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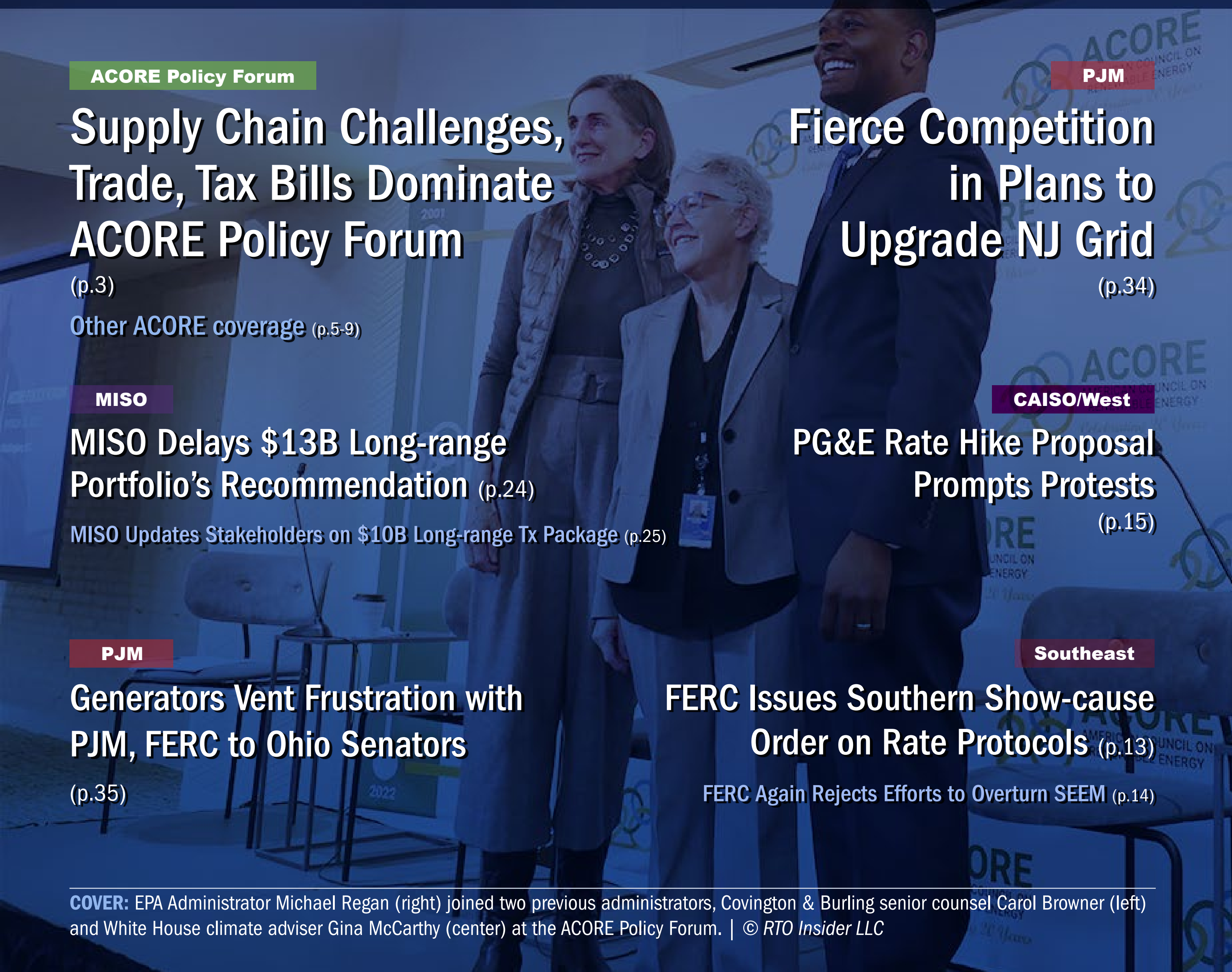

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COVER: EPA Administrator Michael Regan (right) joined two previous administrators, Covington & Burling senior counsel Carol Browner (left) and White House climate adviser Gina McCarthy (center) at the ACORE Policy Forum. | *© RTO Insider LLC*

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In this week's issue

ACORE Policy Forum

Congressional, White House Officials Hopeful for Passage of Tax Credit Package

ACORE Speakers Say Clean Energy is Answer to Dependence on Russian Oil

By K Kaufmann

WASHINGTON — Word that Sen. Joe Manchin (D–W.Va.) is open to resuming negotiations on a scaled-back version of the Build Back Better Act that he torpedoed in December buoyed speakers from Congress and the White House at the American Council on Renewable Energy (ACORE) Policy Forum on Thursday.

Speakers said they hope to pass a package this spring.

National Climate Adviser Gina McCarthy reeled off a list of cost savings the bill's clean energy investments could provide for U.S. families. For example, energy efficiency incentives could reduce home energy bills by $500 per year.

"This is what we can deliver to people," McCarthy told an audience of almost 200 at the live event. "What's wrong with this? Why aren't we running as fast as humanly possible? What Congress needs [is] to get these investments on the table and to move them forward quickly. And we're going to do whatever it takes to get these investments over the finish line."

The Build Back Better Act contained $555 billion in clean energy tax credits and other incentives that organizations like ACORE lobbied hard for last year. The credits are critical for President Joe Biden and the industry to meet the president's goal of a 100% decarbonized grid by 2035 and a net-zero economy by 2050.

In a string of recent media reports, the latest in *E&E News*, Manchin has signaled that he is still open to a reconciliation package that would include at least some of the clean energy incentives. At the same time, Manchin has said he believes responding to the war in Ukraine will require stronger "all of the above" energy policies.

Senate Finance Committee Chair Ron Wyden (D-Ore.), in an afternoon keynote delivered remotely from his Senate office, told the gathering he's confident of having 50 votes in the Senate for his *Clean Energy for America Act*, which would eliminate 44 existing tax breaks and replace them with technology-neutral credits based on emission reductions.

"We will have in the future, a technology-neutral system, which was very important to Sen. Manchin," Wyden said. " And a technology-neutral system would be tied to a very different lodestar, and that lodestar is: the more you reduce your carbon emissions, the bigger your tax savings.

At the ACORE Policy Forum (from left,) Jon Bosworth, legislative director for U.S. Rep. Earl Blumenauer (D-Ore.); Bobby Andres, senior policy adviser for Senate Finance Committee Chair Ron Wyden (D-Ore.); Will Conkling, Google's head of data center energy supply for Americas and EMEA; and Katherine Gensler, vice president of government affairs and marketing for Arevon. | *© RTO Insider LLC*

"I think when Sen. Manchin says … we may need to make some additions to deal with Russia and Ukraine, I don't think it means unraveling Clean Energy for America," he said.

On a panel on the current state of play for energy tax credits, the name "Build Back Better" was, in most cases, strategically avoided. Rather, Will Conkling, Google's head of data center energy supply for the Americas, Europe, the Middle East and Africa, said the uncertainty surrounding the legislative package is making it increasingly hard for his company to sign contracts for renewable energy. Conkling said renewable energy developers "won't even show me a price because they are so uncertain about all the different forces that are at work with that three- or four- or five-year timeline. … Will they even sign a contract today is in doubt."

For clean energy developer *Arevon*, that uncertainty is being played out in supply chain delays, said Katherine Gensler, the company's vice president of government affairs and marketing.

"Our team has spent a lot of time in the last six months renegotiating contracts and pushing schedules out into the future to try to get some alignment and a certainty about when deliveries will be made," she said. "But it just continues to be a challenge, and there's not a clear path."

The Ukraine Conundrum

The Russian invasion of Ukraine has quickly become a flashpoint in political debates about U.S. energy policy. Republicans in Congress continue to slam Biden's clean energy agenda, calling instead for more drilling on public lands and a loosening of regulations to stimulate domestic oil production. Biden and the Democrats have countered that clean energy is now even more critical for national security.

"Clean energy is a triple-edged sword right now," McCarthy said. "It can tackle climate change. It can bring down consumer costs for everyone. And it will be the way in which we drive to national security. This is what clean energy brings to the table every day. And with this brutal war raging in Ukraine, we're seeing just how easy it is for autocrats to use fossil fuels as weapons, unleashing volatility in our global energy markets to pursue their own agenda."

At the ACORE event, the Ukraine discussion centered on the challenge of balancing long-term clean energy goals with the immediate need to ramp up oil and gas production to meet the domestic and foreign demand resulting from import bans on Russian petroleum.

While responding to the current emergency and ensuring our European Union allies have stable energy resources, a longer-term view is still needed, McCarthy said.

"This is an emergency that we'll get through," she said. "But we cannot increase our dependency on fossil fuels. … We have to have this be a short-term, emergency fix toward a longer-term effort to achieve clean energy together, that's consistent with the [climate] commitments that both the EU and the United States" have made.

ACORE CEO Gregory Wetstone agreed that "investments to deal with that short-term need [should] be consistent with the longer term. We want to make sure that we don't see investments in infrastructure that become stranded assets. That's what it comes down to," he said. "That infrastructure needs to be compatible with a clean energy transition."

Speaking on the tax credit panel, Bobby Andres, senior policy adviser for Wyden, similarly said that the war in Ukraine and "events in Europe may actually be spurring additional desire to move on the clean energy package." Build Back Better was "designed to tackle climate issues, was designed for decarbonization, but the design choices also are things that help address energy costs that will spur clean energy development, which will then reduce oil and gas demand, both reducing costs for consumers and allowing us to export more of those [fuels] to our allies."

Failure is Possible

Andres said he believes a reconstituted reconciliation package is the way forward, with a late spring target for passage. The window is narrow and closing, he said. With the Senate now focused on the confirmation of Supreme Court nominee Ketanji Brown Jackson, the work session between Easter and Memorial Day may be the last chance to get the package written and passed this year.

Beginning in the summer, the mid-term elections will provide significant headwinds, with representatives and senators up for re-election focused on short-term issues of concern to their voters and reluctant to push for large, expensive legislative packages, like BBB, said Jon Bosworth, legislative director for U.S. Rep. Earl Blumenauer (D-Ore.).

"Members are potentially nervous about taking bold legislative action," Bosworth said. But, echoing Andres, he said the clean energy tax credits and other incentives can be framed as providing a longer-term solution to current economic stressors such as inflation and high gasoline prices.

"I think we have a good case that providing more energy security and stability in the years ahead [via a reconciliation package] will reduce this type of event from happening again," he said.

But, outside Congress, selling such ideas to voters means shifting the conversation from political to more personal perspectives, McCarthy said.

"One of the things that we've desperately tried to do is to change the discussion from a planetary problem to a people problem," she said. "I want people to understand that what we're doing matters to them and to their families. … These tax incentives, the [production tax credit] and other manufacturing tax incentives are so important because they'll put people back to work, because they will tackle the climate crisis, because they will give us security and independence."

While Andres remains optimistic, he also admitted that failure is possible, and the fallback position for the industry would be to once again lobby to extend existing tax credits in end-of-year legislation, as occurred in 2020.

Gensler cautioned, however, that the extender option could leave out key incentives, such as a tax credit for standalone energy storage, a top priority for her company.

Echoing McCarthy, she said, "Speed is of the essence. We should be running as quickly as possible for each of these policies. Having a reconciliation bill framework presents us with a unique opportunity to lock in long-term policies. Anything we can do to really move the ball forward expeditiously is critically important." ■

Rich Heidorn Jr. contributed to this report.

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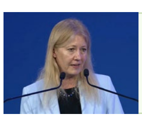

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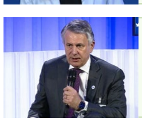

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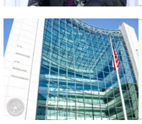

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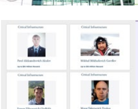

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ACORE Policy Forum

EPA's Regan Confident in Emission Trends Despite Clean Air Act Challenge

White House's McCarthy, FERC's Phillips also Speak at ACORE

By K Kaufmann and Rich Heidorn Jr.

WASHINGTON — EPA Administrator Michael Regan said Thursday he is confident the electric power sector will continue cutting its greenhouse gas emissions despite a challenge to EPA's authority under the Clean Air Act.

Regan told the American Council on Renewable Energy's Policy Forum that the industry will continue to decarbonize because of EPA's broad authority and falling renewable costs, regardless of how the court rules in *West Virginia v. EPA*.

The court heard arguments in February in the challenge by the coal industry and 20 states to EPA's authority to impose "beyond-the-fence-line" regulations on power plants. (See *Supreme Court Hears Arguments on EPA Authority over GHGs*.)

"Obviously, it's our hope that the decision will stay on the more narrow side," he said during an interview with former EPA Administrator Carol Browner, now senior counsel at Covington & Burling. But he said the Clean Air Act is not the only authority at its disposal, citing its "health-based" regulations on air toxics, criteria pollutants, and water and waste disposal.

"We have an agency that doesn't have to overly rely on any one regulation," he said. "And the benefit that we have today is [that] the markets are speaking to us" with almost 80% of current generation investments going to wind, solar and battery storage.

"We have seen so many advancements in technology since 2010. We think that there are lots of … clean energy opportunities for the power sector to deploy inside the fence line [and] outside the fence line."

Regan said the agency is "excited about the fact that the power sector actually wants to engage with us on regulations" to gain certainty for their investment decisions. "It's not a question of what or when, but how and how quickly we [regulate]," he said.

"We are suggesting to the power sector industry that through court-ordered deadlines, statutory authority and shortening some of our regulatory timelines, we can present the power sector with a suite of regulations at the same time. Instead of darkening their doorstep, one regulation at a time, we can present these regulations in one fell swoop or as close as possible, giving them the best chance at determining where their long-term investment should go. And I think most are going to bet on the future of clean energy and not the past. I think that we're in a unique place in history in terms of having the regulatory flexibility to try to tie many of these regulations, match it with the markets and technology."

