LOTSIXTEEN

Committee:	Senate Energy & Natural Resources Committee
Event:	Full Committee Hearing to Examine the State of the Bulk Power System
Date:	March 25, 2026
Time:	9:30 AM
Place:	366 Dirksen Senate Office Building

Executive Summary: On Wednesday, March 25, 2026, the Senate Energy & Natural Resources Committee held a hearing to examine the challenges facing the bulk power system, largely focusing on transmission reforms needed to ensure grid reliability and affordability. Chair **Mike Lee** (R-UT) said the hearing would be one in a series focused on permitting reform. Witnesses consistently pointed to the need for increased interregional transmission to support reliability and reduce costs for consumers, noting that current buildout is insufficient. Members highlighted grid-enhancing technologies (GETs) as a near-term and cost-effective solution to improve system performance, but witnesses noted that these tools are not a substitute for new transmission. Discussion also focused on permitting reform, with witnesses identifying duplicative state and federal review as a constraint on infrastructure deployment.

***Member Toplines*:**

Chair Mike Lee (R-UT)[1]*:* Lee highlighted the growing imbalance between rising U.S. electricity demand, driven by increased electrification and data center growth, and electricity supply, which is simultaneously constrained by the retirement of baseload generating resources and a regulatory framework that is hindering buildout. He noted that the grid was built to meet peak demand and generally operates with excess capacity, but increasing load growth is narrowing that margin and limiting the ability to meet peaks, undermining reliability and affordability. He referenced the *Federal Power Act's* (FPA) vision of a robust, interconnected grid capable of meeting demand, but argued that current market distortions and permitting delays across all energy types are threatening that system. Lee emphasized that more supply is needed, markets must be more competitive, and permitting must move faster to prevent severe consequences.

Ranking Member Martin Heinrich (D-NM)[2]*:* Heinrich pointed out that the power grid is under increasing strain from advanced manufacturing, data centers, and broader electrification. He highlighted the imbalance between electricity demand and supply as a driver of rising costs for ratepayers. He argued that increases in electricity prices have been exacerbated by the Trump administration's favoring of certain generating sources, including propping up uneconomic coal plants at the expense of renewable energy. He noted that this approach has stalled 116 gigawatts (GW) of new generating capacity from coming online, contributed to the cancellation of clean energy projects, and, combined with the war in Iran, is driving up oil and gas prices for consumers. Heinrich argued that Congress can lower electricity costs while strengthening reliability in four ways: incentivizing GETs, building out high-voltage interregional transmission,

[1] Opening testimony was not available at the time of this memo's composition.
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speeding up the interconnection queue for low-cost energy, and ensuring that new large loads bear the costs associated with coming online.

***Witness Toplines*:**

Todd Snitchler, President & CEO, Electric Power Supply Association: Snitchler argued that while electricity demand is expected to grow, there is significant disparity in projections around how much it will increase and on what timeline, and that this uncertainty creates risks to reliability and affordability for electricity consumers. He noted that there is a real danger in either over- or under-producing electricity based on inaccurate projections. To maintain reliability while protecting consumers, Snitchler proposed that Congress preserve a well-functioning competitive power markets, support an investment environment that incentivizes voluntary bilateral co-location agreements, ensure accurate load forecasting, and pursue permitting reform, which he identified as the most impactful step Congress could take to improve reliability and affordability. He also emphasized that any discussion of retail electricity rates should consider broader economic factors, including spending on infrastructure and transmission, not just generation, as impacting consumer bills.

Travis Fisher, Director of Energy and Environmental Policy Studies, Cato Institute: Fisher argued that the United States is exceptional because it values free enterprise, and that the country's future will be brighter if the electricity sector is reimagined through the lens of liberty. He pointed to clean energy standards, excessive government intervention, and net-zero initiatives as factors making the grid slower and more inefficient. He said that while demand is growing, there is no need to overhaul the bulk power system overnight to meet that demand. Instead, he proposed Consumer Regulated Electricity (CRE) as a solution, allowing new large-scale electricity consumers, such as data centers, to develop off-grid power systems under voluntary contracts that are physically separate from the grid. He argued this approach would avoid interconnection delays, bypass congested interconnection queues, and prevent cost shifting to ratepayers. Fisher said CREs would align with the administration's goals on speed to power.

Dr. Liza Reed, Director of Climate and Energy Policy, Niskanen Center: Reed pointed to transmission as the backbone of the American electricity sector, enabling power to move from where it is produced to where it is needed. She argued that the fragmentation of the grid makes it difficult to move energy efficiently, pointing to recent winter storms where some regions had excess power while others faced shortages as evidence of this challenge. She cited a Grid Strategies report on Winter Storm Fern, which found that wind generation exceeded expectations while other resources, such as coal and natural gas, underperformed. She also highlighted the North American Electric Reliability Corporation's (NERC) recent Interregional Transfer Capability Study (ITCS), which found that an additional 35 GW of interregional transmission is critical for reliability. Reed noted that these transmission projects face higher siting and permitting barriers than other infrastructure, like oil and gas pipelines, as jurisdiction often lies with states and even counties, and she called for greater federal authority over transmission development.

