

Speaking Engagements | August 26, 2026

Building the Grid: The State and Local Transmission Puzzle — Not in My Backyard, Not on My Bill: The Human Side of Grid Expansion

SPEAKERS

[Josh Combs](#) | [Andy J. Flavin](#)

In this episode of *Building the Grid*, Troutman Pepper Locke Partners [Josh Combs](#) and [Andy Flavin](#) discuss how the costs of new transmission are allocated among customers as data center-driven load growth accelerates, including Virginia's creation of separate large load customer classes, and a potential reassessment of how regional transmission organizations (RTOs) allocate those costs. They also cover how "NIMBY" opposition — long a factor in transmission siting — is now showing up in rebuilds of existing infrastructure, particularly once a project is perceived as serving data centers.

Click below to view more episodes of *Building the Grid*:

- [Aligning Utilities and Developers on the Next Wave of Transmission](#)
- [Solving the State and Local Transmission Puzzle — and Why Speed to Power Depends on It](#)

Transcript

Title: Building the Grid: The State and Local Transmission Puzzle — Not in My Backyard, Not on My Bill: The Human Side of Grid Expansion

Speakers: Josh Combs and Andy Flavin

Josh Combs (00:14):

One of the things that both of us have mentioned and alluded to, right, and I think that, and we're obviously energy nerds, like we're focused on these issues, but I think that the breakfast table conversations across the country for folks that normally aren't necessarily talking about power generation and transmission planning is affordability, right? And the cost of this speed of power issue, right? And cost allocation, of course, and how costs are spread among customers has been something that has been at the federal and state level, something that's been hotly contested and debated. But as we think about speed to power, right, and getting this reliable, adequate power to these customers, I think we should talk about cost allocation, right? How in the context of this unprecedented load growth, how cost allocation and how that conversation has shifted and how affordability may be a part of that.

And you talked a little bit about how there can be an increased scrutiny or focus on when a project is proposed or when there's a need and it's being developed. Well, who's paying for that, right? So I said that when in a non-

RTO jurisdiction and utility includes that in a plan, it's ultimately transmission, the IRP is approved and then those costs are recovered and paid for by all customers. Can you speak to a little bit about that issue, about spreading costs among customers, how that issue is now maybe a shifting or coming up in the context of transmission, the build out for the grid?

Andy Flavin (01:54):

Yeah, absolutely. So in Virginia, when it comes to transmission, again, because, you know, a lot of that transmission planning is really handled at the PJM level, and in Virginia's two largest utilities participate in PJM, the transmission costs are for various projects in PJM are, you know, at least certainly for the baseline projects, right, you know, the big reliability projects, those are generally allocated to the various PJM zones based on, you know, some predefined allocation factors, essentially trying to socialize the costs based on what these projects are being designed to resolve. I think there's a lot of concern that that's not sufficient at this point, and there are a lot of folks that have some real concerns about how those costs are allocated within PJM. But then generally speaking, however the transmission costs are allocated in PJM amongst the various PJM zones, you know, the utilities that are operating in those zones, they will take those, in Virginia at least, they will take the, essentially it's PJM costs, which again, not just transmission, but also generation and ancillary services and the various services that the RTOs provide or PJM provides.

And those costs ultimately will be the Virginia portions of them will be passed on to the Virginia utilities customers through a separate proceeding in front of the state corporation commission.

And certainly with the transmission build out where you're starting to see some very aggressive transmission growth that is targeted to serving particular customers or a particular type of customer, yeah, you know, there are concerns about who is paying for that and who should be paying for it. And so in Virginia recently, both of Virginia's two largest utilities recently obtained approval of creating some separate large load classes that are, they're not limited to data centers, but certainly, you know, very large load customers. And those customers have, like, for lack of a better terminology, have essentially, they're on the hook for minimum payments for a certain number of years and minimum demand. And so trying to better shift some of those costs around that is, that's being done at the state level, obviously. I think, certainly we've heard recently from FERC that there may, you know, I think some of the RTOs are gonna be looking at it, at their cost allocation practices in light of this rapid large load growth.

