



GDO
GRID DEPLOYMENT OFFICE

Round 2 Transmission Facilitation Program Capacity Contract RFP

Jeffery Dennis, Chris Lyles, and Gretchen Kershaw

February 2024

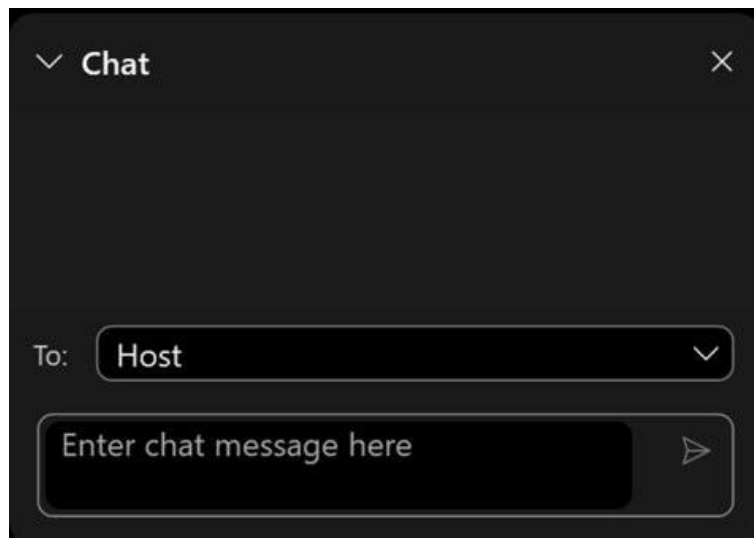


Housekeeping

Questions?

Please submit all presentation questions through the chat box.

If you have technical questions – please put them in the chat box for the host.

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Jeff Dennis



Deputy Director,
Transmission Development,
Grid Deployment Office,
U.S. Department of Energy



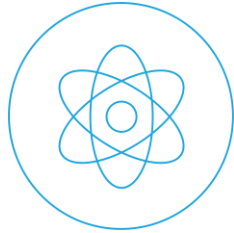
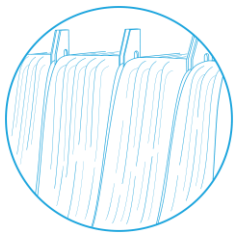
Today's Agenda

1. Transmission Facilitation Program Overview
2. Evaluation Criteria and Review Process
3. Application Tips

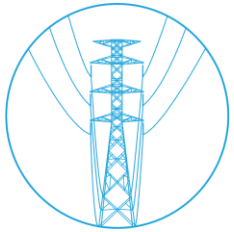


DOE's Grid Deployment Office

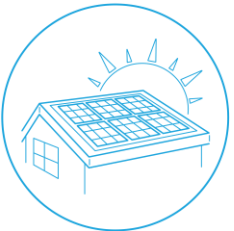
The Grid Deployment Office (GDO) works to provide electricity to everyone, everywhere by maintaining and investing in critical generation facilities to ensure resource adequacy and improving and expanding transmission and distribution systems to ensure all communities have access to reliable, affordable electricity.



The **Generation Credits Division** works with existing generation facilities to ensure resilience and reliability and works to improve electricity markets at the wholesale and distribution level.



The **Transmission Division** fully utilizes DOE's unique tools and authorities for coordination, planning, financing, and permitting to drive transmission investment.



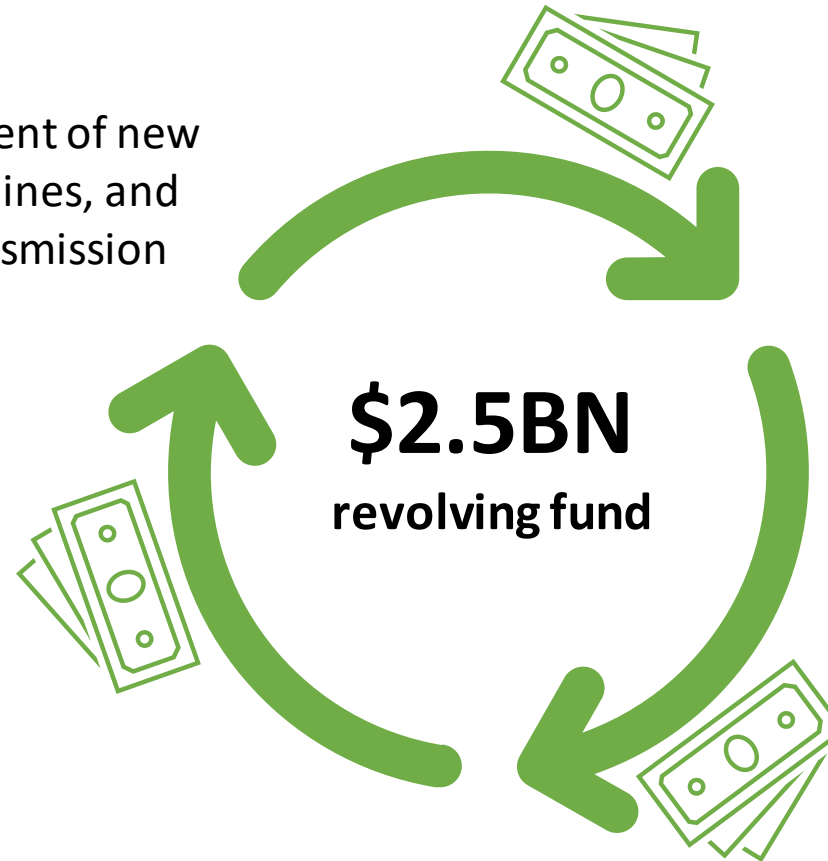
The **Grid Modernization Division** oversees activities that prevent outages and enhance the resilience of the electric grid.

Transmission Facilitation Program (TFP)

