

NEWS RELEASES

FERC Rule to Improve Transmission Line Ratings Will Help Lower Transmission Costs

December 16, 2021

Docket No. RM20-16

Order No. 881

[Item E-1](#) | [Staff Presentation](#)

FERC today approved a final rule that will more efficiently utilize our nation's transmission grid and help lower costs for consumers by improving both the accuracy and transparency of transmission line ratings.

Transmission line ratings represent the maximum transfer capability of each transmission line and can change based on weather conditions. This final rule requires all transmission providers, both inside and outside of organized markets, to use ambient-adjusted ratings as the basis for evaluating near-term transmission service to increase the accuracy of near-term line ratings. Typically, line ratings are based on conservative assumptions about worst case, long-term air temperature and other weather conditions that can lead to underutilization of our transmission grid.

“If we are going to meet the needs of the grid of the future while keeping customer rates just and reasonable and maintaining grid reliability, we need to squeeze everything out of our existing grid,” Chairman Glick said. “Today’s final rule is huge step forward in making more efficient use of our transmission system and saving money for customers. But our work isn’t done. I look forward to working with my colleagues to explore the adoption of dynamic line ratings to further increase the efficiency of our grid.”

While the final rule does not mandate the adoption of dynamic line ratings – ratings that account for other factors like wind speed – the rule does require that organized market operators establish and maintain systems and procedures necessary to allow transmission owners that would like to use dynamic line ratings the ability to do so. The rule acknowledges that dynamic line ratings may deliver incremental benefits and announces that the Commission is opening a proceeding in AD22-5-000 to continue to build the record and explore the potential for further action on dynamic line ratings.

Transmission providers must submit compliance filings within 120 days of the effective date of the rule. All requirements in this rule must be implemented no more than three years from the compliance filing due date.

R22-14

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