EPA told the court in February that it expects to issue a Notice of Proposed Rulemaking by the end of 2022 to replace the Clean Power Plan (CPP), proposed by the Obama administration, and the Affordable Clean Energy (ACE) rule, issued by the Trump administration.

Regan said his approach will aid utilities. "Not only can they predict their investment opportunities, but we can all do it in a way where you explain it to the states and explain it to the [public utility] commissioners," he said.

Previewing potential regulations on methane emissions, which could be issued this year, Regan again stressed the importance of industry involvement. "Let's think about the complete utilization of technology and data management, and put a rule in place that does not codify a specific technology that will be outdated in two years," he said.

At the same time, facing a short-term ramp-up in natural gas because of the war in Ukraine, Regan said, "We want that to be the absolute best technology available, and we'd like those investments to be compatible with future opportunities, like hydrogen."

But, he cautioned, "we can't just have a technology-based discussion, because everyone's realized the impacts — the public health impacts, the climate impacts. … The question is, again, how do we transition while providing affordable, reliable, clean energy that keeps this country in a globally competitive position?"

'Walking-around Money'

Regan, who worked as an EPA intern early in his career — when Browner was administrator — said he was thrilled by the funding under the Infrastructure Investment and Jobs Act (IIJA). "I was teasing Carol earlier," he said. "This is the first time EPA has had a little walking-around money, so to speak. So instead of being just a regulator, people actually like to see us come."

'Color-blind' Hydrogen

National Climate Adviser Gina McCarthy also talked about the need for any short-term increase in natural gas production to be consistent with long-term climate goals, pointing to the federal dollars earmarked for hydrogen development in the IIJA.

Almost 200 people attended the ACORE Policy Forum March 24. | *© RTO Insider LLC*

Hydrogen production encompasses "a rainbow of colors": green, blue and gray, she said.

"I think we need to be color-blind," McCarthy said. "What we need to do is evaluate each and every one of those hydrogen streams to look at both upstream and downstream. … And so, while hydrogen can be a real game changer, we can't be blind to the upstream impacts, based on how they're generating hydrogen, and we have to be honest about it and do the best we can to make this truly green."

Phillips Excited for Return to In-person Heckling

FERC Commissioner Willie Phillips, who joined the commission in December, said he's excited by plans to return to in-person meetings by fall.

"For me, I'm a people person. That can't happen fast enough," he said.

The commission will appear on camera but without a live audience in April. "And so we won't have audiences yet," he said. "I can't wait for you all to come in. And you can yell at me directly instead of doing it on Twitter." ■

ACORE Policy Forum

Renewable Industry Banking on Trade Bill, Tax Incentives in 2022

By Rich Heidorn Jr.

WASHINGTON — Supply chain challenges and trade and tax legislation were recurrent themes in discussions at the American Council on Renewable Energy's Policy Forum on Thursday.

ACORE CEO Greg Wetstone | © RTO Insider LLC

ACORE CEO Greg Wetstone opened the daylong session at the Convene conference center on a note of optimism — citing Sen. Joe Manchin's (D-W.Va.) willingness to resume negotiations over the energy tax incentives in the Build Back Better (BBB) bill he had rejected in December — before dourly noting that the Russian invasion of Ukraine had spurred "new enthusiasm for near-term fossil fuel development and … momentum for growing the export of liquefied natural gas."

"Meanwhile, supply constraints, trade policy issues and legislative uncertainty are slowing renewable development," he continued. "The world has changed in ways that are complicated and not fully understood. But a couple of things are clear: We do know that the folly of our continued reliance on the fossil fuel economy — which leaves us vulnerable to unsavory foreign actors and the gyrations of unpredictable markets — has never been more clear."

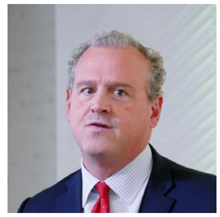
Solar's Headwinds

Katherine Gensler, vice president of government affairs and marketing for Arevon | © RTO Insider LLC

Katherine Gensler, vice president of government affairs and marketing for generation developer Arevon, noted that the U.S. has seen three consecutive quarters of price increases for installed solar. "That has not happened before in the United States," she said.

John Smirnow, general counsel and vice president of market strategy for the Solar Energy Industries Association, said tariffs "are doing great damage" to the solar industry.

"We've literally lost tens of thousands of jobs, multiple gigawatts of solar deployment and billions of dollars of economic investment," he said during a panel on strengthening renewable supply chains through trade and regulatory policy. "Are we still growing as an industry? Sure. Are we going to have our best year ever? Maybe. That's a question mark."



John Smirnow, general counsel and vice president of market strategy for SEIA | © RTO Insider LLC

Smirnow said the solar industry is "dangerously over reliant" on imports. "Ninety-five percent of solar wafers are manufactured in one country, almost in one region. If solar is going to be the economic engine — the national security economic development engine — that we need here in the United States, we have to grow a solar supply chain here."

Doing so, he said, will require the federal government to invest in manufacturing, starting with passage of the clean energy provisions of the BBB bill. "Today as a country, we mainly look to the states to drive economic development. Anytime you see a new announcement for new manufacturing investment, it's always the state governor [or] state economic development officials that are there with the investment," Smirnow said.

"We can't compete for private sector investments by relying on states alone, because other countries aren't relying on their provinces or states alone. And it's not just China. India, for example, just started a new production-linked incentive. That's a big reason why First Solar is building a plant there."

Supply Chain Challenges

Rachel Jones, vice president of energy and resource policy for the National Association of Manufacturers | © RTO Insider LLC

Rachel Jones, vice president of energy and resource policy for the National Association of Manufacturers (NAM), said industry needs to change its siloed "pre-pandemic, pre-Ukraine invasion playbook" focused on the "fastest, easiest" way to obtain supplies. Now, she said, manufacturers must understand not only their direct suppliers but the entire supply chain above them.

"I had a company that was looking to build a facility, and they couldn't get the structural aluminum that they needed," she recalled. "It became a several-day endeavor of unpacking backwards until we identified the global shortage of magnesium [as the problem]. Ultimately, the global shortage of magnesium was about 20 links up the chain and totally out of control of the person that was trying to build a facility. … It was eye opening."

The need for critical minerals, she said, "means all of us in this room need to learn about mining" and processing.

"It's great if you can mine something in the United States. But if there's one country that controls all of the processes for that, you have to then be reliant on them." China, for example, controls almost 90% of rare-earth processing and almost 60% of lithium processing, according to the International Energy Agency.

Offshore Wind: Opportunities and Risks

Grant van Wyngaarden, Ørsted's head of offshore North America procurement | © RTO Insider LLC

Grant van Wyngaarden, Ørsted's head of offshore North America procurement, said the "brand new" supply chain the offshore wind industry is building in the U.S. presents economic development opportunities and "a lot of risks."

Ørsted is building 12 vessels in U.S. shipyards but will need to use foreign heavy-lift installation vessels initially.

One example of opportunity: A plant in South Carolina that will be supplying some of Ørsted's projects with high-voltage submarine cable will also produce cable for export to an offshore wind farm in the U.K.

Among the risks: international competition for supplies. "Other countries — Netherlands, Belgium, Australia and the U.K. — all announced increased [OSW] targets just this month alone, and that increases additional pressure on a constrained supply chain," he said.

Although North American OSW developers are primarily sourcing components from Europe, which has been building offshore turbines for decades, van Wyngaarden said the economics will favor U.S. sources in the long term. Transportation costs are "such a significant portion of the total cost that if we can avoid that cost through domestic production, we're at a sustainable competitive advantage," he said.

Security Concerns

The panel also turned to supply chain-related security concerns.

Jonathan Wakely, a partner with law firm Covington & Burling, said the U.S. government is particularly concerned with ensuring no risks are introduced by manufacturers of supervisory control and data acquisition (SCADA) and other industrial control systems.

Jonathan Wakely, a partner with law firm Covington & Burling | *© RTO Insider LLC*

It also is taking a close look at foreign investment in U.S. renewable projects. "Many of these solar farms [and] wind farms can be located in areas of the country that are close to things that the government cares about [such as military] training and testing that's being done in the air," he said. "Transactions have been prohibited because of those concerns."

At a recent NAM board meeting, Jones said, "The biggest … surprise to me, was to fully appreciate the scale of the cyber warfare that's going on right now, in particular ransomware.

"If you have ransomware that attacks … your [operating technology] system, that takes two or three times as long to rebuild as an [information technology] ransomware type attack. And so far, almost none of these have been reported," she said. "Companies obviously don't want a lot of this [made public]. But I would say … a lot of the supply chain disruptions that we are seeing actually have their roots in cyber warfare by ransomware or other types of things."

Trade Legislation

Congress is considering legislation that could address some of the panelists' concerns.

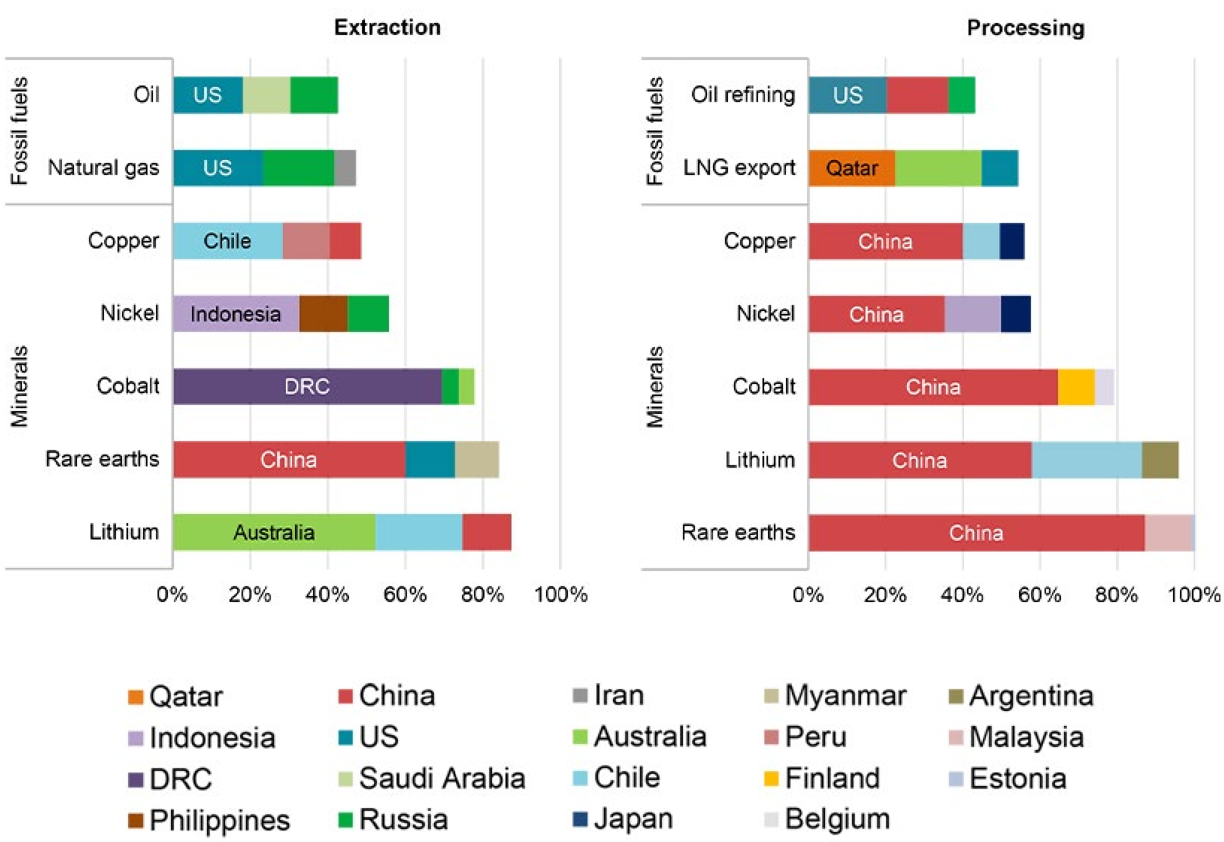
Democratic leaders said earlier this month they will convene a conference committee to iron out differences between the United States Innovation and Competition Act (USICA) (S. 1260), approved by the Senate last June, and the America Creating Opportunities for Manufacturing, Pre-Eminence in Technology and Economic Strength (COMPETES) Act (H.R. 4521), which cleared the House of Representatives on Feb. 4.

Both would provide funding to support supply chain security and U.S. semiconductor manufacturing, research and development.

SEIA's Smirnow said the semiconductor funding would be "hugely valuable," but his group is concerned by "anti-circumvention" provisions in the COMPETES Act that would "reduce due process rights."

Wakely said "every business that does business overseas with foreign partners should look at the outbound investment provision" in the House bill. "This would, for the first time, regulate a broad range of transactions between U.S. businesses and foreign businesses, including investments overseas. It's never been done before; no other country does it. The language is extraordinarily broad."

Jones said NAM supports the USICA provisions on chips and critical minerals. "The way that we're thinking about this is we've got an opportunity right now, all of us in this room, to get the best parts of the House bill [and] the best parts of the Senate bill; we get those all together in the conference." ■



China controls almost 90% of rare earth processing and almost 60% of lithium processing. | *International Energy Agency*

FERC Officials See Need for Changes to RTO Transmission Rules

By Rich Heidorn Jr.

WASHINGTON — FERC officials told the American Council on Renewable Energy's *Policy Forum* on Thursday that RTO transmission planning rules must be revised to support reliability and accommodate the flood of renewable generation.