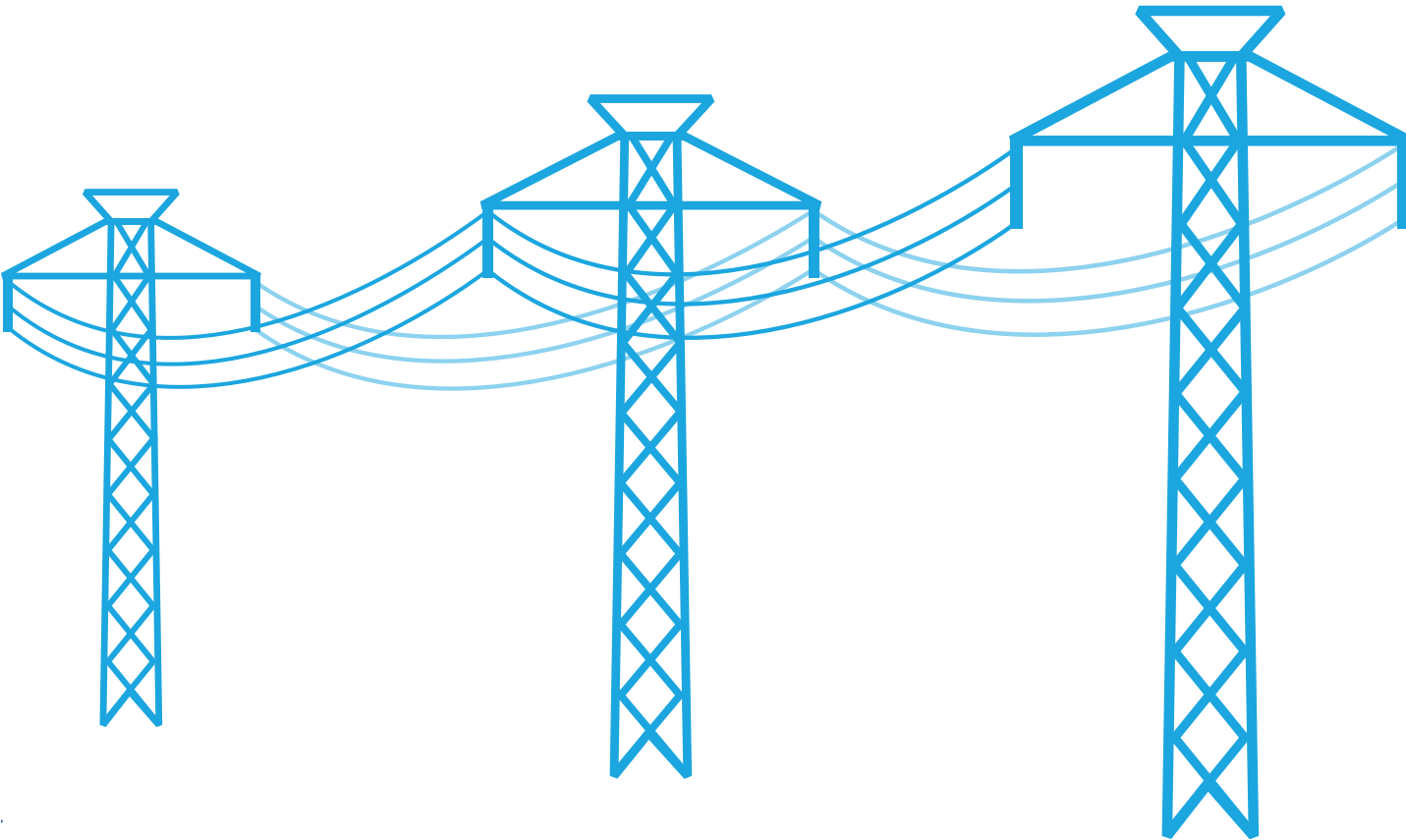
Sec. 40106 of the Bipartisan Infrastructure Law

TFP facilitates development of new large-scale transmission lines, and upgrades to existing transmission lines.

TFP must accelerate construction and/or increase project capacity.



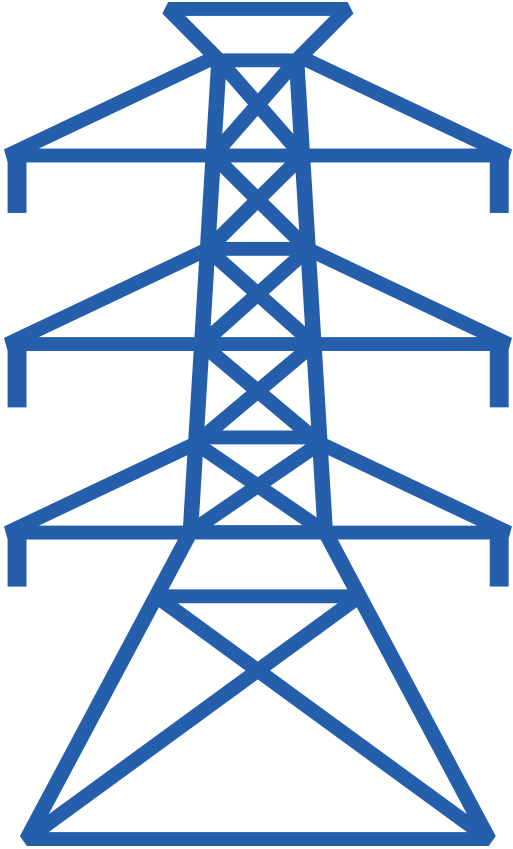
Capacity Contracts



DOE commits to purchase a defined amount of capacity on the line once the line is energized.

Maximum is 50% of line capacity

Program Eligibility



New: $\geq 1,000\text{MW}$ capacity

Upgrade of existing transmission line or
new transmission line in existing corridor: $\geq 500\text{MW}$

DOE Certifications Required to Award

1

The eligible project is in the public interest.

