



THE BUCKEYE INSTITUTE

Response to Request for Information: Accelerating Speed to Power

Public Comment to the
U.S. Department of Energy

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Primary Area of Expertise Relevant to This Request for Information

Energy policy, electricity market regulation, transmission and generation permitting, interconnection processes, and economic analysis of grid infrastructure.

Interest of Commentor

Commentor, The Buckeye Institute, was founded in 1989 as an independent research and educational institution—a think tank—to formulate and promote free-market policies. The Buckeye Institute conducts timely and reliable research on key issues, compiling and synthesizing data, formulating free-market policies, and promoting those public policies for Ohio and other states nationwide. The Buckeye Institute assists executive and legislative branch policymakers by providing ideas, research, and data to help them effectively advocate free-market public policy solutions. The Buckeye Institute is a non-partisan, nonprofit, tax-exempt organization, as defined by I.R.C. § 501(c)(3).

Introduction

This comment responds to the United States Department of Energy’s (DOE) request for information, *Accelerating Speed to Power/Winning the Artificial Intelligence Race: Federal Action to Rapidly Expand Grid Capacity and Enable Electricity Demand Growth*, published in the Federal Register on September 18, 2025,¹ and address questions 5(a) and 5(b) regarding grid infrastructure constraints, and question 3(g) regarding interagency coordination.

Regulatory barriers impede the U.S. electric grid from meeting new energy demands from artificial intelligence, data centers, and advanced manufacturing. The United States possesses abundant private capital and deployable, reliable technology capable of satisfying burgeoning demand, but regulatory dysfunction obstructs the requisite investment.

DOE should remove three key obstacles that prevent private capital from solving the energy capacity challenge. First, interconnection queue dysfunction blocks legitimate projects while allowing speculative applications to clog the system for years. Second, anti-competitive transmission policies eliminate market discipline and inflate costs by 25 to 40 percent. Third, interagency coordination failures leave regulatory barriers in place across multiple federal agencies, creating sequential delays that undermine project economics. DOE should use its statutory authorities and interagency influence to remove unnecessary federal barriers, enforce market competition, and restore regulatory accountability. The solution to accelerating “Speed to Power” lies in accelerating government decision-making and barrier removal, not displacing private capital with subsidies or mandating technologies.

¹ **Accelerating Speed to Power/Winning the Artificial Intelligence Race: Federal Action to Rapidly Expand Grid Capacity and Enable Electricity Demand Growth**, U.S. Department of Energy, 90 FR 45032 (September 18, 2025).

Question 5: Grid Infrastructure Constraints

b. What are the primary challenges and barriers to expanding infrastructure and deploying large-scale generation and transmission projects? Please consider factors such as: Interconnection queues

Multi-gigawatt demand from data centers and advanced manufacturing is a market signal indicating a significant economic opportunity for investment in electricity infrastructure. In a free-market economy, entrepreneurs seek to meet this demand by expanding their investments to supply the required energy. But government- and utility-administered processes actively block the necessary investment response.

The grid's infrastructure constraints are not primarily physical or financial but procedural and administrative. The interconnection queue system has collapsed across all Federal Energy Regulatory Commission (FERC) regulated grids, creating artificial scarcity where none should exist. In 2021-2022, the Electric Reliability Council of Texas (ERCOT), not governed by FERC regulations, connected 14.2 GW of new generation, while PJM, which is more than twice ERCOT's size and is governed by FERC, connected only 5.6 GW.² Furthermore, ERCOT processes interconnection in 2 to 3 years, whereas PJM requires more than five years.³ The FERC-restricted PJM has more than 200,000 MW of proposed generation awaiting approval, median study durations exceeding 36 months, and 80 percent of projects ultimately withdrawing.⁴ The disparity between ERCOT and PJM indicates that the problem lies with FERC's policy choices.⁵

The interconnection queue has evolved into a speculative holding system that prioritizes gaming behavior over legitimate development. Renewable developers submit multiple speculative applications because their queue holding costs remain minimal compared to the potential upside. Developers can afford to wait indefinitely, hoping transmission constraints will resolve or economic conditions will improve, then withdraw when projects prove unviable. This speculative behavior clogs the administrative pipeline for everyone.

The queue dysfunction affects all generation types equally. Developers seeking to build reliable natural gas or nuclear capacity face the same 36-month delays and administrative maze as renewable developers. The difference is that reliable generation developers cannot afford to submit speculative applications and wait indefinitely because they need certainty to justify massive capital investments. But because the administrative system treats all queue applications as equivalent, regardless of their contribution to system reliability or likelihood of completion, speculative solar projects with minimal development expenditure receive the same processing priority as a committed natural gas plant with secured financing and executed construction

² Ethan Howland, [Can ERCOT show the way to faster and cheaper grid interconnection?](#), Utility Dive, November 8, 2023.

³ [Scores for Interconnection Times Highlight the Need for Reform in PJM](#), Electric Power Supply Association, March 27, 2024.

⁴ John Engel, [The cascading effect of PJM's interconnection slog](#), Renewable Energy World, May 13, 2024.

⁵ Josh T. Smith, [What Congress can do to enable energy abundance](#), Powering Spaceship Earth, February 27, 2025.

contracts. This textbook tragedy of the commons drowns legitimate generation projects in a sea of speculative applications.

FERC's interconnection procedures permit unlimited speculative applications with minimal financial commitment, which creates artificial scarcity in administrative processing capacity and blocks projects that could address energy reliability and capacity challenges.

Question 5: Grid Infrastructure Constraints

a. What generation, transmission, or distribution constraints are limiting the ability to serve this demand?

