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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To accelerate the modernization of the national electric grid by supporting
advanced conductors and related systems, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. WHITESIDES introduced the following bill; which was referred to the
Committee on _____

A BILL

To accelerate the modernization of the national electric grid
by supporting advanced conductors and related systems,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transmission Optimi-
5 zation and Reconductoring Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ADVANCED CONDUCTOR.—The term “ad-
2 vanced conductor” means a transmission conductor
3 that provides at least 1.5 times the capacity of an
4 ACSR (aluminum conductor, steel-reinforced) trans-
5 mission conductor.

6 (2) CATEGORICAL EXCLUSION.—The term “cat-
7 egorical exclusion” has the meaning given such term
8 in section 111 of the National Environmental Policy
9 Act of 1969 (42 U.S.C. 4336e).

10 (3) ELIGIBLE ENTITY.—The term “eligible enti-
11 ty” means—

12 (A) an electric utility;

13 (B) a transmission owner or operator; or

14 (C) a State, local, or Tribal government
15 entity that owns or operates transmission facili-
16 ties.

17 (4) RECONDUCTORING PROJECT.—The term
18 “reconductoring project” means a project involving
19 the replacement of existing conductors with ad-
20 vanced conductors, primarily within an existing
21 right-of-way.

22 (5) RIGHT-OF-WAY.—The term “right-of-way”
23 has the meaning given such term in section 103(f)
24 of the Federal Land Policy and Management Act of
25 1976 (43 U.S.C. 1702(f)).

1 (6) RIGHT-OF-WAY OPTIMIZATION PROJECT.—

2 The term “right-of-way optimization project” means
3 a project that plans, designs, and constructs electric
4 transmission upgrades using advanced conductors
5 within an existing cleared or permitted right-of-way
6 for the purpose of maximizing aggregate power
7 transfer capability, minimizing additional land acqui-
8 sition, and reducing environmental and localized
9 community impacts.

10 (7) SECRETARY.—The term “Secretary” means
11 the Secretary of Energy.

12 **SEC. 3. TRANSMISSION MODERNIZATION STUDY.**

13 (a) IN GENERAL.—A transmission organization shall,
14 during each transmission planning process as required
15 under Order No. 1920 issued by the Federal Energy Reg-
16 ulatory Commission, conduct a transmission moderniza-
17 tion study that evaluates the extent to which a right-of-
18 way optimization project or a reconductoring project may
19 result in economic and grid reliability benefits.

20 (b) REQUIREMENTS.—In conducting the study under
21 subsection (a), a transmission organization shall—

22 (1) describe in such study—

23 (A) the extent to which right-of-way opti-
24 mization or reconductoring projects have been

1 evaluated to address congestion, capacity con-
2 straints, reliability risks, or resilience needs;

(B) how implementing such projects compares to other transmission projects that address congestion, capacity constraints, reliability risks, or resilience needs; and

(C) the potential economic and grid reliability benefits from implementing such projects; and

(2) consider risks relating to natural hazards and extreme weather events relevant to the applicable right-of-way, including wildfire, heat, storm, or icing risk information consistent with existing resilience planning practices.

(c) SUBMISSION AND PUBLICATION.—A transmission organization that conducts a study under subsection (a) shall submit to the Secretary the results of such study, and make such results publicly available pursuant to the requirements of section 215A of the Federal Power Act (16 U.S.C. 824o–1) with respect to critical electric infrastructure information.

22 SEC. 4. NATIONAL RECONDUCTORING PERFORMANCE IN-
23 SIGHTS.

(a) AGGREGATED INSIGHTS.—The Secretary may publish aggregated performance data on reconductoring

1 outcomes and related grid modernization activities, using
2 publicly available sources or voluntary submissions, with-
3 out identifying specific facilities or operators. Such aggre-
4 gated information may include typical ranges of increased
5 transfer capability, reductions in transmission losses,
6 changes in congestion or curtailment, and indicative
7 project timelines, provided that no specific facility or oper-
8 ator is identified.