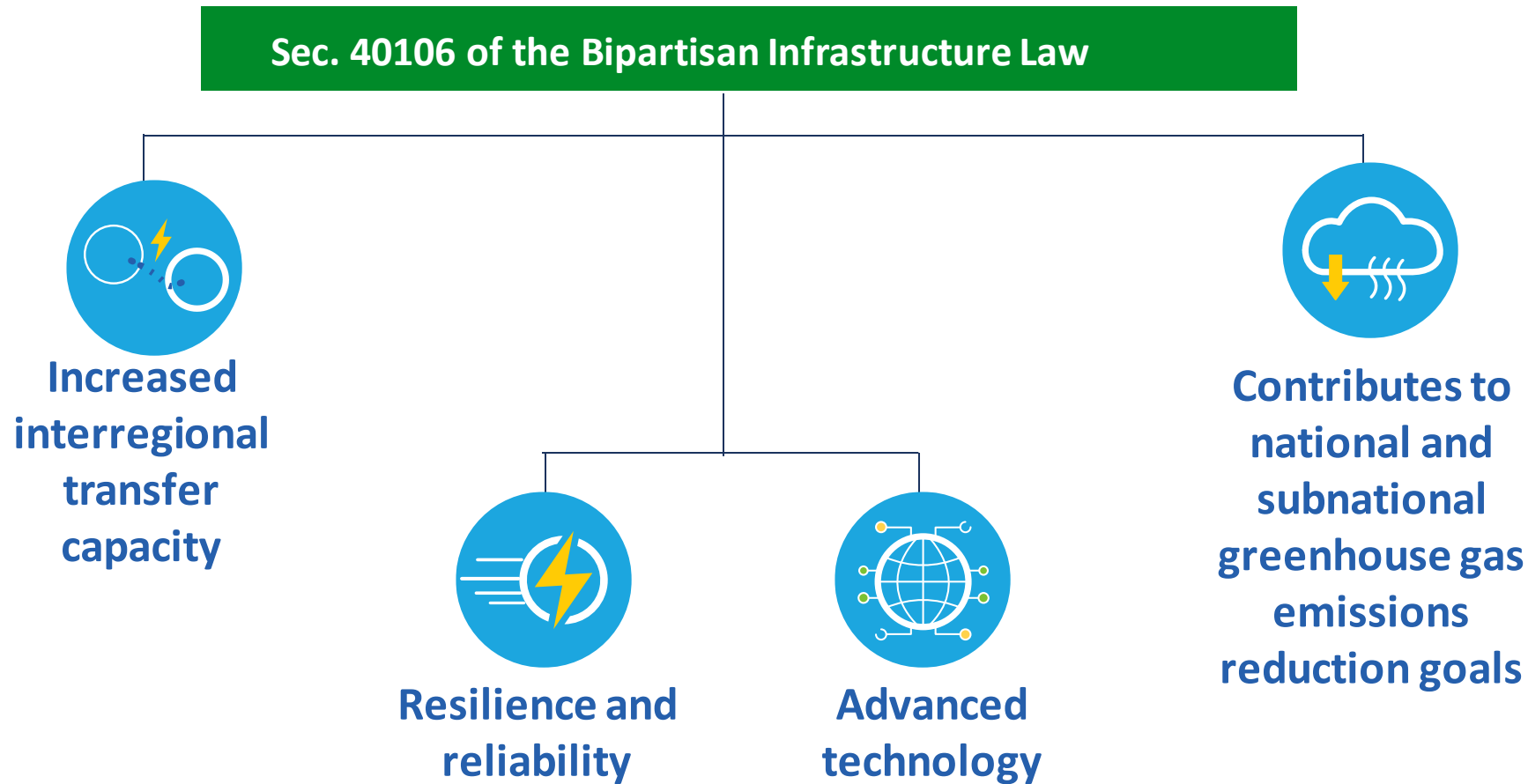
2

The eligible project is unlikely to be constructed in as timely a manner or with as much transmission capacity in the absence of facilitation provided by DOE (i.e., DOE participation will have a catalytic impact).

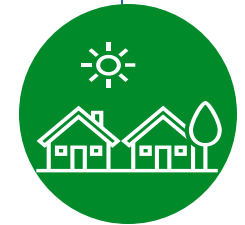
3

There is a reasonable expectation that the proceeds from the eligible project will be adequate to recover the cost of the contract.

TFP Policy Priorities



Administration



Community Benefits

Chris Lyles

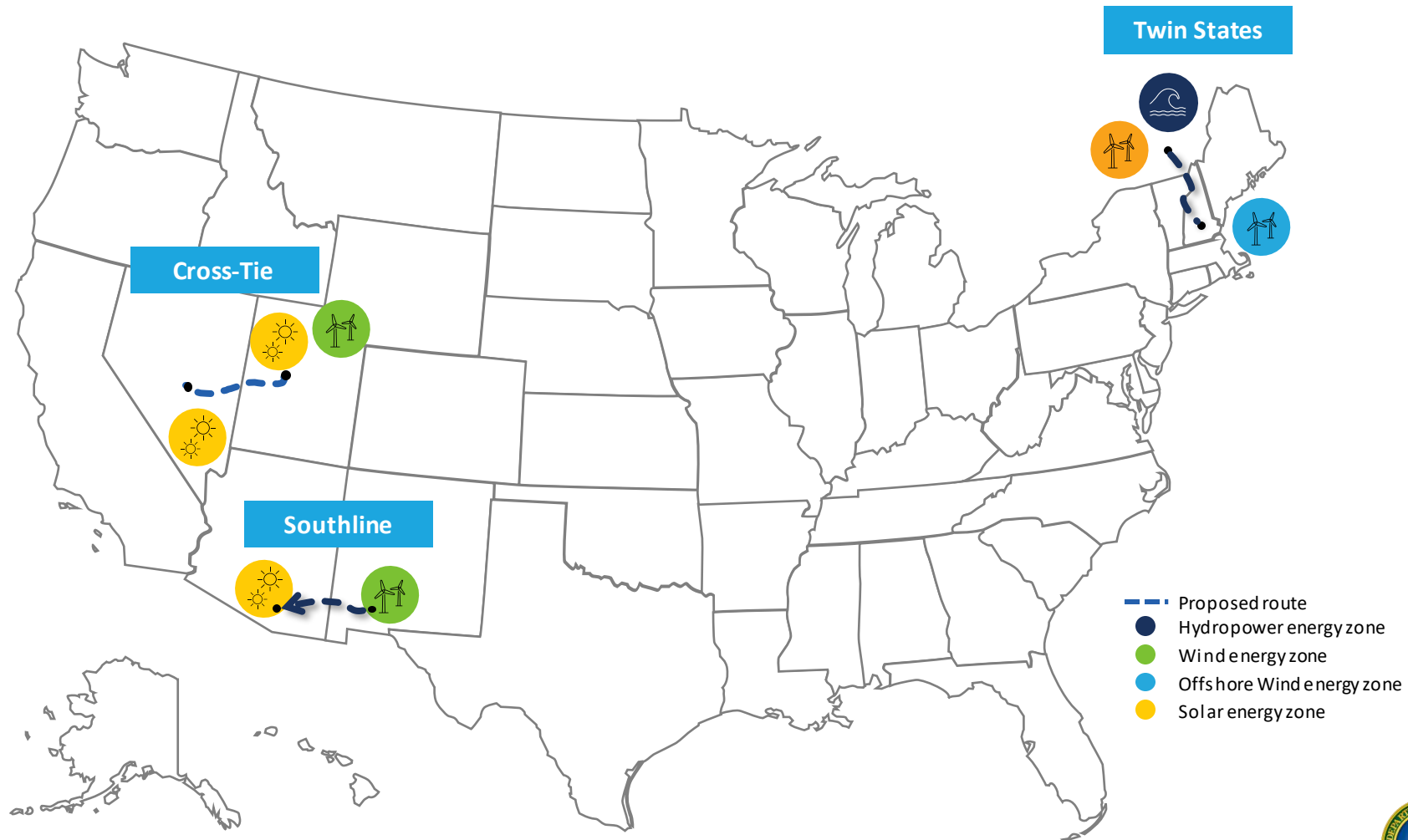


Program Manager,
Commercial Facilitation,
Grid Deployment Office,
U.S. Department of Energy