Josh Combs (05:14):

Yeah. And, and I think, you know, and you've mentioned it, but I think that in, where, where my clients are operating, right, in these states where there's not an RTO that's dealing with cost allocation, one of the things that, you know, many jurisdictions have done, I think regulators are asking, you know, what is really driving this, this investment or this project? Is it a handful of customers or is it something that really is needed for the entire system? And I think that as this conversation has kind of collided with political and other, you know, issues, states have, whether through the legislatures or through the commissions themselves, I know in Georgia, they, you know, the commission, you know, and that took the initiative to enact protections on the front end that ensured, right, that customers that were actually driving some of these investments are paying their fair share and that, you know, other customers are not being burdened with the cost of projects that are, you know, really just for a small group of customers.

And I think that, you know, as we think about states being individual labs, some jurisdictions have created separate classes. Some have just had it required certain contractual protections, but you're seeing that states are really jumping in to try and ensure as they think about the overall affordability conversation, that costs are being fairly allocated among customers. And I think that that's certainly obviously being driven by some of the larger load growth that we're seeing. And I do want to transition a little bit and just talk about something that you mentioned earlier, because I think that it, it's something unique, or I will say that in many of the jurisdictions I operate, the issue of not in my backyard is not something that we traditionally face because of the non-competitive aspect of some of the transmission projects. But I do understand that it is a real issue and can really be one of the moving parts that impacts the timeline for transmission projects being approved.

Can you talk about it a little bit about that issue? And really, first of all, what does it mean not in my backyard? But also how have those traditional issues kind of interacted with this unprecedented load growth that we've been talking about?

Andy Flavin (07:33):

Yeah, I mean, it's certainly, you know, you mentioned the "not in my backyard" referred to kind of colloquially as NIMBY. You know, this has certainly existed in a variety of context for a long time. There's not anything new, really. It's existed with, certainly with, with generation. You know, I help clients develop renewable energy facilities. We get plenty of that as well. Just, it's sometimes from different groups. Other times it, you know, it's just, it may be folks sensitive to projects being cited near their homes. But yeah, I mean, in general, it's, you know, the NIMBY-ism is where there are concerns with siting of projects in a particular location because it may, there may be some impacts to whatever those local communities are. However, those local communities may be fine. Well, you know, this is fine as long as you go put it somewhere over there where I can't see it or where it doesn't affect me individually.

So, you know, that is and that's always been an issue with transmission, I would say. I just think right now, it's really, you know, really become a really hot burner issue just because of the certainly in Virginia, at least, with the amount of new construction and rebuilding of existing infrastructure that has to go on in order to meet this load growth. And, you know, there is a, an additional element to it, certainly, that contributes where folks who may be in the path of a transmission project, who may be able to see it, you know, once it's constructed, if there is, even if there is a perception that that transmission line is primarily or exclusively to serve data centers, then that is another motivating factor that can really strengthen local opposition. And the thing that I think is somewhat unique that we're starting to see here is that, you know, for a long time when we had to rebuild projects within an existing right of way, you know, infrastructure gets old, needs to be replaced.

You know, and sometimes we're able to solve reliability needs by, say, for example, putting heavier conductors on an existing set of transmission structures that can carry more load. So, you know, the nice thing is with that is we don't need to start clearing additional right of way or putting in new structures. And, you know, a lot of times, though, in order to do that and to meet the various safety requirements, you're gonna need to remove those existing structures that are there, put a new one in, and that new one may be taller. And, and sometimes, you know, used to not, that used to not really be a huge issue when that happened, but now, particularly with the perception that all, you know, essentially every transmission project is to facilitate data center growth. We're seeing a lot more opposition even to rebuilding in existing corridors.

