NEPPA Resolution 2026-04

Limit Transmission Incentives and ROE

WHEREAS, the Energy Policy Act of 2005 authorized the Federal Energy Regulatory Commission (FERC) to determine the base return on equity (ROE) rates transmission owners can recover for new projects, as well as "incentive adders" to help advance risky projects, and;

WHEREAS, FERC Order Nos. 890 and 1000 provided guiding principles of openness, transparency, and comparability to enable stakeholders to meaningfully participate in the transmission planning process at both the regional and local levels, and added a competitive process for projects in the regional plan; and

WHEREAS, transmission construction can ease electric congestion and bring needed resources to load centers, but also represents a growing share of consumers' monthly energy bills, and;

WHEREAS, public power and other consumer-owned utility ownership interests in new transmission facilities can serve as a valuable tool in promoting new cost-effective transmission development while providing many other benefits; and

WHEREAS, FERC-approved cost-of-service recovery, with assured returns well above other investments, continues to be extremely lucrative for transmission owners;

Be it now

RESOLVED, that NEPPA:

1. Supports efforts to implement and enforce transmission planning, cost recovery, and incentive policies that adhere to the consumer protection objectives of the FPA and ensure customers do not pay excessive transmission rates.
2. Supports mechanisms that allocate transmission costs to customers roughly commensurate with the benefits those customers receive and which do not assign costs to public power systems without their consent.
3. Urges Congress and FERC to implement policies that support joint ownership of transmission by public power and other consumer-owned utilities.
4. Supports continued efforts to promote competitive transmission development as a means to moderate transmission cost increases.

Originally adopted by the NEPPA Board of Directors 7/20/2020.
Readopted by the NEPPA Board of Directors 8/23/23.