First Round RFP



Selections: Round 1



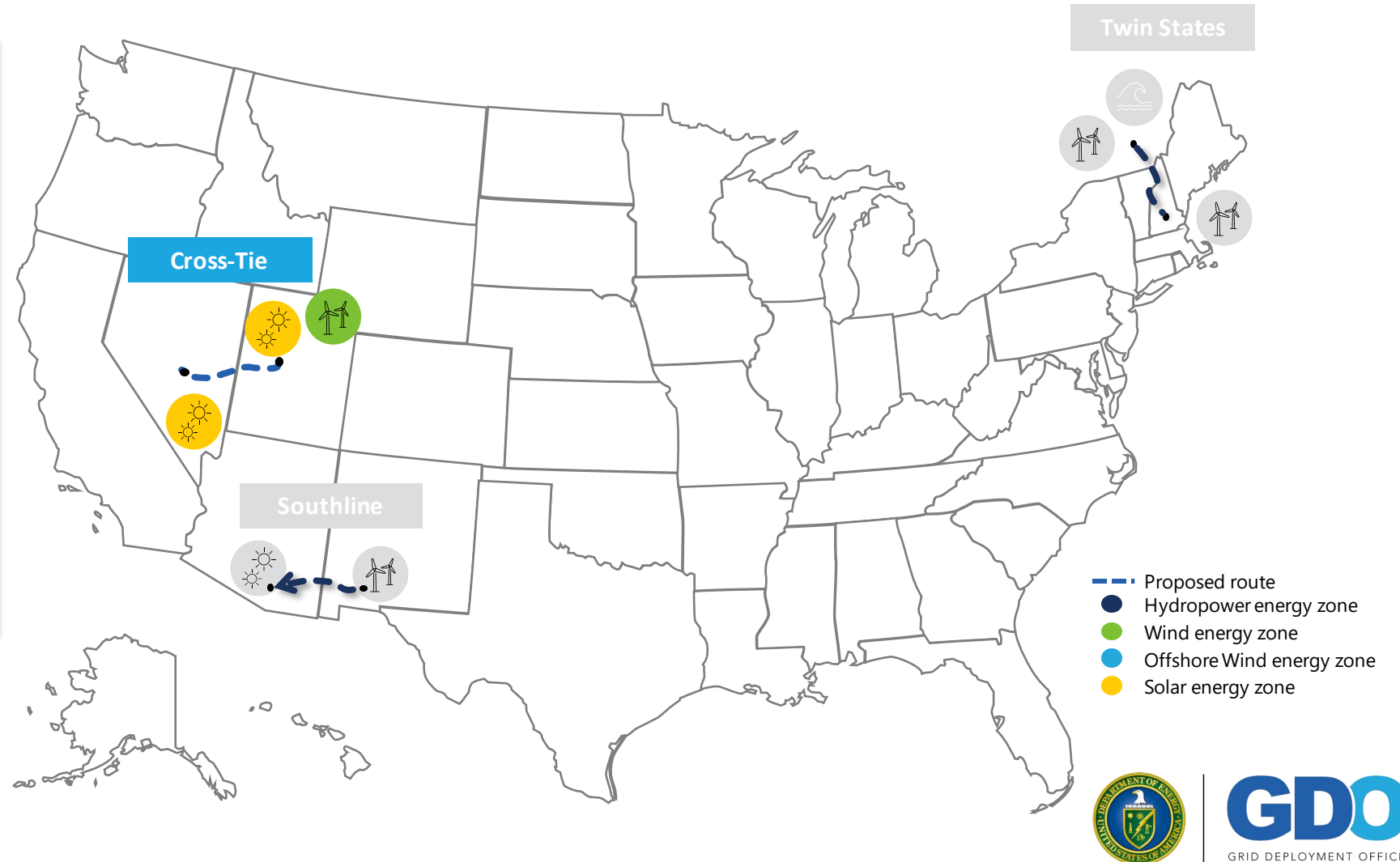
Selection: Cross-Tie

Cross-Tie:

Expected construction start:
2025

214 miles of 1,500 MW
bidirectional capacity

Meets 14% of projected 2030
regional need



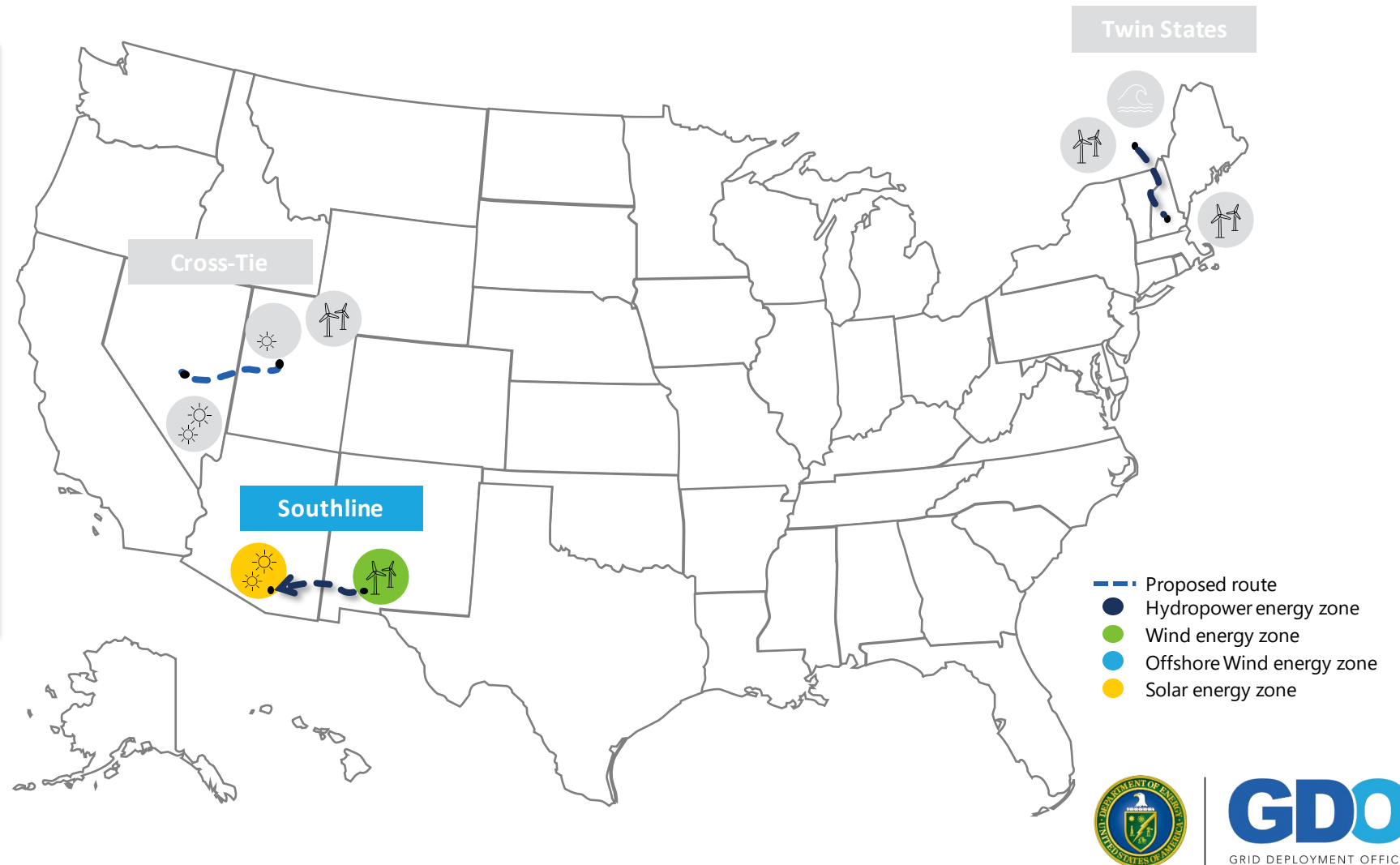
Selection: Southline

Southline:

Expected construction start:
2025

175 miles of 748 MW
unidirectional capacity

Meets 14% of projected 2030
regional need



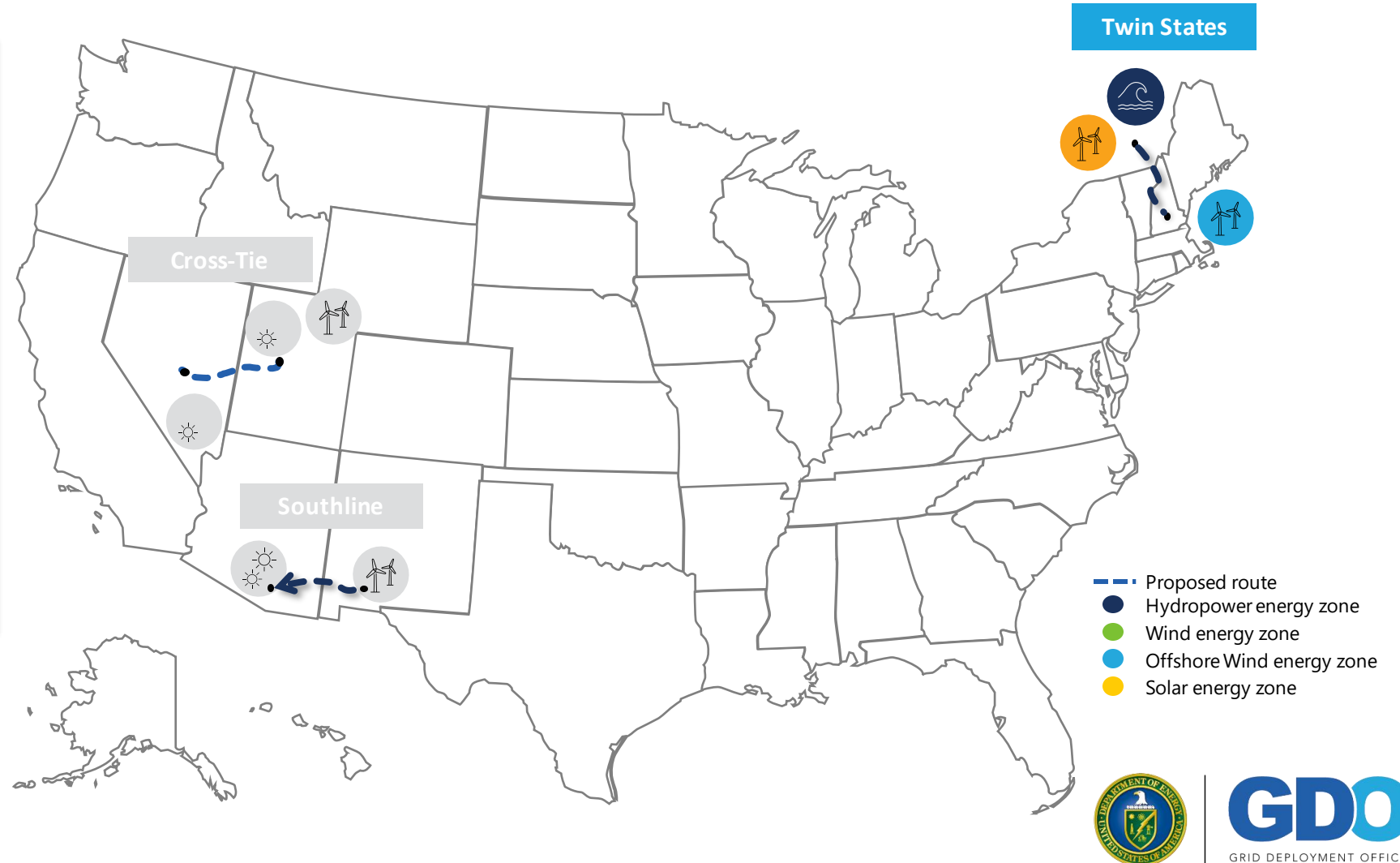
Selection: Twin States

Twin States:

Expected construction start:
2026

185 miles of 1,200 MW
bidirectional capacity

Meets 79% of projected 2030
regional need



What's Different this Round?



Construction Commencement

Date of construction start shifted to 12/31/2029



Potential Applications

Improved understanding of DOE's catalytic impact on projects through TFP



Shorter Application

Part 1 requires less information



Greater Clarity on Review Needs

Part 2 application more descriptive



Improved Review Process

Shorter DOE review. Collaborative applicant engagement

Gretchen Kershaw



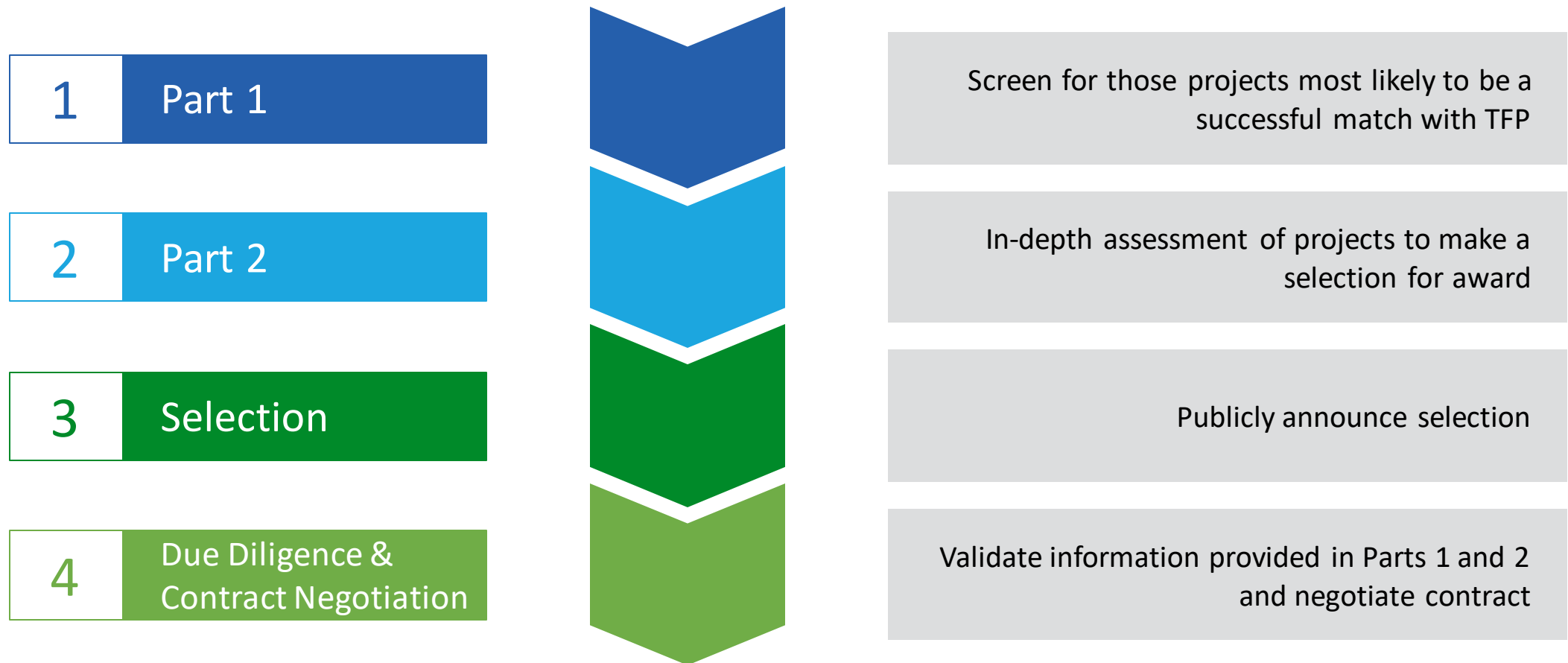
Senior Advisor, Transmission,
Grid Deployment Office,
U.S. Department of Energy



