

118TH CONGRESS
2D SESSION

S. _____

To require the Federal Energy Regulatory Commission to promulgate regulations to enhance the independence, transparency, accountability, and governance of Regional Electricity Entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To require the Federal Energy Regulatory Commission to promulgate regulations to enhance the independence, transparency, accountability, and governance of Regional Electricity Entities, 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 “Building Effective,
5 Transparent, Transmission-Friendly Electric Regional
6 Grid Operators Act of 2024” or the “BETTER Grid Op-
7 erators Act of 2024”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) COMMISSION.—The term “Commission”
4 means the Federal Energy Regulatory Commission.

5 (2) ENVIRONMENTAL JUSTICE COMMUNITY.—
6 The term “environmental justice community” means
7 a community with significant representation of com-
8 munities of color, low-income communities, or Tribal
9 and Indigenous communities, that experiences, or is
10 at risk of experiencing, higher or more adverse
11 human health or environmental effects.

12 (3) INDEPENDENT SYSTEM OPERATOR.—The
13 term “Independent System Operator” has the mean-
14 ing given the term in section 3 of the Federal Power
15 Act (16 U.S.C. 796).

16 (4) REGIONAL ELECTRICITY ENTITY.—The
17 term “Regional Electricity Entity” means an entity
18 that—

19 (A) is approved by the Commission as a
20 transmission planning region, a Regional
21 Transmission Organization, or an Independent
22 System Operator; or

23 (B) is otherwise approved by the Commis-
24 sion to administer markets for wholesale sales
25 in interstate commerce or operate transmission
26 in interstate commerce.

1 (5) REGIONAL TRANSMISSION ORGANIZATION.—

2 The term “Regional Transmission Organization”
3 has the meaning given the term in section 3 of the
4 Federal Power Act (16 U.S.C. 796).

5 (6) RELEVANT STATE ENTITY.—The term “rel-
6 evant State entity” means—

7 (A) any State entity responsible for electric
8 utility regulation or the siting of electric trans-
9 mission facilities within the State or any por-
10 tion of a State located within the jurisdictional
11 boundaries of a Regional Electricity Entity, in-
12 cluding any State entity that may be designated
13 for that purpose by the law of a State; or

14 (B) any Regional State Committee recog-
15 nized by the Commission.

16 (7) STAKEHOLDER PROCESS.—The term
17 “stakeholder process” means any meeting of market
18 participants, transmission owners, consumer advo-
19 cates, relevant State entities, or other interested par-
20 ties that is convened by a Regional Electricity Entity
21 for the purpose of discussing market or transmission
22 rules or other matters that affect the operations and
23 planning activities of the Regional Electricity Entity.

24 (8) TRANSMISSION FACILITY.—The term
25 “transmission facility” means a facility that is used

1 for the transmission of electric energy in interstate
2 commerce.

3 (9) TRANSMISSION PLANNING REGION.—The
4 term “transmission planning region” means a region
5 that conducts regional transmission planning and
6 cost allocation processes pursuant to the guidance
7 contained in the final rule of the Commission enti-
8 tled “Transmission Planning and Cost Allocation by
9 Transmission Owning and Operating Public Utili-
10 ties” (76 Fed. Reg. 49842 (August 11, 2011)) (or
11 any updated guidance or successor rule).

12 **SEC. 3. GOVERNANCE OF REGIONAL ELECTRICITY ENTI-**
13 **TIES.**

14 (a) RULEMAKING.—Not later than 180 days after the
15 date of enactment of this Act, the Commission shall pro-
16 mulgate a final rule that enhances the independence,
17 transparency, accountability, and governance of Regional
18 Electricity Entities, including by requiring each of the fol-
19 lowing:

20 (1) TRANSPARENT AND ACCESSIBLE STAKE-
21 HOLDER PROCESSES.—That each Regional Elec-
22 tricity Entity shall have independent, open, and rep-
23 resentative stakeholder processes, including by re-
24 quiring—

1 (A) that stakeholder processes allow for
2 adequate representation of all stakeholder
3 views, with a particular focus on consumer ad-
4 vocates, public interest groups, relevant State
5 entities, environmental justice communities, ad-
6 vanced transmission technology stakeholders,
7 and clean energy stakeholders, which shall in-
8 clude—

9 (i) ensuring that all meetings are open
10 to the public and all types of stakeholders
11 are allowed to vote in all committees;

12 (ii) ensuring that sector voting prac-
13 tices provide consumer advocates, public
14 interest groups, relevant State entities, en-
15 vironmental justice communities, advanced
16 transmission technology stakeholders, and
17 clean energy stakeholders with a fair vot-
18 ing weight compared to incumbent genera-
19 tion and transmission owners; and

20 (iii) ensuring that consumer advo-
21 cates, public interest groups, relevant State
22 entities, environmental justice commu-
23 nities, advanced transmission technology
24 stakeholders, and clean energy stake-