Major Takeaways:

Transmission Reform

- Sens. Lee and Heinrich raised concerns about balancing the need for additional transmission with the cost burden on ratepayers, questioning how much buildout is appropriate to meet demand.
    - All witnesses responded that we are not building enough transmission capacity to meet demand. Fischer pointed to the Federal Energy Regulatory Commission (FERC) Order 1,000, which incentivised shorter, lower-voltage transmission lines that utilities have taken advantage of to increase profits and therefore costs for consumers.
- Sen. **Alex Padilla** (D-CA) referenced a bill that he and Sen. Hickenlooper, among others, were working on to address transmission reform that builds upon the provisions in the Energy Permitting Reform Act (S.4753) introduced last Congress.
- Padilla also asked about the benefits of High Voltage Direct Current Transmission (HVDC).
    - Reed stated that HVDC can dispatch power over long distances very directly and can be beneficial for moving excess power to where it is needed. And when asked by Sen. King, Reed affirmed that HVDC lines experience less line losses.
- Fisher expressed support for Congress's partial repeal of the *Inflation Reduction Act,* noting that removing subsidies for renewable energy makes expanding transmission more likely to benefit consumers rather than specific producers.
- Reed highlighted that interstate transmission lines do not receive the same federal siting and permitting authority as natural gas pipelines, despite operating in interstate commerce. She highlighted that duplicative state and federal permitting processes create significant delays and act as a barrier to transmission buildout, calling for a centralized federal process
- Sen. **Bill Cassidy** (R-LA) raised concerns about the role of eminent domain in enabling interstate transmission, questioning whether a federal backstop siting authority would require taking private land to build long-distance lines.
    - Fisher argued that eminent domain should be minimized and that voluntary, market-based solutions should be prioritized when possible.
    - Reed argued that a clear, narrow federal siting authority for interstate transmission would help address current barriers.

Permitting Reform

- Sen. **Angus King** (I-ME) stated that, despite his support for permitting reform, he had no intention of engaging on the issue while the administration continues to favor fossil generation over renewable energy, citing the cancellation and delays that renewable energy projects have faced.
- Sen. Lee asked about the hurdles that transmission lines face from federal permitting and regulatory requirements in the *National Historic Preservation Act* (NHPA), the *National Environmental Policy Act* (NEPA), and the *Clean Water Act (CWA)*.
    - Reed outlined that NEPA and NHPS reforms to reduce duplicative state reviews would greatly benefit transmission buildout.

Grid Enhancing Technologies (GETs)

- Sens. Heinrich and King referenced the benefits that GETs have for ratepayers, as utilities can improve the distribution of electricity quickly and without charging ratepayers for more expensive infrastructure build-out.
- Snitchler, in response to Sen. **John Hickenlooper** (D-CO), said that GETs are easy to deploy because they do not face the same permitting challenges as other infrastructure.

Interconnection QueueReform

- Sens. **Catherine Cortez Masto** (D-NV) and Padilla asked witnesses about approaches to improving the interconnection queue.
    - Snitchler and Reed pointed to the Southwest Power Pool (SPP) as an example, highlighting its more holistic approach to transmission planning that integrates interconnection and transmission at the same time in an effort to accelerate it more quickly.
    - Fisher referenced the idea that we should move beyond a first-come, first-served model of evaluating projects in the queue. He proposed a first-come, first- served approach or requiring new customers to put up a financial backing for it.

Private Grids

- Fisher emphasized the need for a private grid model to overcome many of the regulatory and siting challenges that face the grid. Reed and Snitchler both emphasized the importance of optionality, including private grids, co-location, and access to a reliable grid.
- Sen. Heinrich asked about the economic impact of private grid models. Reed noted that removing large-load customers from the grid would reduce the pool of ratepayers, which could increase the cost burden on remaining consumers to fund transmission and infrastructure buildout.

Reliability Risks

- Sen. Cortez Masto highlighted the Securing Community Upgrades for a Resilient Grid Act (SECURE Grid Act) that she, along with Sens. **Lisa Murkowski** (R-KA) and **Jeanne Shaheen** (D-NH), introduced, which serves to empower states to assess the risks to the electric grid from extreme weather to cyber threats.
    - Witnesses responded that increased transmission build-out would benefit reliability, making it easier to move energy to or away from an affected area.
- Sen. **Ron Wyden** (D-OR) announced his intention to introduce legislation later that day to help support grid reliability and reduce wildfire risks. He and Sen. **Mazie Hirono** (D-HI) asked witnesses about how to best make the grid wildfire resilient.
    - While witnesses said that this was largely out of their wheelhouse, they cited that increased interregional transmission can move power away from areas in distress.
- Sen. Lee highlighted the lack of natural gas pipeline infrastructure in the Northeast, pointing to impacts on both reliability and emissions during Winter Storm Fern. He argued that constraints on pipeline capacity led to greater reliance on higher-emitting

fuel sources and cited Section 401 of the CWA as being used by states to block pipeline expansion.

- Sen. Lee asked Fisher to speak to the impacts of the Administration's overturning of the 2009 endangerment finding on grid reliability and affordability.
    - Fisher argued that the change improves reliability by reducing regulatory uncertainty and shifting focus back toward building out generation and infrastructure to meet demand, rather than prioritizing emissions reductions.