How Anti-Competitive Policies Drive Transmission Cost Inflation

The single most significant driver of rising electricity prices is the cost of transmission infrastructure, which flows directly from anti-competitive regulatory policies that eliminate market discipline from transmission development. PJM transmission costs increased from 9.4 percent to 28 percent of the total electricity price over a ten-year period, despite flat demand growth. Nationwide, transmission costs have driven a 30.7 percent increase in electricity prices over five years.⁶ The root cause is regulatory capture through right of first refusal (ROFR) policies that grant incumbent utilities monopolies on transmission development. Although FERC Order No. 1,000 eliminated the federal ROFR in 2011 to promote competitive bidding, some states circumvented the reform by adopting their own ROFR laws. Minnesota, North Dakota, and South Dakota passed state-level ROFR laws almost immediately, with nine more states following suit. Incumbent utilities have lobbied heavily for these state protections because ROFR guarantees them transmission projects regardless of competitors' more cost-effective solutions.⁷ The result: only five percent of new transmission lines are subject to competitive bidding, which eliminates market incentives for cost control and creates a guaranteed profit center for incumbent utilities.⁸

Incumbent utilities receive more than nine percent returns on equity for 40-year transmission assets, plus additional financial incentives from FERC. These include construction work in progress recovery, accelerated depreciation, abandoned plant recovery, and hypothetical capital structures that inflate the rate base. When utilities can recover costs regardless of performance and earn guaranteed returns on any expenditure, they have an incentive to maximize capital deployment rather than minimize costs.⁹

⁶ Paul Cicio, **The case for electricity transmission competition has never been clearer with today's inflation**, Utility Dive, April 23, 2024.

⁷ Erin Bendily, **The Economic Impacts of Right of First Refusal (ROFR) Legislation**, The Pelican Institute, October 2024.

⁸ Paul Cicio, **The case for electricity transmission competition has never been clearer with today's inflation**, Utility Dive, April 23, 2024.

⁹ Harvey Averch and Leland L. Johnson, **"Behavior of the Firm Under Regulatory Constraint,"** *The American Economic Review*, Volume 52, Issue 5 (December 1962) p. 1052-1069.

The interconnection queue crisis reinforces this anti-competitive dynamic. When an incumbent utility holds transmission development rights, it gains direct financial incentives to delay its competitors' transmission and interconnection plans. Each delay can manufacture an artificial "reliability crisis," which the incumbent then "solves" by proposing its own monopoly transmission project. These projects cost ratepayers 20 to 30 percent more than competitive alternatives while generating decades of guaranteed returns.^{10/11}

Transmission development occurs under state and FERC jurisdiction, not DOE authority. But DOE funding should never subsidize anti-competitive market structures. Any federal transmission investment should require competitive procurement and be conditioned on measurable costs and schedule accountability.

Question 3: Use of DOE Funding, Financing, and Technical Assistance

g. What additional coordination is needed between DOE and other Federal agencies (e.g., U.S. Department of Agriculture, Department of Commerce, Department of Interior, Environmental Protection Agency, the Department of Defense, Department of the Treasury, Department of Transportation, the Federal Energy Regulatory Commission, etc.) to align funding, permitting, or policy with emerging electric load challenges?

The "Speed to Power" crisis stems from fragmented federal oversight. Multiple regulatory agencies create overlapping barriers without coordinated solutions. Environmental reviews under the National Environmental Policy Act (NEPA) average 4.5 years, while FERC interconnection studies take more than 36 months, creating sequential delays that inflate project costs, destroying project economics, and deterring private investment.¹² The lack of federal coordination forces private developers to navigate separate approval processes without any agency ensuring efficient sequencing. Projects might clear NEPA review only to face unexpected equipment delivery delays that coordinated planning could have anticipated and averted.

The DOE should enhance federal coordination in three targeted ways. First, DOE should petition the Council on Environmental Quality for rulemaking to establish presumptive 18-month timelines for NEPA environmental impact statements and limit their scope to direct, material impacts. Ohio's House Bill 15 established time-bounded review processes for energy projects, providing a state-level model for implementing binding timelines.¹³ Second, DOE should formally petition FERC to impose binding timelines and financial penalties for interconnection study delays, building on FERC's authority to ensure just and reasonable practices. Third, DOE should coordinate with the Department of Commerce to identify critical equipment bottlenecks and prioritize delivery for projects receiving federal support. Such coordination efforts would address

¹⁰ *Ibid.*

¹¹ Johannes Pfeifenberger and Judy Chang, **Cost Savings Offered by Competition in Electric Transmission: Experience to Date and the Potential for Additional Customer Value**, The Brattle Group, April 2019.

¹² Aidan Mackenzie and Santi Ruiz, **How NEPA Will Tax Clean Energy**, Institute for Progress, July 25, 2024.

¹³ **HB15 Adopts Many Buckeye Institute-Championed Energy Policies**, The Buckeye Institute press release, February 12, 2025.

the most severe market bottlenecks within DOE's authority while avoiding the need for congressional action or making unrealistic promises to eliminate all regulatory barriers.

Conclusion

Accelerating "Speed to Power" requires removing government-created barriers that block private investment in grid capacity. The interconnection queue dysfunction, anti-competitive transmission policies, and fragmented federal oversight prevent the United States from deploying its abundant private capital and proven technology to meet the 21st century's electricity demands.

DOE should petition FERC for interconnection reforms, require competitive procurement for federally supported transmission projects, and coordinate with other agencies to streamline regulatory timelines. These market-enabling actions will unleash private investment while maintaining grid reliability and protecting ratepayers from unnecessary costs.

The solution lies not in displacing private markets with federal subsidies and mandates, but in removing regulatory barriers that prevent markets from functioning efficiently.



About The Buckeye Institute

Founded in 1989, The Buckeye Institute is an independent research and educational institution – a think tank – whose mission is to advance free-market public policy in the states.

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