Invenergy

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1. Introduction

Chairman Manchin, Ranking Member Barrasso, and members of the Senate Committee on Energy & Natural Resources, thank you for the invitation to testify at today's hearing. My name is Kelly Speakes-Backman, and I am the Executive Vice President for Public Affairs at Invenergy, a leading developer, owner, and operator of clean energy solutions.

Invenergy was founded in 2001 in Chicago, Illinois, and for more than 20 years has led the transition to clean energy across many technologies and advanced American energy independence. Invenergy develops, builds, owns, and operates large-scale wind, solar, and natural gas power generation, transmission, and energy storage facilities primarily here in the U.S., as well as elsewhere in the Americas, Europe, and Asia. We have successfully developed more than 200 clean energy projects that are in operation, construction, or contracted, totaling over 31,000 megawatts (MW)—equivalent to the power usage of nearly 10 million American homes and businesses. Forty-five of those projects, totaling over 7,100 MW, are in the states represented by Members of this Committee.

Invenergy develops projects on private and public lands as well as offshore on the Outer Continental Shelf. We are currently developing multiple projects on federal lands and waters, including the Leading Light Wind project in the New York Bight, Even Keel Wind off the central coast of California, the New Mexico North Path Transmission Project in northern New Mexico, and solar and storage projects in Nevada and Utah.

As one of the largest American clean energy developers, Invenergy is committed to ensuring that local communities share in the company's success. We engage early and often and invest in local communities including through community benefit agreements. In 2022, Invenergy projects generated $400 million in economic investment in our home communities. Invenergy also partners with local workforce development, training, and educational institutions to make sure that more American workers are manufacturing, building, and operating the equipment and energy projects that will power the clean energy future. In 2022, Invenergy projects supported 3,723 construction jobs, in addition to our approximately 2,400 full time plant operators and corporate staff.

2. The Need for Bipartisan Permitting Reform

The United States needs a predictable and transparent permitting process if we want to build the next generation of clean energy projects and remain competitive on the global stage. We welcome recent bipartisan efforts to examine this issue and to work collaboratively to identify needed reforms, while maintaining a central role for community input and engagement. We are particularly appreciative of the ongoing work by the members of this Committee, who initiated and have led the national dialogue on the need for transmission, environmental review, and other permitting reforms.

While the Fiscal Responsibility Act included reforms to the National Environmental Policy Act (NEPA), this Committee has recognized that there is further work to be done to ensure that American families and businesses continue to have access to reliable, resilient, and affordable clean energy. My testimony today focuses on the need for these additional reforms, but also on the broader impact that policy certainty can have on clean energy development and how early community engagement can ensure that all Americans share in the benefits of the energy transition.

3. Policy Certainty is Critical

Large-scale energy infrastructure projects are challenging to build in any regulatory environment. Advancing projects requires constant engagement and consultation with Tribal Nations, landowners and communities, state and federal agencies and regulators, labor organizations, suppliers, customers, and capital providers. And recent supply chain issues—resulting from the pandemic, Russia's invasion and war in Ukraine, national security considerations, and an accelerating global energy transition increasing demand—add layers of complexity.

While the Inflation Reduction Act (IRA) provides critical incentives to stimulate clean energy production and domestic manufacturing, permitting challenges can still interfere with project development and exacerbate the uncertainty inherent in the development of large-scale energy projects. This is particularly true for interregional transmission and offshore wind projects. Most experts and multiple government studies[1] recognize

[1] *See, e.g.,* U.S. Department of Energy, *Draft National Transmission Needs Study* (Feb. 2023), https://www.energy.gov/sites/default/files/2023-02/022423-DRAFTNeedsStudyforPublicComment.pdf; Lawrence Berkeley National Laboratory, *Regional and Interregional Transmission Have Significant Economic Value* (Aug. 2022), https://emp.lbl.gov/news/regional-and-interregional-transmission-have; Lawrence Berkeley National Laboratory, *The Latest Data Show that the Potential Savings of New Electricity Transmission was Higher Last Year than at Any Point in the last Decade* (Feb. 2023), https://eta-publications.lbl.gov/sites/default/files/lbnl-transmissionvalue-fact_sheet-2022update-20230203.pdf; National Renewable Energy Laboratory, *The North American Renewable Integration Study* (June 2021), https://www.nrel.gov/docs/fy21osti/79224.pdf; National Renewable Energy Laboratory, *Interconnections Seams Study* (Oct. 2020), https://www.nrel.gov/docs/fy21osti/78161.pdf.

interregional transmission as critical for a reliable and resilient electric grid, which is necessary to keep Americans' lights and air conditioning on and the economy thriving. Yet right now, the United States lacks any meaningful policy to promote the deployment of interregional transmission. Likewise, uncertainty about future offshore wind lease sales makes it risky for companies to invest in domestic offshore wind supply chains and difficult for federal agencies to build the expertise necessary to efficiently permit such projects. Later in this testimony I describe several legislative solutions that can address these concerns.