FERC Commissioner Willie Phillips | *© RTO Insider LLC*

FERC Commissioner Willie Phillips, in what he said was his first speaking engagement since joining the commission in December, cited estimates that weather-related power outages cost Americans $70 billion annually. He also noted the November FERC-NERC staff *report* that concluded interregional transfers from PJM to MISO, and MISO to SPP, were essential to recovery from the February 2021 winter storm. (See *FERC, NERC Release Final Texas Storm Report*.)

"I've taken a lot of meetings since becoming a commissioner. And one of the things I hear all the time is that we have generators [and] transmission developers out there that want to build reliability projects; they want to build these interregional projects. But one of the one of the complaints I've heard is that RTOs sometimes don't really take into consideration the reliability value of interregional lines. The thing I keep asking myself is that, in the wake of Winter Storm Uri, how in the world would you assess the … reliability benefit as zero?

"We have a wakeup call right now," he added. "The transmission development and transmission buildout can be a huge part in addressing reliability and resilience."

"Amen," responded ACORE CEO Greg Wetstone, prompting applause from the nearly 200 in attendance at the Convene conference center.

Phillips said additional transfer capability along the MISO-SPP seam "could have made a huge difference and saved lives" during the storm. MISO and SPP recently estimated that transmission projects among their seam could free up to 53 GW of new low-cost renewables and more than $900 million in adjusted production costs benefits. (See *MISO, SPP Finalize JTIQ Results with MISO Tx Duplicates*.)

'Reactive' Planning Panned

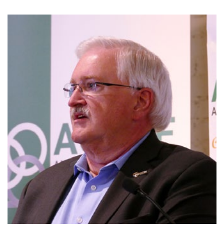
Eric Vandenberg, deputy director of the Office of Energy Policy and Innovation, FERC | *© RTO Insider LLC*

Also speaking at the conference was Eric Vandenberg, deputy director of FERC's Office of Energy Policy and Innovation, who said there was a clear "theme" in the tens of thousands of pages of comments filed in response to FERC's July Advanced Notice of Proposed Rulemaking (ANOPR) on transmission planning (*RM21-17*). The consensus: Transmission planners' "reactive" strategy cannot absorb the influx of renewable generation.

"That process … worked really well for these discrete central station generator interconnections. But now that we're having so many interconnections, and they're all of a much smaller size, that process is starting to break down," Vandenberg said, citing offshore wind projects being built along the East Coast. "That kind of reactive process isn't necessarily the best way to accommodate that multibillion-dollar investment that you're looking to make in offshore wind."

Most commenters on the ANOPR agreed with the commission on the need for changes, but there was no consensus over whether the commission should eliminate participant funding or create independent transmission monitors. (See *FERC Tx Inquiry: Consensus on Need for Change, Discord over Solutions*.)

Vandenberg made his remarks during a panel discussion with speakers from renewable developer RWE Renewables Americas, think tank RMI and Amazon Web Services (AWS), which has about 274 utility-scale generation projects totaling 12 GW in its global portfolio, most in the U.S.



Kevin Gresham, senior vice president of government relations and external affairs for RWE | *© RTO Insider LLC*

Although the panel was titled "Advancing Competitive Wholesale Electricity Markets," the speakers spent much of their time also discussing the need for changes to transmission rules.

Kevin Gresham, senior vice president of government relations and external affairs for RWE, agreed that current transmission planning is too slow for the pace of generation development and that OSW projects need regional plans rather than requiring individual states to cover the costs — as under PJM's "state agreement approach." (See *Fierce Competition in Plans to Upgrade NJ Grid*.)

Craig Sundstrom, AWS' senior manager of energy and environment public policy | *© RTO Insider LLC*

Craig Sundstrom, AWS' senior manager of energy and environment public policy, also called for broader geographical areas in planning and said RTOs should include corporate power purchase agreements in their forecasts. "That kind of load coming on the system is very real; those commitments are real," he said, citing the more than 300 companies that have signed on to *The Climate Pledge*. "Transmission [planning] should account for that."

Sundstrom said AWS is "super excited" by the provisions of the Build Back Better bill, particularly the investment tax credit for high-voltage transmission, calling it "a critical policy to unlock private investment in transmission."

Because of its growing power demands, Sundstrom said AWS has started to get involved in stakeholder processes in PJM and CAISO.

AWS began analyzing the PJM queue in early 2021 and determined "a high likelihood of four to five years of project delays," Sundstrom said. "For companies like ours, that want to decarbonize as fast as possible, that's simply not keeping up with the pace of innovation and renewable deployment."

In CAISO, AWS is challenging the ISO's proposal "to essentially disallow corporate projects with corporate PPAs from availing themselves of resource adequacy in the market, basically limiting those to load-serving entities or utilities," Sundstrom said.

He said the capacity AWS is deploying "provide some level of resource adequacy, which … load-serving entities and utilities [can buy] to meet their own obligations. We think that there should be some parity in that process to ensure that all the investments that we're making in Amazon are also helping them meet the reliability needs in the market."

ACORE Policy Forum

'Make Transmission Sexy'

Katie Siegner, senior associate for carbon-free electricity at RMI | © *RTO Insider LLC*

Katie Siegner — senior associate for carbon-free electricity at RMI, who urged the use of grid-enhancing technologies to relieve some of the pressure on PJM's transmission queue — also said transmission developers need a public relations makeover to respond to local opposition that can prevent RTO-approved projects from being built.

"I feel like there's a lot more public support for renewables than there is for transmission today," she said. "So there's a need that I see to make transmission sexy."

She cited an RMI report documenting the economic development opportunities associated with wind and solar projects.

"There's a need to really highlight [the benefits of] transmission [to respond to complaints that] the lines that go over my state are not benefiting me at all. If we can more clearly communicate how they are — even at a macro scale benefiting us all — that, I think, can help."

Although there was relatively little change in the electric industry for most of its 140-year history, RWE's Gresham said the current transition means more communication is needed between generators and RTOs.

He said RTOs have not always recognized the technological advances of wind turbines. "If there was one thing that I would say [is] still to be worked on, [it] is to have more industry-RTO/ISO discussion and engagement to really figure out, what can these machines do? Because I think part of the hesitation on ancillary services and inverter technology is [a lack of] understanding of how these machines function."

FERC's Vandenberg said he told his staff that they should consider what the electric system will look like in 15 years in evaluating comments from the commission's two technical conferences last fall on the energy and ancillary services markets (AD21-10). (See *Stakeholders Ask FERC to Support E&AS Market Changes*.)

The consensus of the technical conferences, he said, was that no single product will solve all of the issues of the generation transition. "There's a toolkit that you can use, and that toolkit includes things like changes to your operating demand curves for reserves; things like changes to your software; looking at, you know, more efficient ways to commit your resources.

"The other thing that was also very clear is that different regions have different levels of variability and uncertainty and other operational issues that they're all trying to accommodate." ■

FERC Backtracks on Gas Policy Updates

By Michael Brooks

FERC on Thursday walked back updates it made last month to how it would consider natural gas infrastructure applications, labeling the two documents as "drafts" and soliciting public comment (*PL18-1-001, PL21-3-001*).

The Democratic majority on the commission said they were concerned that the updates had created confusion and uncertainty, which the two Republican commissioners had predicted last month when they opposed the orders.

The commission had voted 3-2 to update its 1999 policy statement on natural gas infrastructure certificates (PL18-1) and released guidance on how it will evaluate the impacts of projects' greenhouse gas emissions in its environmental analyses (PL21-3). (See *Split FERC Updates Policies on Gas Infrastructure Applications*.)

Combined, the two documents marked a significant change to how FERC would evaluate the need for gas projects and their impact on the environment, particularly the effect of their emissions on global climate change. But on Thursday, the Democrats said that after having conversations with and hearing feedback from developers, they reluctantly decided to delay the orders' implementation.

"What I've generally heard is that the policy statements raise additional questions that could benefit from further clarification," Chair Richard Glick said. "So we are re-engaging and inviting all stakeholders to comment on top of the 38,000 comments we've already received in response to two Notices of Inquiry."

Glick was referring to the NOI issued under Chair Kevin McIntyre in late 2017 to revise the 1999 statement and the reissued notice in February 2021 that restarted the process after it had languished.

"This vote was a difficult one for me," Commissioner Allison Clements said, "because I believe these policy statements were an important step forward in clarifying factors to be considered in making our public interest determinations and doing so consistent with court mandates. ... Nonetheless, based on the engagement since last month's meeting, I have concluded that we cannot move forward to effectively or efficiently consider and process individual project applications under the new policies without broader agreement across the commission."

Based on statements from each of the Democratic commissioners, it was not clear what exactly gave them pause, nor did the order itself reveal any specific complaints. But Glick did say that after their finalization, the new policies would only apply prospectively; they would not apply to any applications pending before the commission at that time.

Construction of Consumer Energy's Saginaw Trail pipeline project in Michigan | *Consumers Energy*

While Republican Commissioners James Danly and Mark Christie had completely disagreed with the orders themselves, they were particularly incensed that they would apply to already filed applications without giving developers any chance to respond.

They also criticized FERC's acting without public comment first, especially in the case of the GHG guidance, which the commission deemed "interim" while it gathered public comment by April 4.

Comments on the draft statements are due by April 25, with reply comments due May 25.

The move, along with three natural gas projects approved the same day (see below), were "case studies in why it is that every stakeholder should participate in the dockets in which they have an interest," Danly said. "It was because in large measure of the participation of the affected parties that we find ourselves in the position we do. Never doubt the importance of the comments you file or the submissions you put into our dockets. They matter. They count. We read them."

Consensus Possible?

Speaking to reporters, Glick said some developers were "interpreting [the two policies] in certain ways that I'm not entirely sure was intended. ... Overall, we heard from them that there was a lot of confusion out there and ... the goal here is to create less confusion and a framework for a legally durable approach."

Asked whether he was concerned that the commission could reach any consensus on the policies, Glick said, "I still remain positive ... that we can get to 'yes' in many [aspects]. I think we have to hear more and get a better record, which we're going to do."

But Glick made clear during the meeting and with reporters that the commission had to move forward with the changes. He noted that earlier this month, the D.C. Circuit Court of Appeals remanded another gas project approval back to the commission because of its failure to properly examine its greenhouse gas emissions. (See *Court Again Rebukes FERC for Failure to Review Downstream Emissions*.)

Glick was also asked if the move resulted from political pressure from Congress or the White House. Earlier this month the majority was strongly criticized by members of the Senate Energy and Natural Resources Committee, including its chair, Sen. Joe Manchin (D-W.Va.).

FERC/Federal News

(See *Glick: No Regrets over Gas Policy Statements*.)

"One hundred percent no, and I appreciate the question. I know you have to ask that question. I think ... anyone who knows me knows that I'm not going to do anything for political purposes. FERC is an independent agency, and I very much honor that," he said. He added that he believes the same of each of his colleagues.

The move also had nothing to do with the end of his term coming this June, he said.

"I actually like this job. If the president and the Senate are willing to let me stay, I will do so," he said. "There's things in life you can control, and there are things you can't control. And I'm going to focus on the work and what we can control" at the commission.

After FERC's open meeting, in what he said was his first speech since joining the commission, Commissioner Willie Phillips commented on the order at the American Council on Renewable Energy (ACORE) Policy Forum.

"You may have noticed that my colleagues and I had a couple of differences about a couple policy statements regarding natural gas recently that got a little bit of attention," he said. "Today, we set those statements for additional comment to give us time to try to reach a more bipartisan solution. My colleagues and I take our independence as regulators very seriously. Some may even accuse us of digging into our positions and failing to compromise at times. I say: Let's stop digging. That's not FERC. That's not me."

Danly concurred on the order "insofar as it re-designates [the two policies] as draft policy statements, rendering them inoperative." But he dissented because the statements still "exceed the commission's legal authority and ... advance bad policy."

"I am concerned that the same philosophies that animated the commission's issuance of these policy statements in the first place will drive similar action in the future," Danly wrote. "Colleagues who claimed that judicial precedent compelled the commission's adoption of the contents of the now-draft policy statements have not recanted, nor have they disclaimed the policy statements' sweeping jurisdictional claims."

3 Projects Approved

While FERC gathers public input, the commission will continue to consider gas project applications under the 1999 policy statement, Glick said.

On Thursday, the commission unanimously approved three such applications — though Glick, Danly, Clements and Christie each issued a separate concurring statement for each of the projects.

Glick said the commission found that the developers had demonstrated need for each project. He also noted that, based on his own projections, the projects' emissions would not have a significant impact on climate change, though this was not a factor in the commission's decisions. In fact, he said, one of the projects — Iroquois Gas Transmission System's ExC Project in New York (*CP20-48*) — will actually reduce emissions because the transported gas will replace oil used for heating.

The other two projects approved were Kinder Morgan's Evangeline Pass Expansion Project in Louisiana and Mississippi (*CP20-50, CP20-51*), and TC Energy's East Lateral XPress project, also in Louisiana (*CP20-527*). ■

Rich Heidorn Jr. contributed to this report.

FERC/Federal News

FERC Rejects Waiver Request for QF Filing Requirements

By Amanda Durish Cook

FERC said Thursday that a new renewable energy investment firm cannot cut corners when applying for qualifying facility statuses.

Irradiant Partners, an Austin, Texas-based private equity firm focusing on clean energy infrastructure, asked the commission last November to waive a requirement that it submit recertifications for generators to be qualifying facilities (QF) under the Public Utility Regulatory Policies Act.

The commission, which requires a QF's status be recertified when a generators' upstream management changes, declined the ask (*EL22-8*).