1 holders are given membership and voting
2 rights, where applicable;

3 (B) that each vote cast by any party dur-
4 ing a stakeholder process of a Regional Elec-
5 tricity Entity be made public;

6 (C) the establishment of a tariff-funded
7 public interest representative organization
8 that—

9 (i) includes a process by which quali-
10 fying public interest participants may re-
11 ceive—

12 (I) compensation prior to the
13 conclusion of a proceeding; and

14 (II) clarity prior to the pro-
15 ceeding with respect to whether and
16 to what extent the participant quali-
17 fies for compensation; and

18 (ii) prioritizes consumer advocates
19 and participants advocating on behalf of
20 residential customers that—

21 (I) have disproportionately high
22 energy burdens; or

23 (II) reside in environmental jus-
24 tice communities;

1 (D) that each Regional Electricity Entity
2 provide a method for stakeholders to provide
3 written comments during the stakeholder proc-
4 ess on proposals as they are being developed;

5 (E) that each Regional Electricity Entity
6 provide timely notice of stakeholder meetings
7 that includes clear, substantive meeting agendas
8 with a plain language description of the issues
9 being considered, in languages that are pre-
10 dominantly spoken in the operating region;

11 (F) that each stakeholder meeting of a Re-
12 gional Electricity Entity be recorded and tran-
13 scribed, and that the recordings and tran-
14 scriptions be made freely available to the public
15 as soon as possible, but not later than 3 busi-
16 ness days after the conclusion of the pro-
17 ceeding;

18 (G) that each Regional Electricity Entity
19 provide clear, substantive annual reports, quar-
20 terly updates, and meeting summaries with a
21 plain language description of the issues being
22 considered, in languages that are predominantly
23 spoken in the operating region;

24 (H) that stakeholder membership fee waiv-
25 ers are provided for public interest nonprofit or-

1 ganizations and other non-incumbent stake-
2 holders to encourage participation in the stake-
3 holder process; and

4 (I) that all participants in stakeholder
5 meetings identify themselves and any organiza-
6 tions that they represent.

7 (2) LIMITATIONS ON SPONSORSHIPS.—That an
8 entity with interests in matters before a Regional
9 Electricity Entity may not serve as a financial spon-
10 sor of any special event or activity at a Regional
11 Electricity Entity meeting.

12 (3) INDEPENDENT AND REPRESENTATIVE
13 BOARDS OF DIRECTORS.—That each Regional Elec-
14 tricity Entity shall have an independent and rep-
15 resentative board of directors, including by requir-
16 ing—

17 (A) that no member of the board of direc-
18 tors of a Regional Electricity Entity have any
19 financial ties to any market participant;

20 (B) that each nominee for the board of di-
21 rectors of a Regional Electricity Entity shall be
22 separately voted on;

23 (C) that at least $\frac{1}{5}$ of the board of direc-
24 tors of each Regional Electricity Entity shall
25 have expertise and experience in representing

1 consumers, including at least 1 member with
2 expertise in the interests of retail residential
3 consumers and environmental justice commu-
4 nities; and

5 (D) that the board of directors of each Re-
6 gional Electricity Entity shall be representative
7 of the diversity and geography of that Regional
8 Electricity Entity.

9 (4) STAFF GUIDELINES.—That a Regional
10 Electricity Entity shall not employ—

11 (A) an individual with any financial ties to
12 any market participant; or

13 (B) an individual who is or was an execu-
14 tive of a utility that participated in that Re-
15 gional Electricity Entity, or a trade association
16 that includes as a member a utility that partici-
17 pated in that Regional Electricity Entity, dur-
18 ing—

19 (i) any period in which the individual
20 is an executive of that utility or trade asso-
21 ciation; or

22 (ii) the 1-year period beginning on the
23 date on which the employment of the indi-
24 vidual as an executive of that utility or
25 trade association ends.

1 (5) INDEPENDENT DECISION-MAKING.—That
2 each Regional Electricity Entity have decision-mak-
3 ing processes that are independent of control by any
4 market participant or class of market participants.

5 (6) EXECUTIVE COMPENSATION GUIDELINES.—
6 That guidelines are established for executive com-
7 pensation at Regional Electricity Entities in order to
8 limit excessive compensation of those executives.

9 (b) PERIODIC AND INDEPENDENT REVIEW.—

10 (1) IN GENERAL.—The Office of Public Partici-
11 pation of the Commission, jointly with a panel of ex-
12 perts established by the Office of Public Participa-
13 tion, shall—

14 (A) periodically conduct an independent re-
15 view of the policies, procedures, and perform-
16 ance metrics of Regional Electricity Entities;
17 and

18 (B) not less frequently than once every 5
19 years, submit to the Commission a report on
20 the results of those independent reviews and
21 recommendations for further reforms.