9 (b) PUBLIC LISTING.—The Secretary may maintain
10 a public webpage listing States, approximate in-service
11 years, and general voltage classes for right-of-way optimi-
12 zation and reconductoring projects, using only existing tax
13 credit documentation, publicly available information, or
14 voluntary submissions, and without identifying specific fa-
15 cilities or operators.

16 **SEC. 5. NEPA REVIEW.**

17 The issuance of a Federal permit or other Federal
18 approval authorizing a right-of-way optimization or
19 reconductoring project is deemed to be a categorical exclu-
20 sion under the National Environmental Policy Act of 1969
21 (42 U.S.C. 4321 et seq.).

1 **SEC. 6. HIGH-PERFORMANCE TRANSMISSION PROPERTY**
2 **ADDED TO CLEAN ELECTRICITY INVESTMENT**
3 **CREDIT.**

4 (a) IN GENERAL.—Section 48E(a)(1) of the Internal
5 Revenue Code of 1986 is amended—

6 (1) in subparagraph (A), by striking “and” at
7 the end,

8 (2) in subparagraph (B), by striking the period
9 at the end and inserting “, and”, and

10 (3) by adding at the end the following new sub-
11 paragraph:

12 “(C) any high-performance transmission
13 property.”.

14 (b) APPLICABLE PERCENTAGE.—Section 48E(a)(2)
15 of such Code is amended by adding at the end the fol-
16 lowing new subparagraph:

17 “(C) HIGH-PERFORMANCE TRANSMISSION
18 PROPERTY.—Subject to paragraph (3)—

19 “(i) BASE RATE.—In the case of any
20 high-performance transmission property
21 which is not described in clause (ii)(I) and
22 does not satisfy the requirements described
23 in clause (ii)(II), the applicable percentage
24 shall be 6 percent.

1 “(ii) ALTERNATIVE RATE.—In the
2 case of any high-performance transmission
3 property—

4 “(I) with a capacity of less than
5 1 megawatt, or

6 “(II) which—

7 “(aa) satisfies the require-
8 ments of subsection (e)(3), and

9 “(bb) with respect to the
10 construction of such property,
11 satisfies the requirements of sub-
12 section (e)(4),

13 the applicable percentage shall be 30
14 percent.”.

15 (c) INCREASE IN CREDIT RATE IN CERTAIN
16 CASES.—

17 (1) ENERGY COMMUNITIES.—Section
18 48E(a)(3)(A) of such Code is amended—

19 (A) in clause (i), by striking “or with re-
20 spect to energy storage technology” and insert-
21 ing “, energy storage technology, or high-per-
22 formance transmission property”, and

23 (B) in clause (ii)—

24 (i) in subclause (I), by striking “or
25 with respect to energy storage technology

1 described in paragraph (2)(B)(i)” and in-
2 serting “, energy storage technology de-
3 scribed in paragraph (2)(B)(i), or high-
4 performance transmission property de-
5 scribed in paragraph (2)(C)(i)”, and
6 (ii) in subclause (II), by striking “or
7 with respect to energy storage technology
8 described in paragraph (2)(B)(ii)” and in-
9 serting “, energy storage technology de-
10 scribed in paragraph (2)(B)(ii), or high-
11 performance transmission property de-
12 scribed in paragraph (2)(C)(ii)”.

13 (2) DOMESTIC CONTENT.—Section
14 48E(a)(3)(B) of such Code is amended by striking
15 “or energy storage technology” each place it appears
16 and inserting “, energy storage technology, or high-
17 performance transmission property” in each such
18 place.