Irradiant was spun off from Kayne Anderson Capital Advisors in October. Upon forming, it acquired a controlling ownership interest in a portfolio of 185 small renewable generation projects across the country. The equity firm argued that the facilities were all under 20 MW and not yet in operation. Irradiant also said Kayne Anderson, despite not being under FERC jurisdiction, had already filed for QF statuses.

FERC rejected the argument, saying it's important it have current and accurate QF information on file. It said that a change in upstream control is too big to overlook.

"The commission has found that ownership information, in particular, is important; it assists the commission in monitoring potential discrimination in the provision of service and in reviewing the extent to which QFs should continue to be exempt from various provisions of the [Federal Power Act] and state laws," it said.

Construction of the Lyons Road Solar project in Michigan, a joint venture of Irradiant Partners and Pine Gate Renewables | *Pine Gate Renewables*

The commission also rebuffed Irradiant's argument that preparing and filing nearly 200 recertifications would be too labor-intensive and too time-consuming. It said because Kayne Anderson had already applied for QF statuses, Irradiant largely had copy-and-paste work ahead of it.

Irradiant "is overstating the time and effort" required to reapply for QF status, the commission said. It said for each facility, Irradiant must provide mostly "fill-in -the-blank or check-the-box" information on six or seven pages in addition to supplying one- to two- paragraph descriptions for the renewable generators. ■

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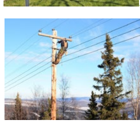

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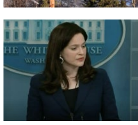

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Southeast

FERC Issues Southern Show-cause Order on Rate Protocols

Commission Finds Key Issues in Three Areas

By Holden Mann

Southern Company's headquarters in Atlanta | *Shutterstock*

FERC on Thursday raised concerns about Southern Co.'s formula rate protocols, issuing the utility a show-cause order to explain either why the protocols should remain in place under its Open Access Transmission Tariff (OATT) or how it would change the OATT to address the commission's concerns (*EL22-27*).

In its order, FERC identified deficiencies with Southern's formula rate protocols in three areas: scope of participation; transparency of information exchange; and ability of customers to challenge transmission owners' implementation of the formula rate.

The first issue is based on the commission's requirement that formula rate protocols allow "all interested parties [to participate] in information exchange and review processes," including ratepayers, state utility regulatory commissions, consumer advocacy groups and state attorneys general. FERC found that the wording of Southern's protocol may have inadvertently left some stakeholders out of the process.

"While Southern allows an 'interested party or Commission Trial Staff' to participate in the customer meetings, information exchange, and challenge procedures, its formula rate protocols do not define the term 'interested party' to generally identify which parties can participate," FERC said. It ordered Southern to either rewrite the relevant section to specify who may participate in the procedures and to provide all such parties access to information about annual updates to the protocols, or to show cause why it should not be required to do so.

The commission's transparency argument warns that interested parties might not be able to access the information they would need to evaluate the correctness of the formula rate, potentially leaving them unable to challenge it. This is because Southern's protocol only requires that "workpapers and underlying service data" be filed as supporting documentation.

This requirement is a violation of previous FERC orders that mandate that "formula rate protocols must include greater detail regarding the financial and cost information from which a transmission owner's rates are developed. This information must include underlying data and calculations supporting the formula rate annual updates … [including] underlying data and calculations supporting the formula rate annual updates."

FERC also found Southern's protocols deficient in several other ways: providing no procedure for making document requests, limiting the reach of potential information requests, failing to require disclosure of accounting changes that might impact the formula rate, and not providing for an annual meeting, among others. Again, the utility is required to justify its protocols or explain how it plans to remedy the issues.

Finally, the commission said Southern's formula rate protocols do not provide sufficient detail relating to how interested parties can file formal and informal challenges to the utility's rates. For example, Southern's protocols do not require senior representatives to work with interested parties and improperly "limit the subject of a formal challenge to an interested party's previous informal challenge."

In addition, FERC said the language of Southern's protocols "strictly [limits] the commission's procedural options" regarding challenges to the utility's rates. Specifically, the commission noted that Southern asserted its burden of proof in any FERC-ordered proceeding falls under Section 205 of the Federal Power Act; this raises the possibility of an attempt to prevent any proceeding under Section 206 of the FPA.

Under the commission's order, Southern is required to file its response within 60 days. Interested parties are also invited to respond in the same docket. ■

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Southeast

FERC Again Rejects Efforts to Overturn SEEM

Commission Denies Rehearing, but Addresses Opponents' Arguments

By Holden Mann

| SEEM

FERC on Thursday once again rejected attempts by environmental, clean energy and community groups to overturn both its approval of the Southeast Energy Exchange Market (*SEEM*) and its subsequent orders implementing the market (*ER21-1111*, *et al.*).

The petitioners — two separate collections of activist organizations calling themselves the Clean Energy Coalition and the Public Interest Organizations (PIOs) — have been active in their opposition to SEEM since before the market came into effect by force of law last October because of the inability of commissioners to form a majority either for or against approval. (See *SEEM to Move Ahead, Minus FERC Approval*.)

The groups challenged this and were denied by the commission. Their request for rehearing Nov. 12 (30 days after the Oct. 13 announcement that the agreement had taken effect) was rejected on the grounds that it was filed out of time; FERC reasoned that the request should have been filed by Nov. 10 (30 days after the deadline for FERC to issue an order expired on Oct. 11, Columbus Day).

After the SEEM agreement became effective, FERC in November approved revisions to four of the participating utilities' open access transmission tariffs (OATT) implementing the non-firm energy exchange transmission service (NFEETS) used to deliver the market's energy transactions. (See *FERC Accepts Key Tariff Revisions to SEEM*.) The petitioners also filed for rehearing of this request, which FERC likewise denied.

Thursday's orders affirmed FERC's decisions in both of these cases. Regarding the rehearing request for the original SEEM approval, the commission argued that "the statutory deadline under Section 205(d) [of the Federal Power Act] is a strict requirement." While petitioners had pointed out that FERC has previously allowed more time for filing rehearing requests because the deadline for commission action fell on a public holiday or a weekend, the commission replied that court decisions have not allowed such extensions for decisions relating to electric rates.

FERC was likewise "unpersuaded" by the petitioners' description of the OATT amendments as discriminatory. For one thing, the commission said, the PIOs and Clean Energy Coalition had merely repeated their claims that the SEEM agreement constitutes a loose power pool, claims that "were thoroughly addressed in the November 2021 order."

Additionally, the petitioners had argued that SEEM members have "absolute discretion" about whether NFEETS is used. FERC said that this is not true, because NFEETS is so fundamental to the system that there is no discretion available to members on this point; NFEETS must be used for SEEM to function at all. The commission also disagreed with the claim that requiring "good financial standing" to access NFEETS, as required in the OATT amendments, is unreasonable, as the original OATT also included requirements related to creditworthiness.

Commissioners' Statements Point to Pending Appeal

Some of the members of the two petitioner groups have also separately filed an appeal in the D.C. Circuit Court of Appeals, asking the court to set aside SEEM's implementation and FERC's approval of the tariff amendments. (See *Environmental Groups Appeal SEEM in DC Circuit*.) Thursday's order did not directly discuss those challenges, though Commissioners James Danly and Mark Christie issued concurring statements intended to clarify statements of theirs, cited by the petitioners in their arguments, for the benefit of "any reviewing court."

Danly's and Christie's clarifications pertain to their statements of Oct. 20 explaining their support for the SEEM agreement. (Chairman Richard Glick and Commissioner Allison Clements both voted against approval.) Both statements included language that the petitioners interpreted to support their contention that the SEEM agreement took effect later than Oct. 11; Christie and Danly emphasized in their concurrences that this was not their intent, and they both agreed with the commission's timeline.

Clements also concurred with FERC's decision to deny rehearing of the SEEM agreement, though she called it a "close case" that is "lamentable insofar as it deprives the rehearing parties a chance to be heard on the merits of their claims" and also leaves unaddressed the question of whether FERC's deadline for action continues to run during a federal holiday or emergency. Unlike her colleagues, Clements did mention the pending case before the D.C. Circuit, which she hoped would provide "clarity in this difficult matter."

Clements had dissented on the amendments approval, writing that she agreed with petitioners that "NFEETS is provided through a loose power pool, [and] the majority's determination to the contrary is arbitrary and capricious."

"I am an ardent supporter of electric markets when they are used to meaningfully harness competition and ensure better outcomes for customers, including through reduced costs and reliability benefits," Clements wrote. She warned that the decision "puts a camel's nose of discrimination under FERC's tent, threatening to despoil the principles this commission has long held dear. Whatever the potential market benefits of SEEM, the means by which utilities transition towards such a market cannot be permitted to undermine the bedrock principle of ensuring open access to non-discriminatory rates and service." ■

CAISO/West News

PG&E Rate Hike Proposal Prompts Protests

Utility is Seeking 'Unprecedented' 30% Increase from Last GRC

By Hudson Sangree

Pacific Gas and Electric's request for major rate hikes over the next four years, following substantial increases this year, provoked an outpouring of customer complaints during recent public forums held by the California Public Utilities Commission.

PG&E said it needs a huge boost in its 2023-26 General Rate Case (GRC) in part to pay for electric system upgrades to prevent wildfires.

In one CPUC forum March 22, however, residents objected to PG&E receiving more money for grid hardening to prevent wildfires after years of deferred maintenance and lax vegetation management led to some of the worst fires in state history over the last five years.

"I think these are unreasonable increases, and PG&E needed to address some of their problems years ago," Bernadette Mcewen, a senior citizen from rural Tuolumne County, told two CPUC commissioners and an administrative law judge. "What are we going to expect from these increases? Just further increases, I would assume."

Mcewen said her electric bill had increased by more than 20% since 2018.

PG&E "shareholders also need to take the burden of future [wildfire] prevention," she said. "I do not believe that this hefty increase should be shouldered completely by the ratepayers."

The combination of wildfire mitigation efforts, rising natural gas prices and California's transition to renewable energy have led to steeply rising bills for customers of the state's three largest investor-owned utilities, including Southern California Edison and San Diego Gas & Electric.

PG&E customers have borne the worst of it. The utility's electric ratepayers were hit with a $1 billion rate hike in January followed by a $1.1 billion increase in March. The increases were mainly driven by higher-than-expected prices for natural gas, used in generation, and newly imposed FERC transmission-rate requirements.

Together, the increases worked out to a 19% rate hike in the past two months, or about $28/month for the average customer.

In its 2023-26 GRC, now before the CPUC, PG&E asked for a $15.5 billion base revenue requirement for its gas and electric operations — an "unprecedented" 30% increase over its 2020-22 GRC, according to the CPUC's Public Advocates Office, which filed a protest in the matter.

That could translate to a 16% rate hike for residential electric customers in 2023 and a cumulative 23% increase through 2026. Combined with this year's rate hikes, customers could see a 42% increase in their electric bills in five years. Average residential customers who paid about $135 per month last year would pay $186 by 2026.

In its protest, The Utility Reform Network (TURN) called the proposed rate hikes "shocking increases … not seen before in a major utility's general rate case."

The costs could be far higher than the GRC suggests, especially if the CPUC eventually approves a PG&E proposal to bury 10,000 miles of power lines in high-threat fire districts, TURN said.

Cost estimates for the effort have been scanty until recently, but information provided by PG&E to *RTO Insider* last week shows an estimated cost of nearly $11 billion for the undergrounding effort from 2022 to 2026. State and federal infrastructure funding could potentially pay for some of the effort, but ratepayers would likely have to absorb a significant share.

In the meantime, PG&E has asked for more than $1 billion in its GRC to prevent wildfires following five years of catastrophic blazes ignited by PG&E equipment. The money would pay for grid hardening and upgrades including undergrounding about 170 miles of power lines in and around Paradise, the town destroyed by the PG&E-caused Camp Fire in November 2018.

"PG&E's most important responsibility is the safety of our customers and the communities we serve," the utility said in its *amended application* filed March 10. "Our GRC forecast includes reasonable costs required to provide safe and reliable service and follow best industry practices."

"Regulations require PG&E to take certain actions," it said. "As an electric utility, PG&E's wildfire mitigation proposals in this GRC follow the legislature's mandate to 'construct, maintain and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment' and achieve 'the highest level of safety, reliability and resiliency.'"

| © RTO Insider LLC

The utility also asked for $900 million for its move from its century-old San Francisco headquarters, which it agreed to sell last year for $800 million, to its new building in nearby Oakland.

Other major expenses include a $220 million increase for utility pole and meter replacements, $172 million for new customer connections and upgrades associated with electric-vehicle adoption, and $168 million for hydropower plant improvements, the CPUC said in a summary.

PG&E's 2023-26 rate case is a new four-year combined gas and electric plan ordered by the CPUC. Prior GRCs were two years, with gas and electric filings weighed separately.

The CPUC will decide PG&E's rate case later this year. The plan is scheduled to take effect Jan. 1, 2023. ■

CAISO/West News

FERC Extends Deadline to Justify Exceeding Price Cap in West

By Robert Mullin

Sellers of spot electricity that exceeds the price cap for the Western Interconnection will have more time to justify the higher prices to FERC the commission ruled Thursday (*EL10-56*).

FERC approved a motion by Macquarie Energy and Mercuria Energy America to extend the deadline for cost-justification filings to 30 days after the end of the month in which an "excess sale" occurred.

Sellers currently have seven days to make the submission.

The commission established a price cap in the WECC area outside CAISO in July 2002 after the Western energy crisis of 2000/01, when widespread manipulation in the California market sent the wider region's wholesale prices skyrocketing. The $250/MWh price cap set in 2002 was, with FERC approval, increased to $1,000/MWh in 2010 after CAISO raised its cap to that level.