Much of the national permitting discussion has focused on substantive reforms to NEPA and other laws; however, any substantive changes must be paired with sufficient and consistent funding and resources for agencies so they can execute project reviews in a timely and effective manner. We must ensure agencies pay competitive salaries to attract, train, and retain the best talent. Equipping agencies to do their jobs effectively in itself is a signal of policy certainty for industry.

4. Importance of Community Engagement

In addition to providing clean energy developers with policy and process certainty, we must also prioritize meaningful engagement with local communities. This includes early and proactive public engagement and consultation by energy developers and the federal government with Tribal Nations and environmental justice communities, as well as smart reforms that preserve environmental and health protections important to American communities.

Invenergy is a leader in community engagement approaches and has strengthened industry best practices in these areas, including through the adoption of project Codes of Conduct, contributing to developer resources like Americans for a Clean Energy Grid's *Recommended Siting Practices for Electric Transmission Developers* report,[2] and by incorporating robust community engagement and benefits into project budgets and planning. For example, we are currently working with tribal communities in New Mexico to advance the New Mexico North Path transmission project while respecting tribal sovereignty by engaging with Tribes from the inception of the project and identifying community benefits reflective of tribal priorities.

[2] Americans for a Clean Energy Grid, *Recommended Siting Practices for Electric Transmission Developers* (Feb. 2023), https://cleanenergygrid.org/wp-content/uploads/2023/04/ACEG-Report-Recommended-Siting-Practices-for-Electric-Transmission-Developers-February-2023.pdf.

5. Policy Priorities for Bipartisan Reform

Invenergy is currently advancing six large-scale energy infrastructure projects on federal lands or waters—including solar, offshore wind, and transmission projects. These projects will generate or transmit nearly 10 gigawatts (GW) of power and represent over $33 billion in total investment. The success of these projects can be affected both by issues specifically related to permitting on federal lands and broader policy challenges and uncertainty.

5.1 Permitting on Federal Public Lands

Invenergy supports efforts that encourage responsible renewable energy development on suitable Bureau of Land Management (BLM) land, including the agency's intent to prepare a revised programmatic Environmental Impact Statement for utility-scale solar planning on federal lands and related revisions to its Resource Management Plans. As Invenergy outlined in comments submitted to BLM, this presents an excellent opportunity for the agency to identify new priority areas for utility-scale solar development and change its exclusion criteria to reflect advancements in solar technology. Our comments also encouraged the agency to identify areas for solar development that are proximate to planned or existing transmission infrastructure, as there has been little development in solar energy zones that do not have access to transmission.

BLM also recently proposed revisions to its Renewable Energy and Right-of-Way programs to promote the development of renewable energy on federal public lands. Invenergy is still reviewing the substance of the proposed rule and its impact on our business, but preliminary review shows that, as proposed, the changes could potentially cut annual costs in half. Invenergy appreciates BLM's willingness to work with industry to facilitate energy development on federal public lands and believes reducing the costs associated with leasing federal public lands will spur progress towards the Congressional goal to permit at least 25 GW of renewable energy on federal public lands by 2025.

Finally, companies are reluctant to spend the time and resources investing in projects on federal public lands if the agencies do not have the personnel and resources to timely review and permit the projects. Congress should therefore consider strengthening BLM's Renewable Energy Coordination Office (RECO) authority to ensure timely approval of renewable energy projects and increased attention to consistent staffing and capacity of the Office.

5.2 Offshore Wind

Invenergy is the only privately held American company to hold U.S. offshore wind leases, through our Leading Light Wind project in the New York Bight and Even Keel Wind project off the Central Coast of California. Invenergy is committed to leading the way to building a domestic offshore wind manufacturing and project development supply chain and workforce for the U.S. We have an unmatched commitment to advancing a domestic offshore wind industry that secures both American energy independence and competitiveness in the global market. To achieve this goal, this burgeoning industry requires clearly defined procedures across all relevant agencies on lease sales and efficient, predictable permitting.

The United States currently has 32 offshore wind leases under development. These will provide 51.3 GW of clean energy. Offshore wind project development, construction, and operations are expected to support up to 83,000 American jobs by 2030, with industry investment poised to deliver $25 billion annually in economic output.[3]

There are two important elements to industry growth. *First*, it is critical that offshore lease sales occur on a regular schedule. Project sponsors and financing parties must be able to plan and budget years in advance to pursue new projects at this scale. Likewise, supply chain companies must be assured of a long pipeline of projects to support capital investments in factories and labor forces.

Second, once projects have successfully secured leases, permitting processes must be efficient and predictable, which depends on exceptional partnership and communications among government agencies. The longer the time between lease sales and securing permits, the more uncertainty projects face in advancing and finalizing billion-dollar contracts for parts, labor, vessels, and facilities. These contracts drive U.S. supply chain investment and job creation. The Bureau of Ocean Energy Management, National Oceanic and Atmospheric Administration, National Marine Fisheries Service, U.S. Army Corps of Engineers, and other relevant federal and state agencies must work hand in hand in an "all-of-government" approach to permitting while keeping projects on schedule.