19 (d) QUALIFIED INVESTMENT WITH RESPECT TO
20 HIGH-PERFORMANCE TRANSMISSION PROPERTY DE-
21 FINED.—Section 48E of such Code is amended—

22 (1) by redesignating subsections (d) through (k)
23 as subsections (e) through (l), respectively, and

24 (2) by inserting after subsection (c) the fol-
25 lowing new subsection:

1 “(d) QUALIFIED INVESTMENT WITH RESPECT TO
2 HIGH-PERFORMANCE TRANSMISSION PROPERTY.—

3 “(1) QUALIFIED INVESTMENT.—For purposes
4 of subsection (a), the qualified investment with re-
5 spect to high-performance transmission property for
6 any taxable year is the basis of any high-perform-
7 ance transmission property placed in service by the
8 taxpayer during such taxable year.

9 “(2) HIGH-PERFORMANCE TRANSMISSION PROP-
10 ERTY.—

11 “(A) IN GENERAL.—For purposes of this
12 section, the term ‘high-performance trans-
13 mission property’ means property used in a
14 right-of-way optimization project or a
15 reconductoring project.

16 “(B) INSTALLATION EXPENSES IN-
17 CLUDED.—For purposes of determining the
18 credit under subsection (a), the term ‘high-per-
19 formance transmission property’ shall include
20 amounts paid or incurred by the taxpayer for
21 installation of such property.

22 “(C) RIGHT-OF-WAY OPTIMIZATION
23 PROJECT AND RECONDUCTORING PROJECT DE-
24 FINED.—For purposes of subparagraph (A), the
25 terms ‘right-of-way optimization project’ and

1 ‘reconductoring project’ have the meaning given
2 such terms, respectively, in section 2 of the
3 Transmission Optimization and Reconductoring
4 Act.

5 “(3) MATERIAL ASSISTANCE FROM PROHIBITED
6 FOREIGN ENTITIES.—The term ‘high-performance
7 transmission property’ shall not include any property
8 the construction of which begins after December 31,
9 2025, if the construction of such property includes
10 any material assistance from a prohibited foreign en-
11 tity (as defined in section 7701(a)(52)).”.

12 (e) RESTRICTIONS RELATING TO PROHIBITED FOR-
13 EIGN ENTITIES.—Section 48E(e)(6)(B) of such Code, as
14 redesignated by subsection (d), is amended by striking “or
15 energy storage technology described in subsection (c)(2)”
16 and inserting “, energy storage technology described in
17 subsection (c)(2), or high-performance transmission prop-
18 erty described in subsection (d)(2)”.

19 (f) CREDIT PHASE-OUT.—Section 48E(f) of such
20 Code, as redesignated by subsection (d), is amended—

21 (1) by striking “or energy storage technology”
22 each place it appears and inserting “, energy storage
23 technology, or high-performance transmission prop-
24 erty” in each such place, and

1 (2) by inserting “or any high-performance
2 transmission property” after “any energy storage
3 technology”.

4 (g) CONFORMING AMENDMENTS.—

5 (1) Section 48E(a)(2) of such Code, as amend-
6 ed by the preceding provisions of this section, is
7 amended—

8 (A) by striking “subsection (d)” both
9 places it appears and inserting “subsection (e)”
10 in each such place,

11 (B) by striking “subsection (d)(3)” both
12 places it appears and inserting “subsection
13 (e)(3)” in each such place, and

14 (C) by striking “subsection (d)(4)” both
15 places it appears and inserting “subsection
16 (e)(4)” in each such place.

17 (2) Section 48E(k) of such Code, as redesign-
18 nated by subsection (d), is amended by striking
19 “subsection (g)” and inserting “subsection (h)”.

20 (3) Section 48(e)(4)(D) of such Code is amend-
21 ed by striking “section 48E(h)(4)(D)(ii)” and insert-
22 ing “section 48E(i)(4)(D)(ii)”.

23 (4) Section 49(a)(1)(C) of such Code is amend-
24 ed—

1 (A) in clause (vii), by striking “and” at the
2 end,

3 (B) in clause (viii), by striking the period
4 at the end and inserting “, and”, and

5 (C) by adding at the end the following new
6 clause:

7 “(ix) the basis of any high-perform-
8 ance transmission property under section
9 48E.”.