When it set the price cap in 2002, FERC clarified that it was in fact a soft cap, saying that "prices can be above the cap but will be subject to justification and refund." It also established the seven-day cost justification deadline.

In their identical requests to extend the filing deadline, Macquarie and Mercuria said the complexity of gathering information to submit a justification warranted more time.

After making an excess sale, the companies said they must identify the scope of trades above the soft cap and ensure the trades have been finalized from a contractual perspective. Then they need to "gather information about the market fundamentals and other factors driving prices," as well as data related to production costs, opportunity costs and other indices supporting their arguments.

The sellers then have to identify other costs and risks and prepare the submission, including pleadings and declarations.

"Both parties argue that it is very challenging to complete these tasks in seven days, and they contend that 30 days from the end of the month of a trade is a more reasonable deadline," FERC noted in its order.

The two parties also contended that changing the deadline would lessen the burden on FERC by reducing the instances when the commission must deal with repeated motions for extension and answers to those motions, as well as avoiding the need for sellers to make an initial filing to meet the seven-day deadline, followed by supplements to reflect changes.

Tenaska, Tri-State Generation and Transmission, Brookfield Renewable Energy and Trading and EDF Trading all filed comments in support of the plan. Tenaska said it appreciated FERC's willingness to allow "one-off" extensions to the deadlines but said it was still challenging to assemble the needed data within seven days.

Tri-State said the commission's recent approvals of extensions demonstrated the need for longer deadlines.

"We agree that allowing parties more time to gather the required information for a filing will likely lead to more complete filings, increase the likelihood that market participants will receive settlement data for relevant transactions that are billed on a monthly cycle, and will help ensure that market participants are considering all sales in a given month and are not making rolling submissions for each trade date," FERC said in approving the motion.

"Finally, we expect that an extension will not only minimize the need for supplemental filings and amendments, but also reduce the number of requests for individual extensions," it said. ■

Coal plant belonging to Tri-State Generation and Transmission, one of a number of utilities and marketers that endorsed the motion urging FERC to extend the cost justification filing deadline to 30 days. | *Tri-State Generation and Transmission*

FERC Approves BPA's 2022 Power and Transmission Rates

By Robert Mullin

FERC last week approved the Bonneville Power Administration's proposed 2022 wholesale power and transmission rates — a formality by the commission that carries little weight under federal law.

Under the Northwest Power Act, FERC's review of BPA's proposed rates is limited to determining whether the rates:

- are sufficient to assure repayment of federal investment in the Federal Columbia River Power System over a "reasonable" number of years after meeting BPA's costs;
- are based on BPA's total system costs; and
- equitably distribute the costs of the federal transmission system between federal and non-federal generation.

Unlike its jurisdictional authority over public utilities under the Federal Power Act, FERC does not hold authority to modify BPA's proposed rates, which are developed by BPA's federally appointed administrator and then submitted to the commission for approval or disapproval.

"In this regard, the commission's role can be viewed as an appellate one: to affirm or remand the rates submitted to it for review," FERC noted in its order Thursday (*EF21-3*).

Under its rate proposals, BPA estimated that the filed rates will produce average annual power revenues of $2.774 billion and annual transmission and ancillary services revenues of $1.151 billion, sufficient to recover its costs for the 2021-23 rate approval period while also providing 95% probability that it can make all required payments to the U.S. Treasury Department on time.

"The traditional measure of the adequacy of Bonneville's revenues has been the power repayment study," the commission wrote. "Bonneville's generation and transmission repayment studies indicate that the revenues expected to be collected under the proposed rates will be sufficient to recover the total system costs, including the recovery of the remaining federal investment, with interest, over the repayment period."

The commission's order also rejected a joint protest by the Idaho Conservation League, Great Old Broads for Wilderness and Idaho Rivers United, who argued that BPA has not met its statutory obligation to "protect, mitigate, and enhance fish and wildlife" affected by the federal hydropower system or demonstrate "equitable treatment" for fish and wildlife overall.

The protesters contended that the Northwest Power Act requires that BPA's funding decisions be subject to an "equitable treatment" mandate and that the agency must take the Northwest Power and Conservation Council's fish and wildlife program into account "to the fullest extent practicable" when setting funding levels for fish and wildlife mitigation. BPA's failure to re-evaluate its fish and wildlife funding in the rate case represented a violation of the Northwest Power Act and Administrative Procedure Act, the protesters said.

In dismissing the protest, the commission agreed with BPA that the protesters' arguments fell outside FERC's limited jurisdiction over BPA's rates under the Northwest Power Act.

"We agree with Bonneville that the commission's review of Bonneville's power and transmission rates is limited by Section 7(a)(2) of the Northwest Power Act," the commission said. "Bonneville's compliance with its environmental review and fish and wildlife protection obligations is thus outside the scope of the commission's review under Section 7(a)(2). Because our review is limited to the relevant provisions of the Northwest Power Act, we do not address the joint protesters' allegation that Bonneville has violated the Administrative Procedure Act." ■

BPA transmission lines near The Dalles Dam. | © *RTO Insider*

CAISO/West News

Inslee Partially Vetoes Wash. Siting Council Bill

Move Angers Republicans from Rural Eastern Part of State

By John Stang

Washington Gov. Jay Inslee on Friday vetoed a section of a state energy siting council expansion bill that called for a study of the impacts of solar and wind farms on rural areas.

The veto drew criticism from two Republican representatives from rural Eastern Washington, where most of the state's solar and wind farms have been located. A common complaint from critics of wind and solar farms is that wide-open rural Eastern Washington hosts most of the projects while the electricity produced there goes to heavily populated and forested Western Washington.

The Democrat-controlled legislature this month passed *House Bill 1812*, sponsored by Rep Joe Fitzgibbon (D), to take Washington's Energy Facilities Site Evaluation Council (EFSEC) outside the umbrella of its parent, the Washington Utilities and Transportation Commission, and make it an independent agency. (See *Bill to Expand Powers of Wash. Siting Council Passes Senate*.)

EFSEC, comprising representatives from several state agencies, makes recommendations to the governor for final decisions on the placement of solar farms, wind turbines and other energy resources.

Under existing regulations, a wind or solar developer opting to seek state approval instead of obtaining county permits can bypass county governments by going through EFSEC. Or a developer can choose to have the appropriate county government handle the permitting, sidestepping EFSEC.

Besides being an option for wind and solar ventures, the expanded EFSEC will also have jurisdiction over clean energy product manufacturing facilities, renewable natural gas facilities and hydrogen production plants.

The vetoed section of the bill would have required the Washington Department of Commerce to meet with rural stakeholders to prepare cost-benefit reports on renewable projects, including recommendations on how to more equitably distribute costs and benefits of energy projects to rural communities.

Gov. Jay Inslee | *Gov. Jay Inslee via Twitter*

In his Friday veto, Inslee wrote that meeting with rural stakeholders is important, but he said that existing studies and meetings are already underway on the issue, including a study on the drawing board by Washington State University. Inslee also wrote that the supplemental budget for fiscal 2023, which begins July 1, 2022, does not include money for the study requested by House Bill 1812. He wrote that the legislature should request such money in its 2023 session.

On Friday, Reps. Mary Dye (R) and Mark Klicker (R) issued a joint press release condemning the veto. "To say that we are beyond disappointed with the governor's vetoes is an understatement," Dye said.

"It is critical for our rural communities and local landowners, especially those in Eastern Washington, to see the big picture of what 30 years of siting utility-scale wind and solar would do to Washington's rural landscape," Dye said. "Now that the governor has vetoed these sections, it opens the flood gates for big out-of-state energy corporations to swoop into these small, rural economically-disadvantaged communities and offer leases at a fraction of the value of the agricultural land to struggling farmers and landowners. It's absolutely devastating to our Eastern Washington farmlands."

"Those who are living where the green energy is being sited know that the jobs and tax-base impacts have been more salesmanship than substance," Klicker said. "We asked for a study to show the true costs and benefits, and the governor's vetoes show we were right to be skeptical. If there was going to be good news about jobs and taxes from these projects, the governor surely would have wanted that documented."

Dye added: "The governor's strategy amounts to a hasty build-out of clean energy to serve the Puget Sound without any burden of siting massive wind farms in the Puget Sound view shed. Instead, these facilities will all be sited in our rural counties that have no need for the energy and are already served by clean, affordable hydroelectricity." ■

CAISO/West News

Calif. Auditor Criticizes Wildfire Oversight of IOUs

By Hudson Sangree

The two California state entities that oversee investor-owned utility wildfire prevention programs need to exercise their authority more effectively to limit ignitions and public safety power shutoffs, the State Auditor said in a report published Thursday.

The California Public Utilities Commission and the recently formed Office of Energy Infrastructure Safety have fallen short in both regards, Acting State Auditor Michael Tilden said in his *report* to the state Legislature and Gov. Gavin Newsom.

The CPUC and Energy Safety Office share oversight of the wildfire prevention activities and performance of the state's IOUs, including Pacific Gas and Electric, Southern California Edison and San Diego Gas & Electric.

The Energy Safety Office accepted utility wildfire mitigation plans despite serious deficiencies and did not ensure proposed improvements were in high-fire threat areas, Tilden wrote.

"The office approved plans despite some utilities' failure to demonstrate that they are appropriately prioritizing their mitigation activities, and subsequent reviews have found that some utilities failed to focus their efforts in high fire-threat areas," he said.

The CPUC, which audits utilities to determine if they comply with safety rules, "did not audit all utility service territories on a consistent basis, did not audit several areas that include high fire-threat areas, and has not used its authority to penalize utilities when its audits uncover violations," he said.

Six of the state's 20 most catastrophic fires since 2015 were started by utility equipment, Tilden noted. To prevent ignition, IOUs initiated 67 shutoffs from 2013 to 2021, affecting 3.6 million customers, he said.

Utilities have been making improvements, including undergrounding power lines and replacing bare wires with covered conductor, but they have hardened only about 1,500 miles of the estimated 40,000 miles of bare lines in high-threat fire areas, Tilden noted.

"As a result, the state must prioritize the areas utilities need to address first," he wrote.

Among his recommendations is bolstering a state law that took effect in January requiring utilities to identify line sections that are regularly de-energized to prevent ignitions during dry windy conditions.

"The state could strengthen this law by requiring utilities to identify what is necessary to prevent future power shutoffs if the conditions leading to those shutoffs were to occur again, and to address a type of power outage caused by altering equipment settings [to trigger fast shutoffs] that led to more than 600 unplanned power outages in 2021," he said.

The CPUC said in a statement that it is "committed to the continuous improvement of its operations. Accordingly, the CPUC will establish a plan and timelines toward implementing the recommendations identified in the California State Auditor's report."

Its detailed responses to the audit, along with the responses of the Energy Safety Office, are included with the report.

Wildfires started by utility equipment included last year's Dixie Fire. | *U.S. Forest Service*

The commission agreed, for example, that it needs to take a more risk-based approach to its utility audits but disagreed partly with a recommendation for penalizing underperforming utilities.

The Energy Safety Office defended its record, saying the complex process of promoting a safer grid would take time, but agreed that utilities need to "move faster and be smarter" in their fire prevention efforts.

"Utilities will not get ahead of their wildfire risk until they reimagine how they build, operate, and manage their infrastructure," Director Caroline Thomas Jacobs wrote.

"Energy Safety is committed to driving timely, meaningful and effective changes to the way California's electrical corporations build, operate and maintain their infrastructure," she said. "Energy Safety will continue to challenge them, question them and demand continuous improvements to safety." ■

ISO-NE News

Court Backs FERC over ISO-NE's Order 1000 Compliance

The D.C. Circuit Court of Appeals backed FERC over ISO-NE's Order 1000 compliance. | © *RTO Insider LLC*

The D.C. Circuit Court of Appeals issued an opinion March 22 siding with FERC over its finding that ISO-NE adequately complied with Order 1000's provisions on competitive bidding for transmission projects.

The three-judge panel, led by A. Raymond Randolph, rejected a petition for judicial review from LSP Transmission Holdings (*20-1422*).

The petition centered around ISO-NE's compliance with Order 1000's requirement that RTOs remove "right of first refusal" provisions for transmission planning and move to a competitive selection process.

In 2013, while approving ISO-NE's tariff revisions, FERC agreed that the RTO wouldn't have to use a competitive process if it was dealing with "reliability-related" transmission projects, which are classified as those needed in three years or less to fix reliability violations on the system.

FERC later expressed concerns about the high number of projects with estimated "need-by dates" occurring within that three-year window but before the projects were in line to become operational.

In the docket where FERC asked ISO-NE to demonstrate compliance, LSP asked the commission to eliminate or limit the competition exception for reliability projects. But the commission ultimately found "insufficient evidence" that ISO-NE was noncompliant with Order 1000; the court declined to review that finding.

The judges wrote that because FERC had previously found that using need-by dates is preferable to in-service dates, it can again use that reasoning to dismiss LSP's petition.

"We see nothing irrational in the commission's response to LSP's general criticism of ISO New England's use of more conservative assumptions regarding its system capacity and future management," they said.

And ultimately, the court found, it's up to FERC to decide.

"The appropriate balance struck — between competitive procurement and quick redress of reliability needs — is the sort of policy judgment left to the commission," the judges wrote. ■

— Sam Mintz

ISO-NE News

NEPOOL Transmission Committee Briefs

DER Interconnection Process

ISO-NE is proposing a change to its rules that would always send distributed energy resources through state interconnection processes.

In a *presentation* to the NEPOOL Transmission Committee on Wednesday, Al McBride, ISO-NE's director of transmission strategy and services, said doing so would get rid of a complex decision on whether new DER projects should be under the jurisdiction of state interconnection rules or FERC's.