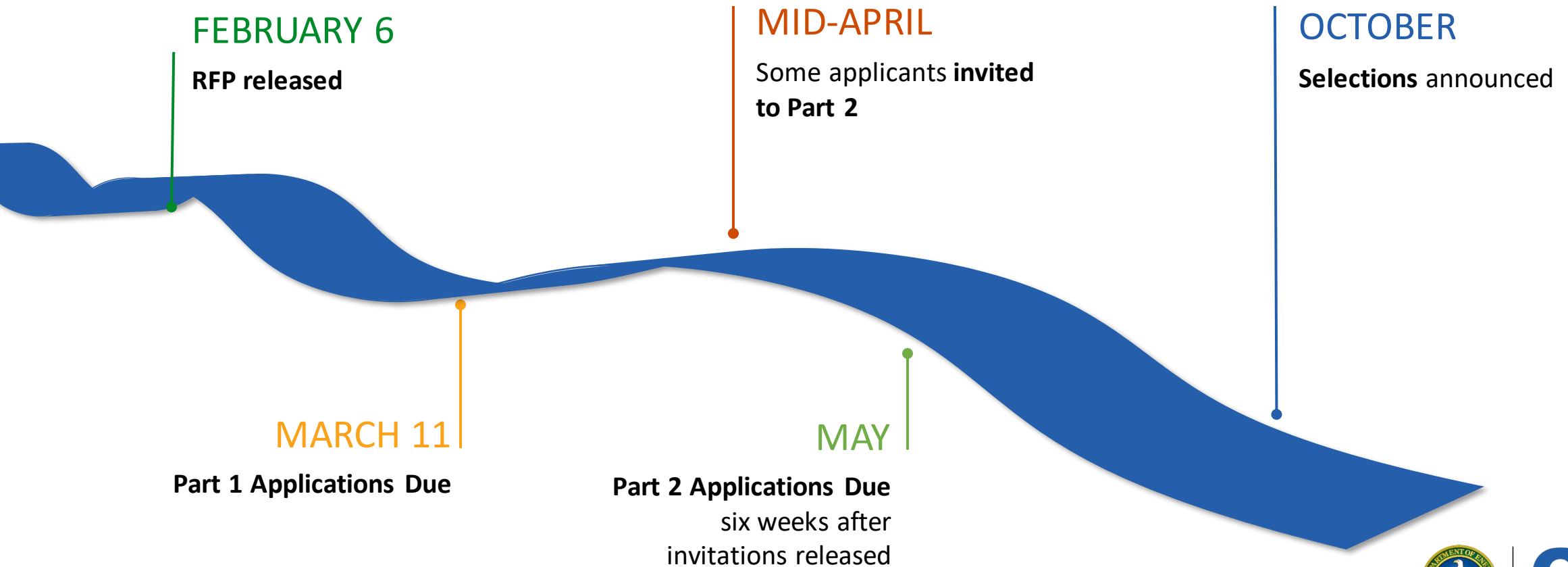
Evaluation Process and Criteria



Evaluation Phases and Purpose



Anticipated Timing



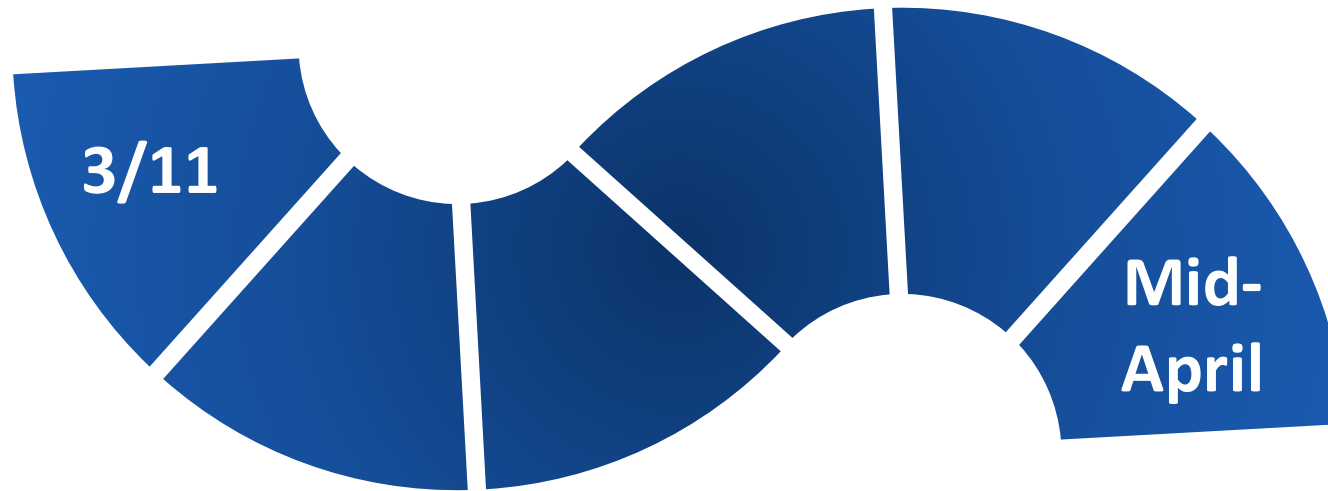
Please note: Timing may shift



Part 1: What to Expect

WEEK 1

- Submit application
- Respond to invite for a virtual presentation



WEEKS 2-3

- Submit final slides
- Present your project to DOE virtually

WEEKS 4-5

- You *may* get clarifying questions

WEEK 6

- Applicants invited to Part 2 receive invites
- Applicants not invited to Part 2 receive notification

Please note: Timing may shift



Part 1: Your Application

Page 13 Appendix A in RFP

OVERVIEW

- Route, Miles, Capacity
- Requested DOE Support

POLICY BENEFITS

- Renewable generation enabled
- Community Benefits
- Interregional transfer capacity
- Use of advanced technology

BUSINESS CASE

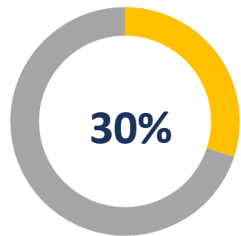
- Ownership and Management
- Generation Resources and Targeted Load Centers
- Competitiveness

SCHEDULE

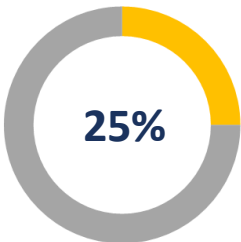
- Construction Schedule
- Schedule Risks and Mitigation

