

Local Transmission Planning: What It is and How States Can Make It Better

Local transmission projects (also known as “**supplemental transmission**”, “**asset condition projects**”, and “**other projects**”) are utility projects that upgrade small, local transmission lines. The justification for these projects is usually:

1. Improving reliability
2. Replacing aging transmission lines
3. Connecting new loads, or
4. Improving operations.

Why are these transmission projects a concern?

Reliability, modernization, customer service, and operations are paramount for utilities, and sometimes facilities do need upgrades. However, the utility business model – the more you build, the more you make – incentivizes utilities to prioritize local projects over larger regional transmission, which are subject to third-party competition.

Sometimes, these local projects are not the most cost-effective way to meet the utility’s need – they are just the utility’s preferred way.

Today, local transmission falls into the “regulatory gap.” This means they are neither overseen by the regional transmission organizations nor state public utility commissions. The lack of oversight for these projects can lead to inefficient spending, potentially costing ratepayers billions.

How big of a problem is this?

Spending on local projects is rapidly increasing.

- In the Mid-Atlantic, the share of total transmission investment on local projects jumped **from 9% to 74% between 2014-2021.**¹
- In the Midwest, the share of local project spending increased **from 54% to 78% between 2017 and 2022.**²

¹ *Increased Spending on Transmission in PJM – Is It the Right Type of Line?*, RMI.

<https://rmi.org/resources/increased-spending-on-transmission-in-pjm-is-it-the-right-type-of-line/>

² *Mind the Regulatory Gap*, RMI, p 7. <https://rmi.org/resources/mind-the-regulatory-gap/>

In contrast, **only 322 miles of efficient, high voltage transmission lines were added in 2024 across the U.S., compared with 4,000 miles of high voltage lines in 2013.**³ Even fewer miles of high voltage transmission were added in 2022 and 2023. Investing in these bigger, high voltage transmission lines **could save residential consumers \$6.3-10.4 billion per year** on electric bills across the United States.⁴

How can states improve oversight of local transmission planning?

Transmission planning, oversight, and approval is complex, with different responsibilities falling between the Federal Energy Regulatory Commission, Regional Transmission Organizations, and states. Solutions will vary by state and region.

Options include:

- Enhancing transmission planning within existing state processes
- Incentivizing regional projects over intra-state projects
- Working with your regional transmission organization to create a local project review process

A LOCAL TRANSMISSION OVERSIGHT ALTERNATIVE: THE ISO-NE ASSET CONDITION REVIEWER

New England's regional grid operator, ISO-NE, is creating an **asset condition reviewer**, an internal body that assesses the need for proposed local projects and reports its findings.

States can pressure their RTOs to do the same.⁵

For more information, or to discuss solutions specific to your region, contact **Douglas Pietrucha** (dpietrucha@advancedenergyunited.org).

³ *Fewer New Miles The US Transmission Grid in the 2020s*, Grid Strategies, p 4.

https://gridstrategiesllc.com/wp-content/uploads/ACEG_Grid-Strategies_Fewer-New-Miles-2025_vF.pdf

⁴ *Id.*, p 23

⁵ *Asset Condition Reviewer Key Project*, ISO-NE. https://www.iso-ne.com/committees/key-projects/asset-condition-reviewer?_sp=d61f917b-d2aa-4dfc-a529-b6d3b06f8f0c.1784041114457