McBride said that tracking the jurisdiction status of thousands of DERs in the region is "extremely challenging and time-consuming." And some developers, he said, are being forced to complete both state and RTO processes for no reliability purpose.

Under the proposed change, all distribution-connected generation would go through state interconnection processes, although it would still be reviewed by the RTO because of the rules laid out in section I.3.9 of the tariff.

The RTO is planning to present redlines at next month's TC meeting.

Update on Ambient-adjusted Ratings Compliance

ISO-NE is also working on a compliance filing for FERC Order 881, which requires the incorporation of ambient-adjusted transmission line ratings. Such ratings take air temperature into account when determining how much electricity can move through the lines.

Graham Jesmer, ISO-NE regulatory counsel, *told the committee* that the RTO is moving to have the filing ready by a July 12 deadline.

The order requires RTOs and ISOs to "allow transmission owners to electronically update transmission line ratings at least hourly."

The compliance filing will consist of a new attachment to the tariff, which the RTO will be writing over the next few weeks.

After it finalizes the filing, ISO-NE will have to move to implementation, which has a deadline of July 2025, Jesmer said. That will involve changes to the RTO's governing documents and systems and software, as well as conversations with transmission owners and providers, which Jesmer said are already underway.

676-J Compliance

The committee also voted to recommend that the Participants Committee approve the RTO's revisions to Schedule 18 and Schedule 24 of the tariff. The revisions would address FERC's directive in Order 676-J to incorporate by reference cybersecurity standards and Parallel Flow Visualization standards from the latest version of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant of the North American Energy Standards Board. ■

— Sam Mintz

ISO-NE gave updates on several of its transmission priorities to the NEPOOL Transmission Committee. | *ISO-NE*

ISO-NE News

Highlights from FCA 16: No New Gas, No Big Storage

By Sam Mintz

New England's Forward Capacity Auction last month offered no big surprises, but it did hint at coming shifts in the dynamics of the region's energy supply.

While the FCA 16 clearing price fell in the Southeast New England zone, the market overall stayed relatively steady from the previous year's auction, with minimal turnover in the generator fleet and relatively low prices. (See *ISO-NE Announces Capacity Auction Results After Killingly Delay*.)

It was, as one observer put it, the "calm before the storm" as New England prepares to transition away from the minimum offer price rule.

The new generation that entered this year came from storage and solar, with no new gas-powered generators or repowering projects.

"I think that reflects the fact that the economics are challenging for non-renewable resources," said Scott Niemann, a director at the research and consulting firm ESAI Power. "And what's coming in is really driven by public policy."

ISO-NE published the full results of the auction in a *filing* with FERC last week.

Merrimack Station

New England's last remaining coal plant, Merrimack Station in New Hampshire, cleared the auction.

But it did so after a dynamic delist bid that ultimately lowered its payments by 128 MW worth of capacity, or roughly $300,000 a month at the clearing price of $2.48/kW-month.

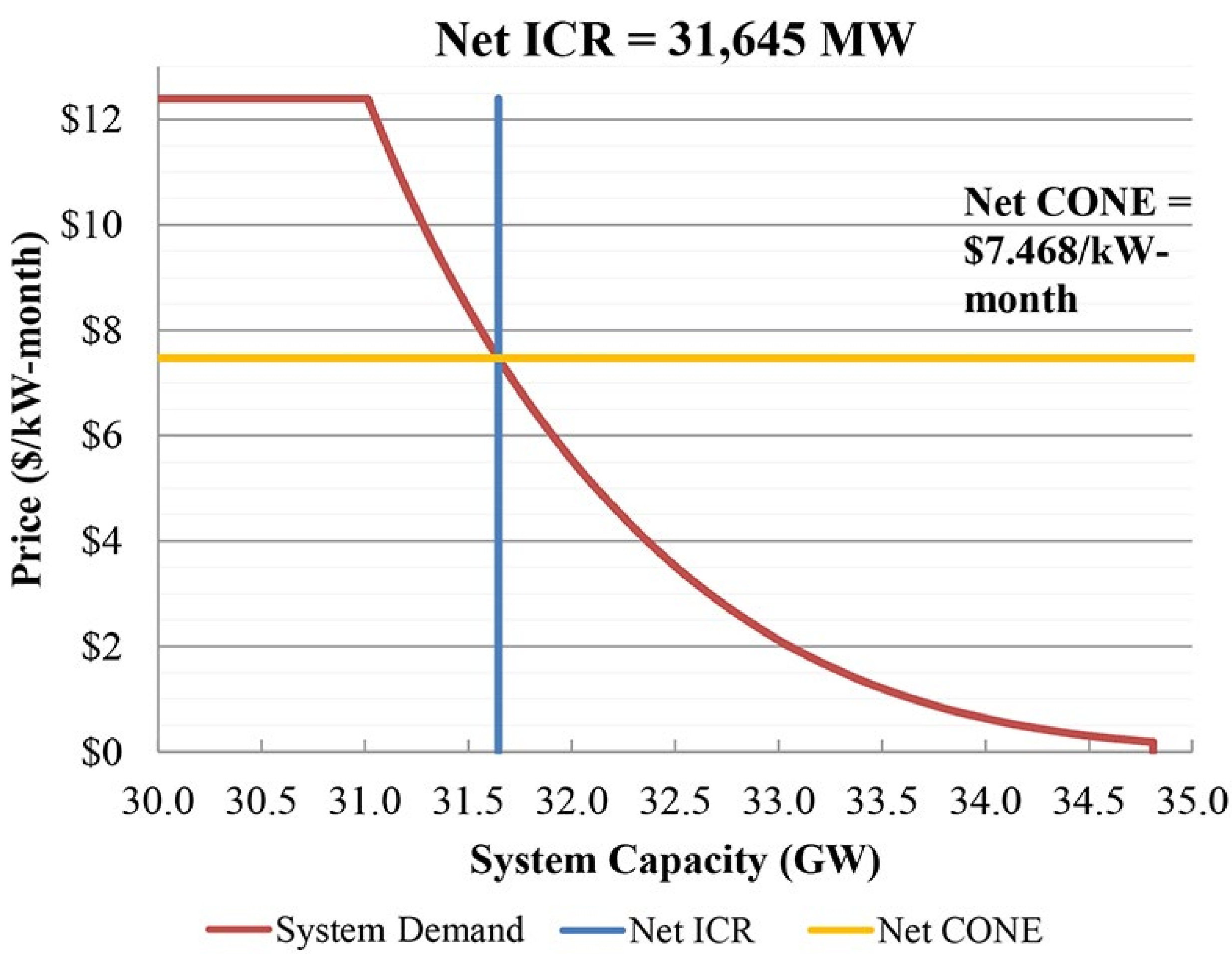
"That's one of the units that's clearly very much on the bubble in terms of being economic in the market, and that shows up in that some of those megawatts were not cleared," Niemann said.

Storage

Standalone storage projects were "mostly locked out," *noted* Aaron Geschiere, a senior analyst for Nexamp.

That likely stemmed from the end of the seven-year price lock rule, which allowed new resources to maintain their clearing price for seven years but was used for the last time in FCA 15 after FERC ordered its removal.

"There was more urgency to clear in the last auction so that the price could be locked in for seven years to facilitate financing and more certainty in returns," Niemann said. "All of the projects that cleared in this auction were small batteries, compared to last auction where you had 100 or 200 MW individual projects clearing." ■



The systemwide capacity demand curve, net CONE and net ICR from FCA 16 | *ISO-NE*

ISO-NE News

Overheard at the NE Electricity Restructuring Roundtable

By Sam Mintz

The New England Electricity Restructuring Roundtable changed gears for its first meeting of the year Friday with a focus on equity.

The roundtable, convened quarterly by Raab Associates, featured discussions on equitably decarbonizing the Northeast, a federal energy update and a case study on a unique partnership north of the border.

How to Decarbonize

A panel of speakers from New England organizations examined greening the region's energy while ensuring that vulnerable communities are not left behind.

"Whoever has benefited the most in the system as it is should bear the greatest burden as we transition to a new system, and whoever hasn't received benefits from the system as it is should be at the front of the line," said Rev. Mariama White-Hammond, chief of environment, energy and open space for the City of Boston.

The panelists tried to define equity, noting that it can have various meanings.

"Equity doesn't mean equal or the same, and it doesn't happen by accident," President of the Northeast Clean Energy Council Joe Curtatone said. "We should all align to a value that leads us with deliberate intention to have impact, especially for those who are impacted the worst."

Another key to reaching the necessary communities is to ensure funding is available, according to Stephan Roundtree, senior regional director at Vote Solar.

"Part of the challenge I've seen in my work is inviting or asking folks with barriers to entry to navigate the really complex world of rebates and program eligibility," he said, adding that states have an increased responsibility to provide resources and connect people to those resources.

Speakers at the New England Electricity Restructuring Roundtable discussed greening the region's energy while ensuring that vulnerable communities are not left behind. | *Norwich Technologies*

Panelists also addressed the challenge of specific technologies, such as offshore wind, which they said is a valuable decarbonization tool that comes with unique equity challenges.

"It's such an important and critical strategy to make a difference for the electricity sector," said Staci Rubin, vice president for environmental justice at the Conservation Law Foundation.

Offshore wind developers and governments, she said, also need to involve people in the development process who are directly affected by the associated infrastructure.

"I've had recent conversations with several tribes who have really not been part of these conversations about offshore wind in a meaningful way," she said. "We need to make sure that potentially impacted tribes and community organizations are able to have a say in terms of where the infrastructure will go."

At the federal level, FERC is trying to make sure that it uses its regulatory powers in a way that meets equity goals, powered by the new Office of Public Participation, its director Elin Katz said.

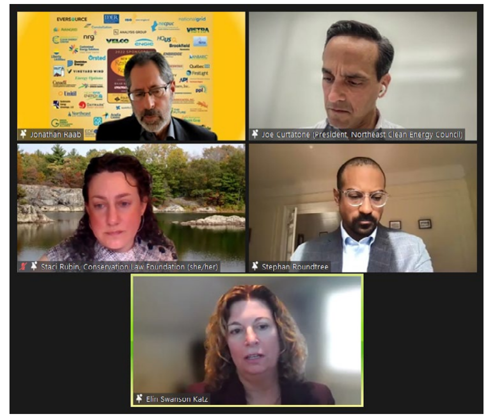
"OPP is designed to provide opportunities for members of the public, and we have a particular focus on landowners, environmental justice communities, citizens of native nations, and consumer advocates and other community organizations," she said, raising concern about how to bring those voices into FERC.

"We can't continue to look at policy development as a top-down process that can fairly consider all sides and deliver equitable results if we don't also include a diversity of voices in the process itself," she said.

Case in Point

A powerful example of the way conversations around equity are changing came in the form of a case study on a unique agreement between Hydro-Quebec and the Mohawk Council of Kahnawà:ke.

The council is going to be a joint owner of a transmission line bringing energy from the company's hydropower facilities in Quebec to New York City.



A panel of speakers at the virtual Restructuring Roundtable on Friday discussing equitable decarbonization | *Raab Associates*

"In the past, there had been expropriations or land takings without consultation or compensation," said Kahsennenhawe Sky-Deer, grand chief of the Kahnawà:ke Mohawk community.

The new joint agreement is different from what the community has seen in terms of land use, according to Sky-Deer.

"It's groundbreaking and unprecedented, and something we welcome very much," she said. "This is an untapped market in terms of partnership and recognition of Indigenous people."

The partnership goes beyond a financial transaction and will involve jobs and training for Kahnawà:ke youth, Hydro-Quebec CEO Sophie Brochu said.

"We can be very viable business partners," Sky-Deer said. "We do bring a different perspective and different energy to the table."

Federal View

Patricia Hoffman, principal deputy assistant secretary for electricity at the Department of Energy, gave a rundown of new programs coming from the Infrastructure Investment and Jobs Act and called for coordination to speed decarbonization.

"Your priorities, the state, community and national priorities, are all critical as we work together to build a safe, reliable and resilient electric grid," Hoffman said, adding that the infrastructure bill and associated investments are "a real opportunity to make a difference."

Capitalizing on the investment opportunity that's available will not be easy, she said. "We are all going to have to roll up our sleeves, but it is definitely worth the time and effort." ■

MISO News

MISO Delays $13B Long-range Portfolio's Recommendation

By Amanda Durish Cook

MEMPHIS, Tenn. — MISO has delayed by a month a recommendation to the Board of Directors of a $13 billion package of long-range transmission projects.

During a meeting of the board's System Planning Committee on March 22, senior staff said they will seek board approval for the Midwestern 345-kV transmission lines in July instead of June.

Jennifer Curran, vice president of system planning, said the extra month will be used for an additional stakeholder workshop to discuss the projects. MISO had originally targeted approval for the first long-range projects for this month.

"We do think it's appropriate to act with deliberate speed, so we meet the reliability imperative," Curran said of the remaining stakeholder discussions.

The stakeholder-led Planning Advisory Committee (PAC) will now consider whether to endorse the long-range portfolio May 27 instead of May 11. (See *MISO Long-range Tx Plan Overlaps with SPP Study*.)

Curran said staff are finalizing the first cycle of long-range plans "in earnest." She said reliability analyses are complete and planners continue to work on business cases.

She reassured the board that benefits will be "well in excess" of the $13 billion portfolio MISO will recommend. The PAC meeting was the first time the RTO disclosed a cost estimate for the portfolio.

MISO Director Barbara Krumsiek listens to updates during Board Week in Memphis, Tenn. | © *RTO Insider LLC*

MISO has cut one long-range project, dropping one of two 345-kV lines in southern Minnesota.