22 (2) COMMISSION ACTION.—The Commission
23 shall take such action, by rule or order, as the Com-
24 mission determines necessary based on a report sub-
25 mitted under paragraph (1).

1 (c) ENFORCEMENT.—The Commission shall enforce
2 the requirements of this section using the authority of the
3 Commission under sections 205, 206, and 316A of the
4 Federal Power Act (16 U.S.C. 824d, 824e, 825o–1).

5 (d) TECHNICAL CONFERENCE.—

6 (1) IN GENERAL.—As part of the rulemaking
7 process under subsection (a), the Commission shall
8 convene a technical conference to consider implemen-
9 tation details, as the Commission determines to be
10 appropriate.

11 (2) PARTICIPATION.—

12 (A) LEADERSHIP.—A technical conference
13 convened under paragraph (1) may be led by
14 the members of the Commission, subject to sub-
15 paragraph (B).

16 (B) REQUIRED INVITATIONS.—On the elec-
17 tion by the members of the Commission to lead
18 a technical conference under subparagraph (A),
19 the Commission shall invite to participate in the
20 technical conference representatives of—

- 21 (i) each Regional Electricity Entity;
22 (ii) owners and operators of trans-
23 mission facilities;
24 (iii) owners and operators of electric
25 generation facilities;

- 1 (iv) owners and operators of distrib-
2 uted energy generation systems;
3 (v) end-use customers;
4 (vi) electric power marketers;
5 (vii) publicly owned electric utilities;
6 (viii) consumer advocates;
7 (ix) environmental justice community
8 advocates;
9 (x) environmental and clean energy
10 groups;
11 (xi) relevant State entities;
12 (xii) labor unions involved in elec-
13 tricity; and
14 (xiii) such other stakeholders as the
15 Commission determines to be appropriate.

16 (3) PUBLIC COMMENT.—The Commission may
17 provide an opportunity for public comment on the
18 topics considered by a technical conference convened
19 under paragraph (1).

20 (4) TOPICS.—In conducting a technical con-
21 ference convened under paragraph (1), the Commis-
22 sion shall seek to identify—

- 23 (A) policies and procedures that—
24 (i) maintain Regional Electricity Enti-
25 ty independence; and

1 (ii) enhance the responsiveness of Re-
2 gional Electricity Entities to their cus-
3 tomers and other stakeholders;

4 (B) ways for Regional Electricity Entities
5 to increase the equitable treatment of their cus-
6 tomers and other stakeholders, particularly
7 those described in this section, including the ef-
8 fectiveness of stakeholder policies and proce-
9 dures adopted in compliance with—

10 (i) the final rule of the Commission
11 entitled “Wholesale Competition in Re-
12 gions With Organized Electric Markets”
13 (73 Fed. Reg. 64100 (October 28, 2008));
14 and

15 (ii) section 35.34 of title 18, Code of
16 Federal Regulations (or a successor regula-
17 tion); and

18 (C) how the Commission might require Re-
19 gional Electricity Entities not covered by a Re-
20 gional Transmission Organization or an Inde-
21 pendent System Operator to adopt rules that
22 enhance governance and provide transparency
23 and accountability mechanisms into their deci-
24 sion-making.

1 **SEC. 4. APPLICABILITY OF FOIA.**

2 Section 552 of title 5, United States Code (commonly
3 known as the “Freedom of Information Act”), including
4 any exceptions under that section, shall apply to the activi-
5 ties, records, and proceedings of each Regional Electricity
6 Entity, including with respect to the operations of the Re-
7 gional Electricity Entity.

8 **SEC. 5. FILING RIGHTS.**

9 (a) RTOS AND ISOS.—Each Regional Transmission
10 Organization and Independent System Operator shall have
11 independent authority under section 205 of the Federal
12 Power Act (16 U.S.C. 824d), to propose rates, terms, and
13 conditions of transmission service provided over the facili-
14 ties operated by that Regional Transmission Organization
15 or Independent System Operator.

16 (b) OTHER TRANSMISSION PLANNING REGIONS.—
17 Notwithstanding subsection (a), each transmission plan-
18 ning region that is not a Regional Transmission Organiza-
19 tion or an Independent System Operator, or each public
20 utility member of such transmission planning region, shall
21 file on behalf of the relevant State entity pursuant to sec-
22 tion 205 of the Federal Power Act (16 U.S.C. 824d) any
23 regional cost allocation methodology approved by the rel-
24 evant State entity.

25 (c) RECOVERY BY TRANSMISSION OWNERS.—Not-
26 withstanding subsection (a), a transmission owner shall

1 retain authority under section 205 of the Federal Power
2 Act (16 U.S.C. 824d) to seek cost recovery from a Re-
3 gional Electricity Entity with respect to the revenue re-
4 quirements associated with the transmission facilities
5 owned by the transmission owner.