Part 1 Criteria

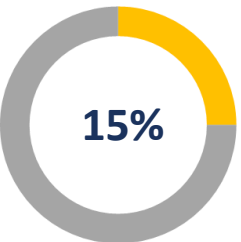
How DOE will score your application



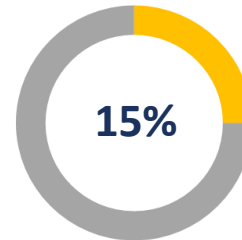
A. Strong Business Case



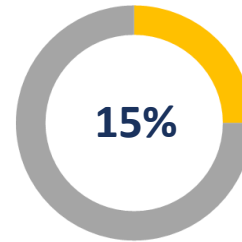
B. Catalytic Impact



C. Community Benefits

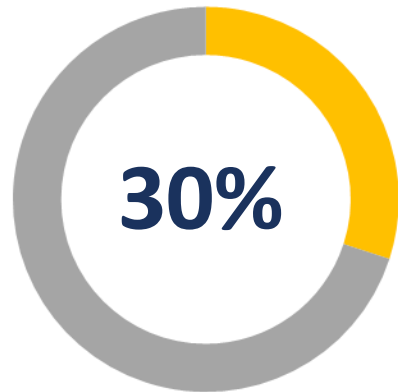


D. Use of advanced technology, increase in interregional transfer, contribution to GHG reduction goals



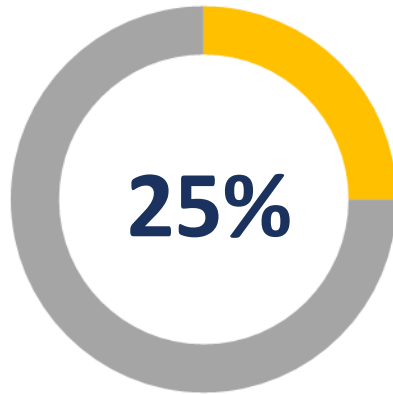
E. Construction by end of 2029

Part 1 Criteria A



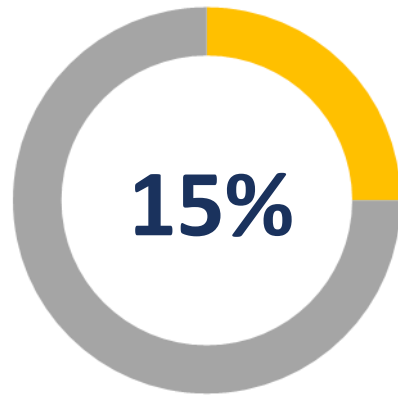
A. The Part 1 application demonstrates sufficient potential for the proposed project's business case to be compelling, such that **DOE is reasonably likely to recover its costs** if it enters into a capacity contract.

Part 1 Criteria B



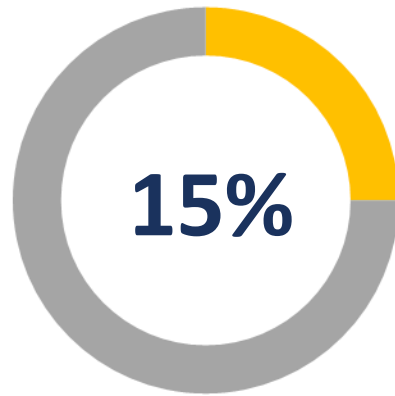
B. The Part 1 application demonstrates that TFP support has a significant potential **to accelerate the development of the proposed project and/or to increase the capacity of the proposed project.**

Part 1 Criteria C



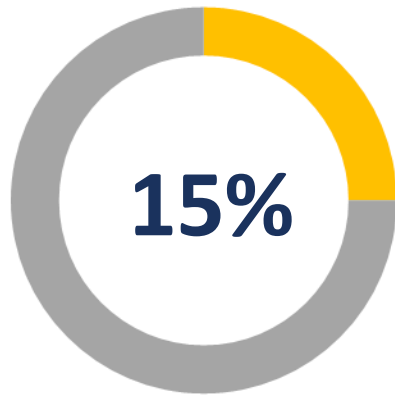
C. The Part 1 application demonstrates sufficient potential for the proposed project to provide **substantial benefits and reduce negative impacts** to communities of interest.

Part 1 Criteria D



D. The Part 1 application demonstrates sufficient potential for the proposed project to: (1) enable new **renewable generation** (as proxy for evaluating contribution to reducing GHG emissions); (2) increase market access for existing renewable generation; (3) apply current technology in demonstrably new ways and/or apply **advanced technology** in the project design; and/or (4) facilitate increased **interregional transfer capacity**.

Part 1 Criteria E



E. The Part 1 application demonstrates sufficient potential for the applicant to **begin construction** of the proposed project by **the end of 2029**.

Part 2: What to Expect



In-person Presentations in Washington, DC



Question and Answer Virtual Session



Questions Sent via Email



DOE Consultation with Local and Regional Planning Entities

Part 2: Your Application

Page 16 Appendix B in RFP

PROJECT PLAN

- Equipment, Procurement
- Land Rights
- Permitting
- Interconnection

FINANCIAL INFORMATION

- Pro forma financial statements and financial model
- Audited financial statements

MARKET & ENGINEERING REPORT

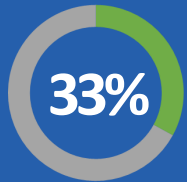
- Independent Engineering Report
- Generation Resources & Potential Transmission Users
- Plan to market unsold capacity
- Market report of supply, demand, availability of transmission capacity

COMMUNITY BENEFITS PLAN

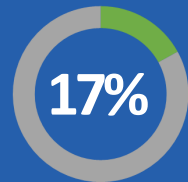
- Community Engagement
- Workforce and Community Agreements
- Investing in Job Quality and Workforce Continuity
- Diversity, Equity, Inclusion and Accessibility

Part 2 Criteria

How DOE will score your application



1.
DOE Cost
Recovery



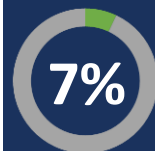
2.
Catalytic
Impact



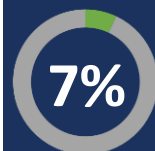
3. Community Benefits



4. Advanced Technology



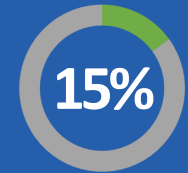
5. Resiliency and Reliability



6. Interregional Transfer Capacity



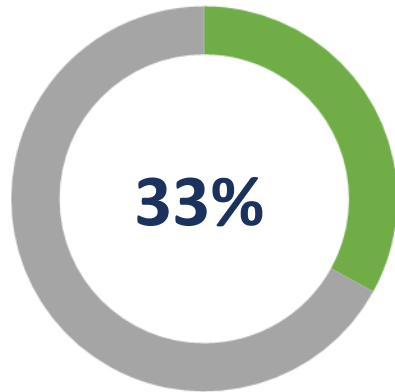
7. Greenhouse Gas Emissions



8. Construction
start by
December 31,
2029.

Part 2 Criteria

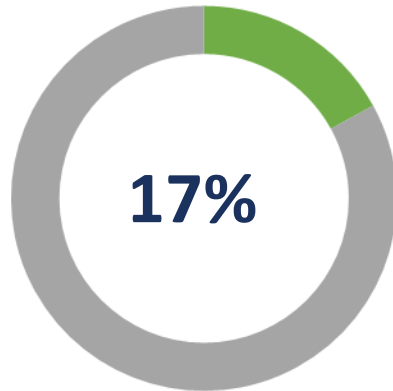
How DOE will score your application



1. It is reasonable to expect that the proceeds from the proposed project will be adequate to enable recovery of TFP financial support.