Curran said MISO considers the first cycle of projects final, with no more project proposals accepted for consideration. She said additional projects "are best reserved" for the second tranche of proposals.

The first cycle of long-range projects nearly quadruples early spending estimates for the 2022 MISO Transmission Expansion Plan. (See *Initial MTEP22 Portfolio has $3.3B in Costs*.)

Curran said the projects' business cases will account for bolstered reliability, reduced resource adequacy requirements, avoided transmission and generation projects, decarbonization goals, avoided load shed events, and savings stemming from decreased congestion.

MISO Director Barbara Krumsiek said the benefits being hashed out in the business cases are "priceless." "We don't want to see the lights go out," she said. "We don't want to see load loss."

Director Mark Johnson thanked MISO for naming and analyzing the first projects.

"If you had asked me a year ago if we'd be where we are today, I wouldn't have laid money on it," he said. "But we have to move … I don't think we can afford to wait. The decisions we're making today will have an impact for decades."

Johnson reminded stakeholders in the room that MISO and its members have a responsibility to ensure the grid's continued reliability for "generations to come."

"This is really a milestone getting to this day," Clean Grid Alliance's Beth Soholt said in agreement. However, she pointed out that the projects must go through challenging permitting and siting processes at state commissions.

Soholt invoked the Cardinal-Hickory Creek project, a stalled line from MISO's 2011 long-term portfolio that's been held up in lawsuits over its siting through a protected area. (See *Federal Judge: Tx Line Can't Cross Wildlife Refuge*.)

"I just don't want to have multiple Cardinal-Hickory Creeks," Soholt said. "We really don't have anything until we have these lines in the ground."

She asked MISO to build a coalition of support around the long-range lines and spread awareness of their necessity.

Board Addresses Long-range, JTIQ Overlap

MISO board members also touched on a two-project overlap between the long-range plan and the Joint Targeted Interconnection Queue (JTIQ) study with SPP.

Two proposed projects in the Dakotas and Minnesota are included in both the JTIQ study results and MISO's long-range transmission portfolio. The RTO said it will likely build the two projects on its own dime since long-range planning takes precedence over the JTIQ study and SPP's benefits are small. Both projects are located within MISO's footprint. (See *MISO, SPP Finalize JTIQ Results with MISO Tx Duplicates*.)

Some directors seemed torn on the decision not to seek projects costs from SPP.

"I don't want to be parochial about it, but if there's a cost to SPP …" Krumsiek said before trailing off.

"Do you want to wait, or do you want to proceed?" asked MISO President Clair Moeller, pointing out that it could take some time for the RTOs to agree on cost allocation for JTIQ projects. MISO has already filed for FERC approval of a postage stamp allocation for its long-range projects.

"I want to proceed," Krumsiek answered quickly.

Aubrey Johnson, executive director of system planning, said should the two projects proceed under MISO's long-range planning, they would become part of its base case modeling. He said staff would then re-run its analyses to update adjusted production cost savings estimates for the remaining JTIQ projects.

The grid operator plans to seek board approval of the JTIQ projects early next year.

The RTO also said it envisions working with SPP to make a joint filing of the JTIQ projects' proposed cost-allocation methodology at FERC by the end of the year.

Johnson said the RTOs' staff are under pressure to agree on a cost-allocation process, but he said both grid operators have found value in working together.

"We've got a relationship out of it," he said. "And I think we're better off for it." ■

MISO Updates Stakeholders on $10B Long-range Tx Package

By Amanda Durish Cook

Construction of the MISO MVP Badger-Coulee project in Wisconsin | *IBEW*

MISO focused on its first long-range transmission portfolio (LRTP) package twice last week, revealing an early price tag during its March Board Week and then holding a stakeholder workshop Friday to address cost-related questions.

The RTO has cut one long-range project from its final lineup, dropping one of two 345-kV lines in southern Minnesota. That reduced the portfolio's cost to $10.4 billion, down from a previously announced $13 billion, while staff continues to refine cost estimates. (See *MISO Delays $13B Long-range Portfolio's Recommendation*.)

Even as MISO pushed back the board's consideration of the portfolio to July, it said it wants to move quickly in strengthening the grid with new lines. Its planners have said the seven 345-kV projects should relieve congestion that the Independent Market Monitor regularly warns of and tracks. (See *MISO Says System Volatility Here to Stay*.)

The grid operator doesn't yet have estimated in-service dates for the projects.

Jarred Miland, senior manager of transmission planning coordination, said the LRTP is the most expensive package MISO has put forward. He also said it represents the most extensive planning work the RTO has ever performed.

The projects will ease growing pains as MISO grapples with increasing renewable energy output and the loss of large, centralized power plants, Miland said. He pointed out that the interconnection queue contains almost 56 GW of solar projects alone.

"The LRTP is not a one-and-done. It's a journey," Miland said of the first cycle of projects.

MISO will begin work on a second cycle sometime during the third quarter, Miland said. The second portfolio will focus on MISO Midwest, as did the first. MISO South won't enter the planning picture until the third and fourth iterations of long-range planning.

"It's a big system. It's a tremendous amount of work," Miland said. "We do recognize that there is a lot more work to do. That's why we're moving into tranche two. It's a big apple. We can't eat it all at once."

The seven groupings of 345 kV projects include:

- a $955 million line from Jamestown to Ellendale and Big Stone to Alexandria to Cassie's Crossing in Western Minnesota and the Dakotas;
- a $1.2 billion line that crosses Minnesota into Wisconsin, hitting Wilmarth, North Rochester, Tremval, Eau Claire and Jump River;
- a $673 million line from Minnesota into Wisconsin that touches Tremval, Rocky Run and Columbia;
- an $853 million line in Western Minnesota and the Dakotas that intersects Iron Range, Benton and Cassie's Crossing;
- an $894 million line in Iowa that passes over Webster, Franklin, Morgan Valley and then Beverly to Substation 92 near West Liberty;
- a $2 billion line situated mostly in Northern Missouri that includes Orient, Iowa, and extends into Meredosia, Ill.; and
- a sprawling, $3.4 billion line that links Iowa, Illinois, Indiana and Michigan.

The portfolio also provides for $350 million in lower voltage "under-build" projects necessary to accommodate the 345-kV transmission. MISO is still working to compile a list of the under-build projects.

"The under-build sort of represents … a high-end bogey as to where we'll end up," Miland said.

Miland said anytime MISO introduces new, large transmission projects, power system flows and contingencies could change and necessitate new equipment.

Indiana Utility Regulatory Commission staffer Dave Johnston asked whether the massive Iowa-to-Michigan project in the Central Region will be open to competitive bidding and whether it will be split up by jurisdiction into project segments.

MISO Executive Director of System Planning Aubrey Johnson said staff has yet to finalize those details.

"We have to think about some natural break points," Johnson said, citing recent rights-of-first-refusal legislation in Michigan, Minnesota and Iowa. Wisconsin lawmakers are also considering ROFR laws.

MISO said its steady-state analysis of the Iowa-to-Michigan line show that it "can mitigate severe thermal issues in Michigan, Indiana, Illinois, Missouri and Iowa," including reduced loading on 78 monitored facilities.

The grid operator is currently drafting an appendix to its 2021 Transmission Expansion Plan (MTEP 21) for the long-range projects. The portfolio will be part of MTEP 21, although its project approvals will take place about six months after the $3 billion *MTEP 21* was approved.

MISO *plans* to divide costs of the long-range plan using a subregional, 100% postage stamp to load rate that is pending before FERC. ■

MISO Says System Volatility Here to Stay

By Amanda Durish Cook

MEMPHIS, Tenn. — MISO sees no end in sight to the system volatility that could plunge it into springtime emergency operations, staff said Thursday during a quarterly markets review.

"We face a rapidly transforming energy landscape," CEO John Bear told directors during a Board Week meeting, warning of a delicate load-supply balance.

He said when MISO introduced its ancillary services market 12 years ago, "load was the only thing that was moving around."

"Everything else was pretty static and predictable," Bear said. "Where we stand is not sustainable, and it's not safe. We have a lot of work in front of us."

COO Clair Moeller said the RTO is laser focused on a "safe, reliable and affordable" transition despite proliferating operational complications.

"We've spent most of our time in committee meetings talking about volatility and uncertainty," Moeller said, referring to the week's activities.

"In the year 2000, volatility was a deterministic thing," he said. "The volatility that's facing us is more probabilistic than deterministic."

Wayne Schug, MISO's vice president of strategy and business development, said a growing renewables fleet and rapidly changing weather is driving increasing volatility and an "inability to deal with it."

By 2030, as little as 57% of the RTO's fleet could be dispatchable, staff said. Dispatchable resources accounted for 84% of the fleet in 2020.

Schug said that since 2017, average daily output swings and forecasting errors have grown by gigawatts and percentages points, respectively. He said while the grid operator continues to get better at output forecasting, the expanding wind fleet has blotted out any signs of improvement.

"I caution you about averages," Schug said. "Our extremes are much higher."

Moeller said that for three days in 2020, MISO's entire wind fleet in the upper Midwest failed to generate a megawatt. He also said unexpected cloud cover could make a solar farm "disappear within three minutes."

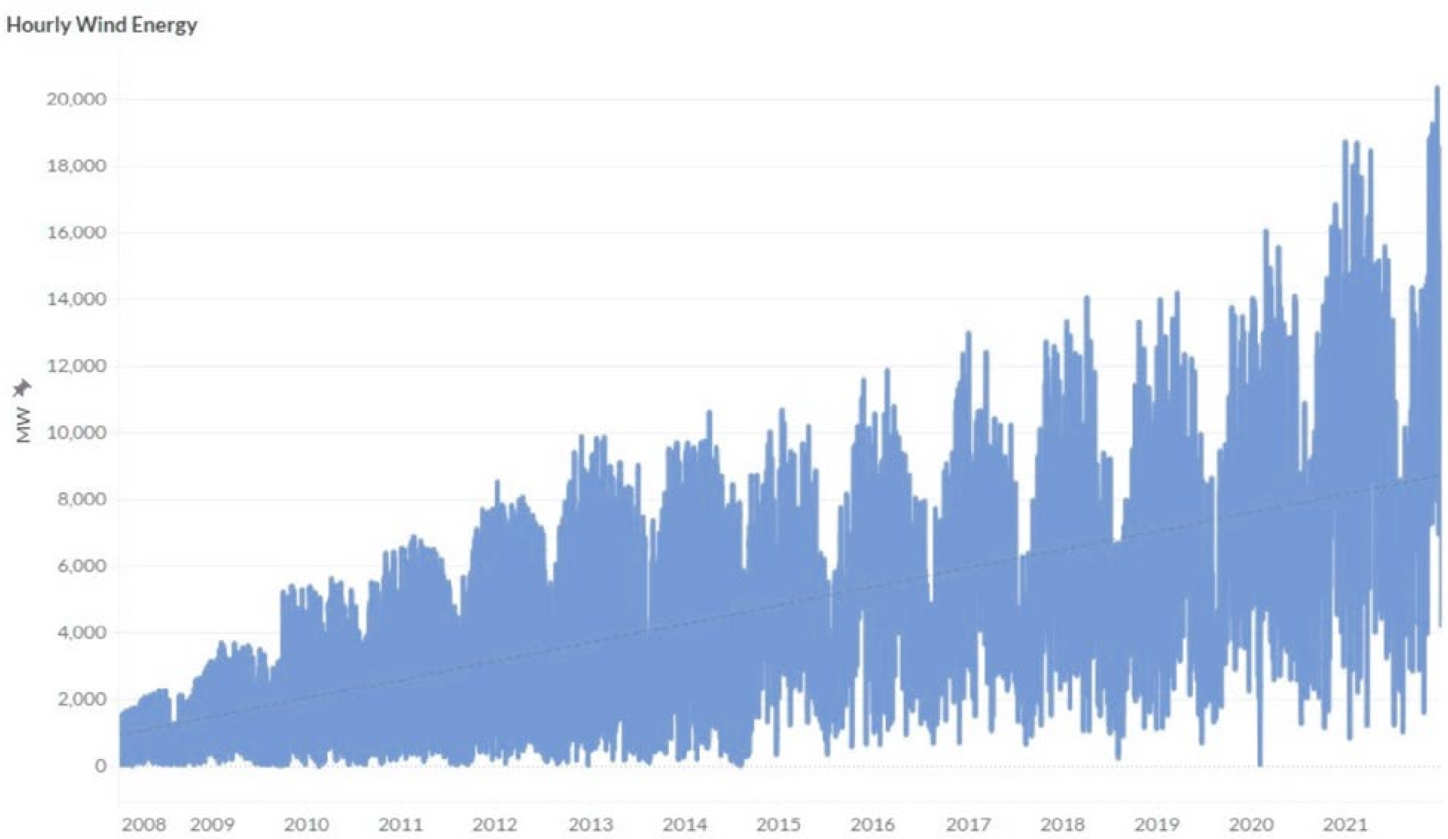
MISO will work to pre-position its system for bad days, Moeller said. Executives said plans for seasonal capacity auctions and big-ticket transmission projects should help.

Director Mark Johnson asked staff to invite a control room operator to a board meeting to address their recent experiences dealing with grid volatility.

Staff Warns of Emergency Ops

MISO's Zak Joundi said while the RTO should have adequate resources through spring, it could declare an emergency if faced with restricted generation output and high demand in April or May. He said the spring outlook echoes last year's spring peak estimate and resource availability.

"Uncertainty can be especially exacerbated in spring," he told the board's Markets Commit-



Growing hourly wind output and volatility from 2008 to 2021 | *MISO*

MISO News

tee on March 22.

