

**The Council of State Governments  
National Center for Interstate Compacts**

## **Electric Transmission Line Siting Compact**

*Written Testimony for Kansas State House  
February 15, 2013*

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The siting of interstate transmission lines has long-been a problem that has vexed both states and the federal government. With the expected growth in electricity demand, coupled with the need to bring renewable energy to market and the necessity to enhance and secure the nation's energy infrastructure, the need for added transmission capacity has never been more apparent. However federal needs and state interests frequently do not align, leading to an underdeveloped and over-stressed electricity transmission system.

One solution may be the formation of an interstate compact governing transmission line siting. The federal Energy Policy Act of 2005 granted states advance congressional consent to create regional interstate compacts. Since enactment, there have been several attempts (notably in the central Midwest and the Pacific Northwest) to create multistate consensus around the issue and drive toward an interstate compact, but to date no such agreements have been adopted. Such agreements, if created, would limit federal siting authority with a few exceptions (e.g. if the parties to a compact are in disagreement) and therefore are potentially attractive solutions for states seeking to facilitate transmission yet forestall federal involvement.

With the consent of the 2005 EPACT serving as a starting point, The Council of State Governments, through its National Center for Interstate Compacts, has developed an interstate transmission line siting compact. This project was undertaken at the request of CSG's legislative leadership and is the culmination of more than two years of work, beginning with an exploratory advisory phase and concluding with a year-long drafting process.

### **Development Process:**

When developing interstate compacts, CSG typically employs a process that is designed to be inclusive, transparent, and deliberate. The Electric Transmission Line Siting Compact took approximately two years to develop from the time the project was conceived to the time the legislative language was finalized. Throughout that two year period staff from CSG's Compact Center worked closely with state legislators, federal agency representatives, members from the regulatory community and other key stakeholders groups. The development process included the following steps:

1. An initial advisory board of approximately 20 stakeholders was convened to discuss interstate compacts and the feasibility of a transmission line siting compact.
2. The advisory board consisted of federal stakeholders from FERC and DOE, state officials, stakeholder groups, and subject matter experts.

3. After multiple meetings this group formally endorsed the drafting of an interstate compact and made recommendations to the drafting team about what should be included in the model agreement.
4. A drafting team was formed and met multiple times over the course of about one year to develop and finalize the compact language.
5. Throughout the process CSG staff has circulated the language more broadly for review and comment.

### **Compact Highlights:**

The compact is intended to serve as a policy option for state policymakers and is designed to improve interstate transmission line siting. Based on the initial recommendations of the Advisory Committee, the compact drafters have developed a framework for a national transmission line siting compact designed to improve efficiencies during the siting process. The drafters have identified the following issues to be included in the compact:

1. The draft provides a framework for a national transmission line siting compact designed to improve efficiencies during the siting process by standardizing timelines across member states.
2. Such an agreement, and its requirements, would be triggered on a regional basis and pertain only to those states that are both members of the compact and affected by the proposed line.
3. The compact specifically addresses the following four areas by:
  - application filing process;
  - application review process
  - proposed line review and timeline;
  - the approval process.

The drafters believe a compact that addresses each of the four areas listed above will reduce redundancies and create economies of scale within the siting process that will benefit both consumers and producers. In addition to the four core content areas identified above, the language also addresses issues such as governance, finance, dispute resolution and rule making procedures.

On behalf of The Council of State Governments I thank you for your consideration of the Electric Transmission Line Siting Compact and very much appreciate the opportunity to submit this written testimony for the record.

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The Council of State Governments