10 (5) Section 168(e)(3)(B)(viii) of such Code is
11 amended by striking “or any energy storage tech-
12 nology (as defined in subsection (c)(2) of such sec-
13 tion)” and inserting “, any energy storage tech-
14 nology (as defined in subsection (c)(2) of such sec-
15 tion), or any high-performance transmission prop-
16 erty (as defined in subsection (d)(2) of such sec-
17 tion)”.

18 (6) Section 7701(a)(51) of such Code is amend-
19 ed—

20 (A) in subparagraph (D)—

21 (i) in clause (i)(II)(aa), by striking
22 “or energy storage technology” and insert-
23 ing “, energy storage technology, or high-
24 performance transmission property”, and

25 (ii) in clause (ii)—

1 (I) in subclause (I)(aa), by strik-
2 ing “or energy storage” and inserting
3 “energy storage technology, or high-
4 performance transmission property”,
5 (II) in subclause (II)—
6 (aa) in item (aa), by insert-
7 ing “or any high-performance
8 transmission property produced
9 by the taxpayer” before the
10 comma at the end, and
11 (bb) in item (ee), by striking
12 “or energy storage technology”
13 and inserting “, energy storage
14 technology, or high-performance
15 transmission property”, and
16 (III) in subclause (III)—
17 (aa) by striking “, energy
18 storage technology,” each place it
19 appears and inserting “, energy
20 storage technology, high-perform-
21 ance transmission property,” in
22 each such place,
23 (bb) by striking “any energy
24 storage technology,” and insert-
25 ing “any energy storage tech-

1 nology, any high-performance
2 transmission property,” and
3 (cc) by striking “or energy
4 storage technology” and inserting
5 “, energy storage technology, or
6 high-performance transmission
7 property”, and

8 (B) in subparagraph (I), by adding at the
9 end the following new clause:

10 “(vii) HIGH-PERFORMANCE TRANS-
11 MISSION PROPERTY.—The term ‘high-per-
12 formance transmission property’ has the
13 same meaning given such term under sec-
14 tion 48E(d)(2).”.

15 (7) Section 7701(a)(52) of such Code is amend-
16 ed—

17 (A) in subparagraph (A), by striking “or
18 energy storage technology” and inserting “, en-
19 ergy storage technology, or high-performance
20 transmission property”,

21 (B) in subparagraph (B)—

22 (i) in clause (ii), by inserting “or
23 high-performance transmission property”
24 after “energy storage technology”, and

1 (ii) in the subparagraph heading, by
2 striking “AND ENERGY STORAGE TECH-
3 NOLOGY” and inserting “, ENERGY STOR-
4 AGE TECHNOLOGY, AND HIGH-PERFORM-
5 ANCE TRANSMISSION PROPERTY”,

6 (C) in subparagraph (D)—

7 (i) in clause (i)—

8 (I) by striking “or energy storage
9 technology” each place it appears and
10 inserting “, energy storage technology,
11 or high-performance transmission
12 property” in each such place, and

13 (II) in the clause heading, by
14 striking “AND ENERGY STORAGE
15 TECHNOLOGY” and inserting “, EN-
16 ERGY STORAGE TECHNOLOGY, AND
17 HIGH-PERFORMANCE TRANSMISSION
18 PROPERTY”,

19 (ii) in clause (iii)(II), by striking “or
20 energy storage technology” and inserting
21 “, energy storage technology, or high-per-
22 formance transmission property”, and

23 (iii) in clause (v)(II), by striking “or
24 energy storage technology” and inserting

1 “, energy storage technology, or high-per-
2 formance transmission property”, and

3 (D) in subparagraph (E), by adding at the
4 end the following new clause:

5 “(v) HIGH-PERFORMANCE TRANS-
6 MISSION PROPERTY.—The term ‘high-per-
7 formance transmission property’ has the
8 same meaning given such term under sec-
9 tion 48E(d)(2).”.

10 (h) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to property placed in service in
12 taxable years beginning after the date of the enactment
13 of this Act.