Part 2 Criteria

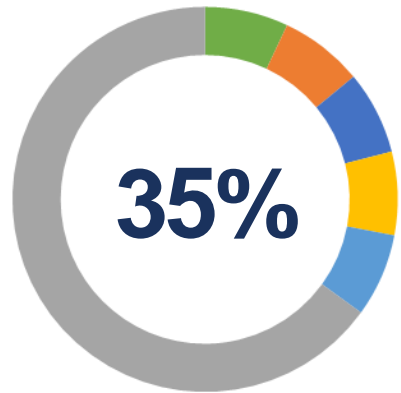
How DOE will score your application



2. The proposed project is unlikely to be constructed in as timely a manner or with as much transmission capacity in the absence of TFP support (either financial or participatory).

Part 2 Criteria

How DOE will score your application



7%

3.

The proposed project is likely to: (1) support meaningful community and labor engagement; (2) result in investments in America's workforce; (3) advance diversity, equity, inclusion, and accessibility (DEIA); and (4) contribute to the goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities (the Justice40 Initiative), as demonstrated in the applicant's submitted Community Benefits Plan.

7%

4.

The proposed project, as designed, will use advanced technology, including but not limited to: reconductoring of an existing electric power transmission line with advanced conductors; use of hardware or software that enables dynamic line ratings, advanced power flow control, or grid topology optimization; and/or use of HVDC technology.

7%

5.

The proposed project, as designed, will likely improve the resiliency and reliability of the electric power transmission system.

7%

6.

The proposed project, as designed, will likely facilitate increased interregional transfer capacity.

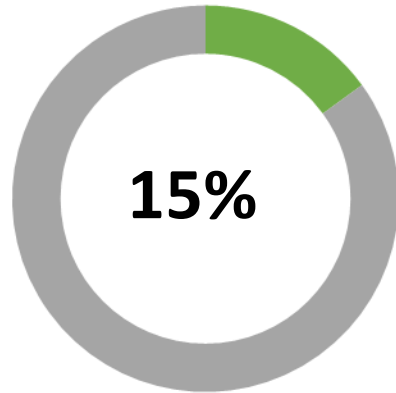
7%

7.

The proposed project is reasonably likely to contribute to national or subnational goals to lower electricity sector greenhouse gas emissions.

Part 2 Criteria

How DOE will score your application



8. The applicant is reasonably likely to begin construction of the proposed project no later than December 31, 2029.

Factors that may impact final selection

The degree to which...

A capacity contract for the proposed project **optimizes the use of available TFP funding**

The proposed project will **deliver the greatest benefits for the least amount of TFP funding**

The proposed project, or group of proposed projects selected to move into due diligence and contract negotiations, **represents a geographic distribution**

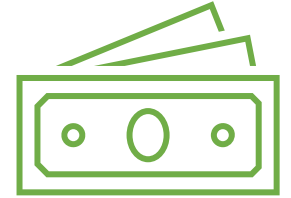
The proposed project's solution or strategy will **maximize deployment of additional transmission capacity, system resilience and reliability, and/or other priorities**

The proposed project **leverages existing infrastructure, facilities, and/or workforce skills**

Application Tips



TFP Contract Request Amount



DOE must obligate the entire contract value. ($Years * rate * capacity$)

The primary goal of TFP is to help as many projects as possible:

1. The lower the total DOE cost the better.
2. A robust DOE exit strategy is ideal.

Ask Questions



Ask questions to transmissionfacilitation@hq.doe.gov

We want you to be successful in proposing your project

Send us questions about process, clarification on the application or any details that make you wonder. We will provide an answer within four business days. Questions we receive will be anonymized and posted online in our FAQs for all applicants to review.

Be Clear, Concise, Transparent

All projects have strengths and weaknesses. That's OK!

Be clear on what your project risks are.

This helps us all be more efficient!

It also lets us know that you understand your project's risks.

Don't have some information the RFP requests?

Explain why and when you will have it.

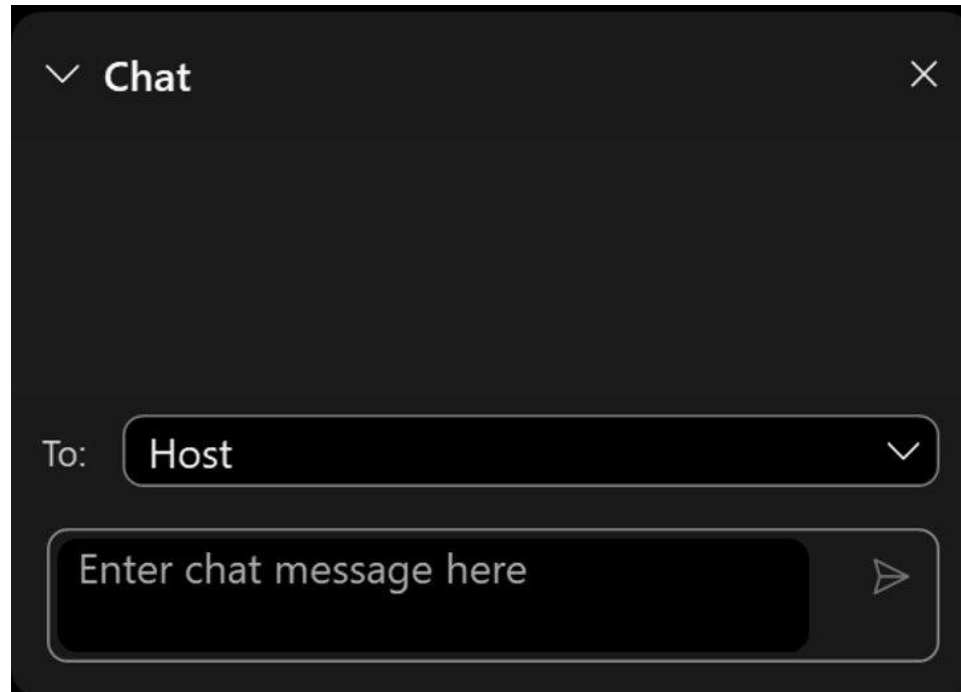
We will best understand the project if you use plain language and keep responses brief!

Helpful Info

- ▶ FAQs: <https://www.energy.gov/gdo/transmission-facilitation-program-frequently-asked-questions>
- ▶ Questions? Email us at transmissionfacilitation@hq.doe.gov

Questions?

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Thank You!



www.energy.gov/gdo/transmission-facilitation-program



TransmissionFacilitation@hq.doe.gov