that both during times of crisis and calm, the grid works for everyday consumers.

### **Current Projects**

There are existing projects working to get more transfer capability to Texas, although they fall short of the needed interconnection. Southern Spirit Transmission is an approximately 320-mile ±525 KV, ~3,000 MW high voltage direct current (HVDC) transmission line connecting ERCOT and Southeastern transmission grids. This project is expected to provide much-needed power for ERCOT and Southeastern grids to help keep pace with load growth. Further, this project will reduce the stress on ERCOT during extreme weather events by allowing power to be shared between grids. The DOE Transmission Needs Study found that there is a “high value of new interregional transmission [that] exists between the Delta region and Texas.”<sup>25</sup>

While this project falls short of what is needed, at a minimum, the DOE should increase transmission lines to Texas by supporting projects like the Southern Spirit Transmission Line. This includes using every tool available, such as designating regions that contain projects like the Southern Spirit Transmission Line as NIETCs. These designations would open up resources for transmission projects to ensure their completion and provide some relief to Texans.

### **Conclusion**

Democrats have worked hard to deliver powerful tools to the DOE to facilitate urgently needed transmission buildout, and we urge the Department to use all the tools available to establish more transfer capability between Texas and its neighbors.

We understand the significant hurdles to interconnecting Texas, but leaving the state as an energy island is a mistake. As we work towards our shared goals it is clear that the key to achieving a reliable, clean, and affordable grid means addressing the critical transmission needs in Texas. We reiterate the importance of an interconnected Texas and urge you to use every tool at your disposal to accomplish that goal.

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<sup>21</sup> Sotoodeh, D. C. (2022, January 11). CPS ENERGY BOARD OF TRUSTEES APPROVES 3.85% RATE REQUEST AND RECOVERY OF \$418 MILLION IN WINTER STORM FUEL COSTS - CPS Energy Newsroom. CPS Energy Newsroom. <https://newsroom.cpsenergy.com/cps-energy-board-of-trustees-approves-3-85-rate-request-and-recovery-of-418-million-in-winter-storm-fuel-costs/>

<sup>22</sup> “Kassel, Drew A. “Assessing the Costs and Emissions Tradeoffs of Interconnecting ERCOT with the National Grids as a Reliability Measure”, ASME International Mechanical Engineering. Congress & Exposition, October 29 to November 2, 2023, New Orleans, Louisiana.

<sup>23</sup> Castellanos, S., Potts, J., Tiedmann, H., Alverson, S., Glazer, Y. R., Robison, A., Russo, S., Harmon, D., Ken-Opurum, B., Weisz, M., Acuna, F., Stephens, K. K., Faust, K., & Webber, M. E. (2023). A synthesis and review of exacerbated inequities from the February 2021 winter storm (URI) in Texas and the risks moving forward. *Progress in Energy*, 5(1), 012003.

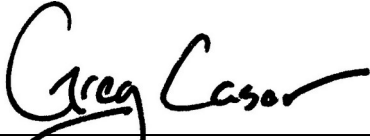
<https://iopscience.iop.org/article/10.1088/2516-1083/aca9b4#:~:text=Abstract,and%20almost%20250%20lives%20lost.>

<sup>24</sup> Botterud, Audun, Knittel, Christopher R., Parson, John E. (May 31, 2024). *Evaluating the Impact of the Connect the Grid Act for Texas*. MIT Center for Energy and Environmental Policy Research.

<sup>25</sup> Department of Energy. (2023, October). National Transmission Needs Study. Energy.gov. [https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final\\_2023.12.1.pdf](https://www.energy.gov/sites/default/files/2023-12/National%20Transmission%20Needs%20Study%20-%20Final_2023.12.1.pdf)

Thank you for your attention to this matter.

Sincerely,



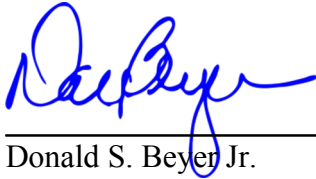
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Greg Casar  
Member of Congress



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Lloyd Doggett  
Member of Congress



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Donald S. Beyer Jr.  
Member of Congress



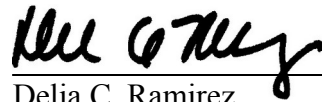
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Alexandria Ocasio-Cortez  
Member of Congress



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Paul D. Tonko  
Member of Congress



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Delia C. Ramirez  
Member of Congress



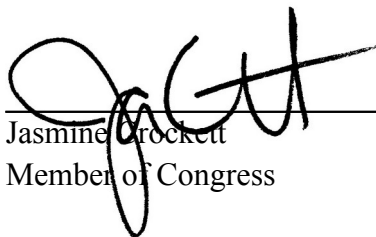
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Eleanor Holmes Norton  
Member of Congress



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Summer L. Lee  
Member of Congress



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Jasmine Crockett  
Member of Congress



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Joaquin Castro  
Member of Congress



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Pramila Jayapal  
Member of Congress



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Sheila Jackson Lee  
Member of Congress



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Robert Garcia  
Member of Congress



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Valerie P. Foushee  
Member of Congress



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Rashida Tlaib  
Member of Congress



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Barbara Lee  
Member of Congress



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Nanette Diaz Barragán  
Member of Congress



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Ayanna Pressley  
Member of Congress



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Veronica Escobar  
Member of Congress



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Al Green  
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Adriano Espailat  
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Maxwell Alejandro Frost  
Member of Congress