5.3 Transmission

Electricity is essential today. It powers our homes, hospitals, military bases, and businesses. It will be even more essential in the century to come. America's economic

[3] North American Electric Reliability Corporation, *2023 State of Reliability Technical Assessment* at 3 (June 2023), https://www.nerc.com/pa/RAPA/PA/Performance%20Analysis%20DL/NERC_SOR_2023_Technical_Assessment.pdf.

strength will depend on a reliable, resilient, and affordable electric grid that can power new industries—like advanced manufacturing, data centers, and the artificial intelligence economy—and can withstand extreme weather events as they become more frequent and severe.

According to the North American Electric Reliability Corporation (NERC), generator outages during extreme weather are now the biggest risk to the electric grid, both in terms of frequency and severity.[4] Extreme weather is a regionally concentrated risk. No matter the mix of generation sources in a given region, all generation sources are vulnerable all at once when extreme weather strikes. The most widely recognized large-scale solution is interregional transmission, which enables imports and exports across regions to move power from where it is available to where it is needed most. Like energy storage technologies, high-voltage direct current (HVDC) technology—which is ideally suited for interregional transmission—is precisely controllable to efficiently provide essential reliability services such as frequency response, voltage control and ramping, as well as enhance resilience during sudden disruptions.

The consequence of insufficient interregional transmission is well documented. In December 2022, Winter Storm Elliott brought unprecedented cold weather to much of the Central and Eastern United States resulting in blackouts affecting 1.5 million households.[5] At the same time that customers in the Tennessee Valley Authority's (TVA) territory were without power, the Southwest Power Pool (SPP) only one state away was curtailing 3 GW of wind energy generation because the surplus power had nowhere to go. This situation is neither efficient, nor consumer-focused. Interregional transmission between SPP and TVA would have prevented blackouts during the storm and saved ratepayers tens of millions of dollars for years to come.

Unfortunately, federal policy does not adequately facilitate or incentivize interregional transmission. Existing processes for interregional transmission planning have been largely ineffectual because they do not set meaningful or measurable targets; they do not require joint planning between regions; and they fail to adequately prioritize and quantify interregional transmission's myriad reliability, resilience, and operational benefits. Fortunately, policy proposals put forth by members of this Committee would address these issues and help avoid future Winter Storm Elliotts.

For instance, Chairman Manchin's Building American Energy Security Act of 2023 provides a direct path for "national interest" transmission facilities to apply to the Federal Energy Regulatory Commission (FERC) and a clear framework for valuing reliability

[5] Rocky Mountain Institute, *Wasted Wind and Tenable Transmission during Winter Storm Elliott* (Feb., 16, 2023), https://rmi.org/wasted-wind-and-tenable-transmission-during-winter-storm-elliott/.

and other benefits. Likewise, Senator Heinrich's Interregional Transmission Planning Improvement Act would require FERC to develop a comprehensive planning process for interregional power lines within the next 18 months, and Senator Hickenlooper's forthcoming Big Wires Act would enhance reliability and resilience by requiring each region to have an ambitious but achievable defined percentage of import and export capability with neighboring regions. We welcome all bipartisan legislation that can help deploy more transmission. Invenergy has initiated a docket at FERC in which over 35 state regulatory, public and ratepayer interest, commercial and industrial energy consumer, national security, climate and environmental, and energy supply chain organizations have called on the Commission to explore policy reforms to recognize the benefits and remove barriers to interregional merchant high-voltage direct current transmission.[6]

Transmission expansion—including both interregional and regional—is necessary to achieve grid reliability and resilience, access low-cost power necessary to support a strong industrial base and achieve our greenhouse gas emission reduction goals. As Princeton's ZERO Lab has explained, greater transmission deployment is an essential element of any plan to decarbonize the nation's electricity supply and realize the full potential of the IRA. Without sufficient transmission buildout, nearly 80% of the emission reductions spurred by this legislation cannot be realized.[7] We therefore also support Senator Heinrich's Grid Resiliency Tax Credit Act.

6. Conclusion

The United States is at an important inflection point. We must decide whether we want to make the investments and reforms necessary to maintain American energy dominance in the 21st century, or whether we want to cede the playing field to other countries. Smart reforms that provide certainty for transmission, offshore wind, and renewable energy development on federal lands can ensure that America remains a global energy leader, and that American companies like Invenergy continue to lead the clean energy transition. Thank you for the opportunity to address these critical issues.

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[6] Federal Energy Regulatory Commission, *Docket AD22-13-000*, https://elibrary.ferc.gov/eLibrary/docketsheet?docket_number=ad22-13-000&sub_docket=all&dt_from=1960-01-01&dt_to=2023-07-23&chklegadata=false&pagenm=dsearch&date_range=custom&search_type=docket&date_type=filed_date&sub_docket_q=allsub.

[7] Princeton University ZERO Lab, *Electricity Transmission Is Key to Unlock the Full Potential of the Inflation Reduction Act* (Sept. 2022), https://repeatproject.org/docs/REPEAT_IRA_Transmission_2022-09-22.pdf.