And, you know, and basically saying, “Well, okay, you know, yes, we have this existing corridor, but we don’t think you should rebuild it here. We think you should rebuild it in an entirely new corridor.” So basically, you know, we don’t wanna see it even though there’s been a transmission line here for the last 100 years. We don’t wanna see it because it’s gonna be a little bit taller. But in some cases, it may be more than a little bit taller, but then the solution is, well, you know, we don’t deny there’s a need, but you need to go build it somewhere else. And, and so that certainly creates challenges. Seeing a lot more opposition now to what used to be relatively, at least what we thought used to be relatively straightforward rebuild projects.

Josh Combs (11:58):

Yeah. And I think that what—and you alluded to this—but what it seems to be happening in what, in my experience, and sounds like similar to what you’re seeing, is that some of these transmission projects are really becoming a proxy for larger issues, larger economic issues about growth, industrial development, water use, even, you know, tax incentives or other incentives that may be provided for large customers. And I think communities and elected leaders now, right, are focusing on, just as when we were talking about cost allocation, when a project is showing up in various communities, well, residents may be asking, “Why is this project being built in our community specifically?” And I think what sometimes what gets lost in that conversation is I know that before we really started to see the impacts and learn about this large load growth, the idea that they’re expanded transmission and kind of providing the interstate highway to get, you know, power from, you know, whether it’s one end of the state to another state or across regions, that was already something that was being addressed.

And so there were already transmission constraints and transmission issues that were being addressed as a result of the proliferation of renewable energy, right? And we’re just seeing that that kind of exacerbated or focused on even more as a result of this kind of vast development. So it’s certainly something that’s not going away, and it’s interesting to see how I think clients and stakeholders are coming up with unique solutions to address these topics. So this has really been, I think, a great conversation, Andy, that we’ve had. I think it’s at the, like I said, the forefront of regulators, legislators, stakeholders. And I think when I think about the takeaways that our audience should have, especially, you know, given this conversation, is that it’s really important that all of these parties are engaging, right, on the front end to talk about, you know, the needs that are arising based on this demand and how the development and projects and how the cost of those projects can be spread among customers.

But I’ve really enjoyed the opportunity to learn and discuss for the audience the kind of the pieces of the puzzle that are relevant to PJM in Virginia. It’s really been a great conversation.

Andy Flavin (14:21):

Thanks, Josh. Yeah, I agree. Appreciate you sharing your experience down in the Southeast where you’re dealing with many of the same issues, but in a different context. And maybe you’re having to solve them under, with some different operational constraints and opportunities as well. So, yeah, I appreciate very much you sharing your experience there. And thank you again for all of your questions.

Josh Combs (14:58):

Yeah. It’s a complicated space, but it’s also, I think, an exciting time for our industry. And I think that this engagement, strategic thinking can really help the process and ensure that everyone is kind of reaching the outcome that that is in their best interest. So thanks again.

Andy Flavin (15:13):

Thank you.

Copyright, Troutman Pepper Locke LLP. These recorded materials are designed for educational purposes only. This podcast is not legal advice and does not create an attorney-client relationship. The views and opinions expressed in this podcast are solely those of the individual participants. Troutman does not make any representations or warranties, express or implied, regarding the contents of this podcast. Information on previous case results does not guarantee a similar future result. Users of this podcast may save and use the podcast only for personal or other non-commercial, educational purposes. No other use, including, without limitation, reproduction, retransmission or editing of this podcast may be made without the prior written permission of Troutman Pepper Locke. If you have any questions, please contact us at troutman.com.

DISCLAIMER: This transcript was generated using artificial intelligence technology and may contain inaccuracies or errors. The transcript is provided “as is,” with no warranty as to the accuracy or reliability. Please listen to the podcast for complete and accurate content. You may [contact us](#) to ask questions or to provide feedback if you believe that something is inaccurately transcribed.

The commentary and views expressed in this video by Troutman Pepper Locke attorneys and/or guests do not necessarily represent the views of Troutman Pepper Locke or the firm’s clients.

RELATED INDUSTRIES + PRACTICES

- [Conventional Power](#)
- [Energy Construction](#)
- [Energy Project Financing](#)
- [FERC](#)
- [State Energy Regulation](#)