6 (d) SHARING AND CEDING FILING AUTHORITY.—
7 Subsection (a) does not prevent any Regional Trans-
8 mission Organization or Independent System Operator
9 from sharing or ceding filing authority, subject to the con-
10 dition that such arrangement is approved by the Commis-
11 sion.

12 **SEC. 6. OFFICE OF TRANSMISSION.**

13 Part III of the Federal Power Act is amended by in-
14 serting after section 317 (16 U.S.C. 825p) the following:

15 **“SEC. 318. OFFICE OF TRANSMISSION.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) COMMISSION.—The term ‘Commission’
18 means the Federal Energy Regulatory Commission.

19 “(2) OFFICE.—The term ‘Office’ means the Of-
20 fice of Transmission established under subsection
21 (b).

22 “(3) PUBLIC UTILITY.—The term ‘public util-
23 ity’ has the meaning given the term in section
24 201(e).

1 “(4) TRANSMISSION FACILITY.—The term
2 ‘transmission facility’ has the meaning given the
3 term in section 2 of the BETTER Grid Operators
4 Act of 2024.

5 “(5) TRANSMISSION PLANNING REGION.—The
6 term ‘transmission planning region’ has the meaning
7 given the term in section 2 of the BETTER Grid
8 Operators Act of 2024.

9 “(6) TRANSMISSION PROVIDER.—The term
10 ‘transmission provider’ means a public utility that
11 owns, operates, or controls 1 or more transmission
12 facilities.

13 “(b) ESTABLISHMENT.—There shall be established in
14 the Commission an office, to be known as the ‘Office of
15 Transmission’.

16 “(c) DIRECTOR.—The Office shall be administered by
17 a Director, who shall be appointed by the Chairman of
18 the Commission.

19 “(d) DUTIES.—The Director of the Office shall—

20 “(1) provide oversight of transmission planning
21 activities subject to the jurisdiction of the Commis-
22 sion, including by—

23 “(A) reviewing the operation of, and trans-
24 mission plans approved by, public utilities in ac-
25 cordance with the regional and interregional

1 transmission planning processes and relevant
2 State public policies;

3 “(B) reviewing the operation of, and trans-
4 mission plans approved by, each transmission
5 planning region in accordance with the regional
6 and interregional transmission planning proc-
7 esses and relevant State public policies;

8 “(C) identifying any inefficiencies and
9 practices in local, regional, and interregional
10 planning that may lead to reliability concerns or
11 unjust and unreasonable rates;

12 “(D) providing examples and advice to
13 transmission providers and transmission plan-
14 ning regions on appropriate transmission oper-
15 ations, planning, and cost-allocation processes;
16 and

17 “(E) identifying situations in which, with
18 respect to a transmission planning process, ad-
19 vanced transmission technologies or high-capac-
20 ity, interregional lines may be—

21 “(i) more cost-effective; or

22 “(ii) a more appropriate reliability
23 and resilience alternative;

1 “(2) coordinate transmission-related matters of
2 the Commission, as the Commission determines to
3 be appropriate;

4 “(3) carry out the responsibilities of the Com-
5 mission under section 216, in coordination with the
6 Office of Energy Projects of the Commission;

7 “(4) review opportunities for innovation in
8 transmission planning and operation, including de-
9 ployment of advanced transmission technologies; and

10 “(5) work with transmission planning regions
11 and public utilities to improve processes and out-
12 comes.

13 “(e) DATA SHARING.—All transmission planning re-
14 gions and transmission providers shall share their hourly
15 operating and cost data with the Director of the Office.

16 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated such sums as are nec-
18 essary to carry out this section.”.

19 **SEC. 7. MANDATORY INTERCONNECTION AND COORDINA-**
20 **TION OF FACILITIES.**

21 Section 202(a) of the Federal Power Act (16 U.S.C.
22 824a(a)) is amended by adding at the end the following:

23 “The Commission shall require each public utility to com-
24 ply with the provisions of the BETTER Grid Operators

1 Act of 2024 not later than 2 years after the date of enact-
2 ment of that Act.”

3 **SEC. 8. SAVINGS PROVISION.**

4 Nothing in this Act or an amendment made by this
5 Act overrides or inhibits the existing authority of the Com-
6 mission to enforce the independence of the board of a Re-
7 gional Electricity Entity as established in—

8 (1) the final rule of the Commission entitled
9 “Version 5 Critical Infrastructure Protection Reli-
10 ability Standards” (78 Fed. Reg. 72756 (December
11 3, 2013); 78 Fed. Reg. 76986 (December 20, 2013))
12 (commonly known as “Order No. 791”); and

13 (2) the final rule of the Commission entitled
14 “Regional Transmission Organizations” (65 Fed.
15 Reg. 810 (January 6, 2000)) (commonly known as
16 “Order No. 2000”).