Joundi said MISO is working with an aging generation fleet more prone to outages with increasingly uncertain return-to-service dates. He said the footprint's current rate of generation retirement — propelled, in part, by state and federal policies — is outpacing members' capacity replacements.

Staff expects the number of emergency near-misses to rise every year, Joundi said. He said MISO may expand a weekly winter fuel security survey of fossil-fuel owners into a year-round task. (See *MISO Winter Fuel Security Surveys Now Permanent*.)

During the recent winter, MISO said renewable generation accounted for an increasing share of load. On Jan. 18, 24 GW of wind generation served 30% of the RTO's load at one point. On Feb. 19, MISO reported its first seasonal solar generation peak of 1.6 GW.

"As the portfolio has transitioned to increased levels of wind output, operators are managing greater levels of volatility and uncertainty, making complex unit commitment decisions," Joundi said. "How can we have the right market product to incentivize … the right kind of flexibility to complement this volatility?"

"There's no magic bullet, market products and tools, or transmission," Director Barbara Krumsiek said.

Joundi said that the control room now manages more intra-hour instability and intensifying "wind droughts," where wind output drops off below forecasts.

"We're seeing a lot more output and volatility on the wind side," agreed MISO Independent Market Monitor David Patton.

Markets Committee of the MISO Board of Directors | © *RTO Insider LLC*

Patton said MISO racked up about $750 million in real-time congestion costs during the winter, the most ever for a three-month period.

He said the grid operator is limited on wind generation it can export from the Midwest westward to SPP, saturating the system at times and lowering energy prices. Patton also said part of the congestion problem lies in SPP not modeling MISO's constraints in its day-ahead market, making some uneconomic generation units appear economic in the SPP market. He said he was working with SPP and its monitor to fix the problem.

Patton also said drought conditions in the Canadian province of Manitoba led Manitoba Hydro to import more power from MISO, increasing constraints in the footprint's northern portion. Manitoba Hydro's Audrey Penner said a "deluge" of snow this winter will improve the situation as it thaws.

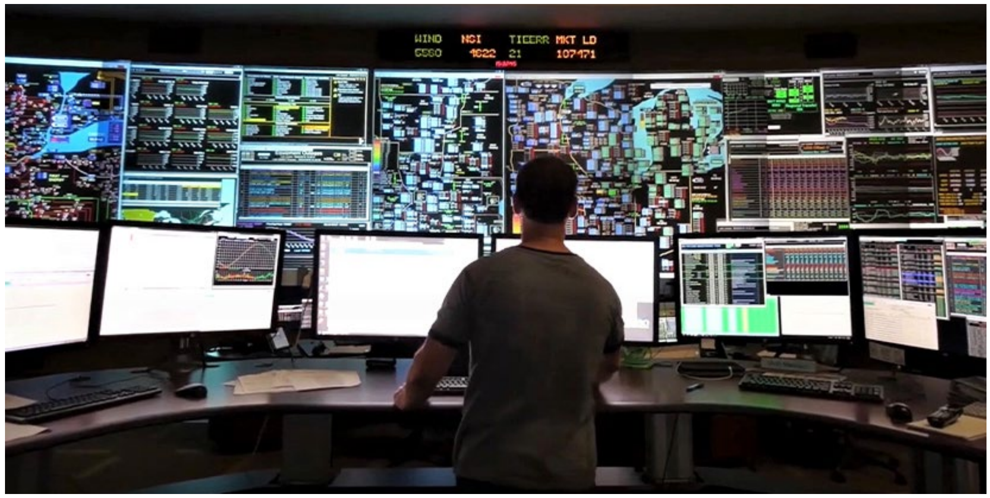
Coal generation's share of energy output dropped from 41% last winter to 36% this winter, Patton said, because of retirements and limited coal supplies. Natural gas generation's output share rose from 26% in 2021 to 29%. He said natural gas generation would have grown more this winter but for the "run up in gas prices."

Patton said he expects difficulties with securing coal to continue into the foreseeable future. ■

MISO News

MISO Pivots to Models, Market Engines in New Platform Replacement

By Amanda Durish Cook



MISO control room | *MISO*

MEMPHIS, Tenn. — Now in its fifth year, MISO's market system replacement project is focusing on a one-stop model manager, new energy management system and day-ahead market-clearing engine.

MISO Vice President Todd Ramey said during the Board of Directors' March 22 Technology Committee meeting that staff hopes to retire its existing model-management procedure by the end of the year. Going forward, the RTO will rely on a standardized model manager that will be improved upon through 2024, with monthly updates instead of quarterly refreshes.

The grid operator receives modeling data from more than 60 transmission owners and nearly 600 market participants. Ramey said that currently the submission methods vary and require manual validation of the data.

The RTO also plans to test its new energy management system this year and prepare for parallel operations in 2023. The EMS system was delivered last year by General Electric; it's also slated to deliver the new day-ahead market-clearing engine by the end of 2023.

Ramey said General Electric has two dedicated teams for MISO's market system, one working on the market clearing engine and another devoted to the EMS.

MISO's market platform project is set to conclude in late 2024 when the real-time market fully migrates to the new, modular platform.

"This is critical to all the things we want to do to facilitate the change that's coming," MISO CEO John Bear said, referring to the new platform.

Later this year, the RTO must add an energy storage participation model to its legacy market platform. Staff have said they couldn't simultaneously roll out the energy storage offers mandated by FERC Order 841 while working on the platform replacement. FERC has said storage participation couldn't wait, so MISO must introduce the storage participation model on both its old and new market platforms. (See *MISO: No Choice but to Double Up on 841 Compliance*.)

During Thursday's board meeting, Bear said MISO's quarterly progress report on the market platform was brief, which he said was a good sign. He said Ramey and his team were making such good progress that there was little to report.

Director Todd Raba asked whether the RTO is stepping up cybersecurity measures following Russia's invasion of Ukraine. The U.S. has put the private sector on notice that Russia may launch cyberattacks in retaliation for Western sanctions.

Chief Information Security Officer Keri Glitch said staff understands that Russia is ramping up "preparatory action" for a cyberattack, including scanning websites for security cracks.

"We continue to take appropriate actions," Glitch said, adding that MISO regularly reviews updates from government authorities. Staff further addressed the situation in a closed session following the technology committee meeting. ■

MISO Board of Director Briefs

Memphis Location for Board Week May Pay Off

MEMPHIS, Tenn. — MISO leadership took advantage of its Board Week in Memphis to meet with Memphis Light, Gas, and Water staff, who are mulling a split from the Tennessee Valley Authority and a new source of wholesale power.

MISO was one of 27 respondents to MLGW's requests for proposals for an alternative wholesale supplier. The utility is reviewing the proposals and has yet to announce whether it will depart TVA. (See Memphis Moves Closer to Breaking from TVA.)

MLGW representatives and Memphis-based lawyers and activists attended MISO's Thursday board meeting.

Former MLGW CEO Herman Morris, Jr., who now practices energy law, said he appreciated getting to know the people behind MISO.

"The City of Memphis is at a crossroads," said Pearl Eva Walker, representing the Memphis Has the Power campaign, an offshoot of the Southern Alliance for Clean Energy. "While TVA heralds its low rates, Memphians struggle to afford power."

Walker expressed frustration at Memphis' high energy burdens and TVA's lagging decarbonization goals, which render the city's own climate goals unattainable. She also said it's unacceptable that the federal agency now dumps tons of coal ash near a South Memphis residential area of 72,000 people.

"We can't trust TVA," she said. "They have no accountability. They have no integrity."

Walker urged MISO to work with the utility and forge a relationship should Memphis decide to join the RTO. The city will need to develop its transmission infrastructure if it's to access MISO's wholesale markets.

MISO Community Mourns Vannoy

MISO's Kevin Vannoy | © RTO Insider LLC

MISO said last week that Kevin Vannoy, its director of market design, passed away unexpectedly on March 20.

An emotional CEO John Bear remembered Vannoy as a "phenomenal" link between the RTO and stakeholders whose knowledge, warm manner and quick wit benefited many.

Vannoy was with the grid operator for more than 15 years and was a fixture at Market Subcommittee and Resource Adequacy Subcommittee (RASC) meetings, often delivering presentations and leading stakeholder conversations.

RASC Chair Kari Hassler, of Xcel Energy, recalled Vannoy as an invaluable source of knowledge and "a reasonable voice in stakeholder discussions."

MISO Expects to be On-budget in 2022

MISO's finances are tracking to be on budget in 2022, CFO Melissa Brown told the board.

Brown said her team predicts that by year's end, the RTO will pay about $282 million in base expenses and $47 million in project investments. Both projections are within a 1% variance from the 2022 budget set last year.

MISO has spent $22 million of its base budget and $2.3 million of its project investment budget so far this year.

Brown said inflation has taken the financial team a little off-guard.

"MISO continues to monitor the evolving labor market dynamics, supply chain situation, interest rate environment as well as inflation, which may lead to more significant adjustments to the 2022 forecast in the coming months," she said.

Last year, the grid operator was 1.4% under its $271 million base budget and 5.5% under its $50 million project investment budget.

Brown said the underspend was primarily due to lingering COVID-19 impacts, including reduced travel spending, diminished off-site training and untouched salaries and benefits allotments because of unfilled positions.

Board Asks for Better Succession Planning

The grid operator's directors are becoming concerned about succession planning within their ranks, according to the board's annual self-evaluation.

They pointed out that most of the nine directors are in their sixth or seventh year of service. The directors said they and MISO should work on ensuring the board doesn't suffer gap years where it's light on experience with the RTO's systems and protocols.

MISO directors are limited to serving three three-year terms. ■

— Amanda Durish Cook

MISO's Board Week was held at The Peabody hotel in Memphis, Tenn. | © RTO Insider LLC

MISO News

Members Urge MISO to Assist with Federal Funding Access

By Amanda Durish Cook

MEMPHIS, Tenn. — MISO members last week urged the RTO to position itself as a liaison to help stakeholders access project funding from last year's federal infrastructure bill.

They also said MISO's long-range transmission projects seem ripe for an infusion of cash.

The $1.2 trillion bipartisan Infrastructure Investment and Jobs Act passed Congress in November and was swiftly signed into law by President Joe Biden. The bill provides billions in financial resources for new transmission, energy efficiency, electric vehicle development, carbon-capture technologies and nuclear fleet preservation. (See *Biden Signs $1.2 Trillion Infrastructure Bill*.)

During an Advisory Committee roundtable discussion Wednesday on the legislation's effect within the RTO's footprint, several stakeholders envisioned a mad scramble for the bill's grants and loans. They said the process to access the funds is still unclear.

ITC Holdings' Brian Drumm, representing transmission owners, said the grid operator might serve as a "hub or a clearing house of ideas" to bring its stakeholders together on projects that would be candidates for the bill's funds.

The Union of Concerned Scientists' Sam Gomberg said MISO could foster a coalition among its stakeholders and members that would help it better its chances to save members' customers money.

Multiple stakeholders said the RTO might be able to approach the Department of Energy and deliver some clarity to stakeholders. Many said MISO has a role to play in gathering stakeholders together to develop infrastructure projects that can vie for federal dollars.

"MISO could be a conduit for demanding clarity … of what the DOE is asking for. I think they could gather better answers than what my group could," said Public Consumer Advocates sector representative Christina Baker.

Gomberg said MISO has already done a lot of work to identify the transmission expansion it needs to sustain the grid through its long-range transmission planning. He said MISO could easily get noticed by the DOE as a recipient of federal dollars.

"I know the DOE is under the gun. They want to move this money out the door," he said. "I think it would be a missed opportunity if MISO and utilities and members didn't get in line for some funding for these projects."

Sam Gomberg, Union of Concerned Scientists | © *RTO Insider LLC*

Socially distanced attendees at the March 23 Advisory Committee meeting in Memphis, Tenn. | © *RTO Insider LLC*

Michigan Public Service Commissioner Dan Scripps also said it appeared MISO could see some of the bill's benefits flow back to the region through its long-range transmission plan.

Otter Tail Power's Stacie Hebert, representing MISO transmission owners, said it's not clear how approval of federally funded projects would logistically work. She asked whether transmission developers would still come before the RTO to request project approval.

The Affiliate Sector's Michelle Bloodworth, CEO of coal trade organization America's Power, said it's logical that MISO's transmission planning would be most affected by the bill. She asked staff to consider that the bill provides for grid development in rural areas, which could spur transmission projects in unexpected places.

Bloodworth said the infrastructure funding will likely speed up the nation's transition to clean energy sources. She encouraged MISO to conduct analyses on how the bill might interrupt dispatchable resources' revenue streams.

Multiple members agreed that ratepayers, especially residential ones, should ultimately see the most savings.

The Advisory Committee will discuss the energy industry's staffing shortages and employee retention concerns during its quarterly Board Week meeting in June. MISO leadership has said it and members are not immune from the *Great Reshuffle* and CEO John Bear has voiced apprehensions about the grid operator's ability to secure talent in a tight labor market. ■

NYISO News

NYISO Files BSM Compliance, Extension Request

By Michael Kuser

NYISO on March 21 submitted a FERC compliance filing to establish a proposed effective date for the Part A test enhancements to its buyer-side market power mitigation (BSM) rules and requested an extension of time to submit all needed tariff changes no later than Aug. 1 (*ER20-1718-003*).

The commission in February reversed its September 2020 decision to reject the ISO's proposal, voting 4-1 to accept NYISO's revisions to the rules designed to prioritize evaluating state-subsidized resources. (See *FERC Reverses Itself on NYISO BSM Exemptions*.)

The Part A enhancements allow for evaluation of the new, policy-driven clean energy projects before evaluation of conventional energy projects and all projects under the Part B test, which is based on forecasts of unit-specific economics, the ISO said.

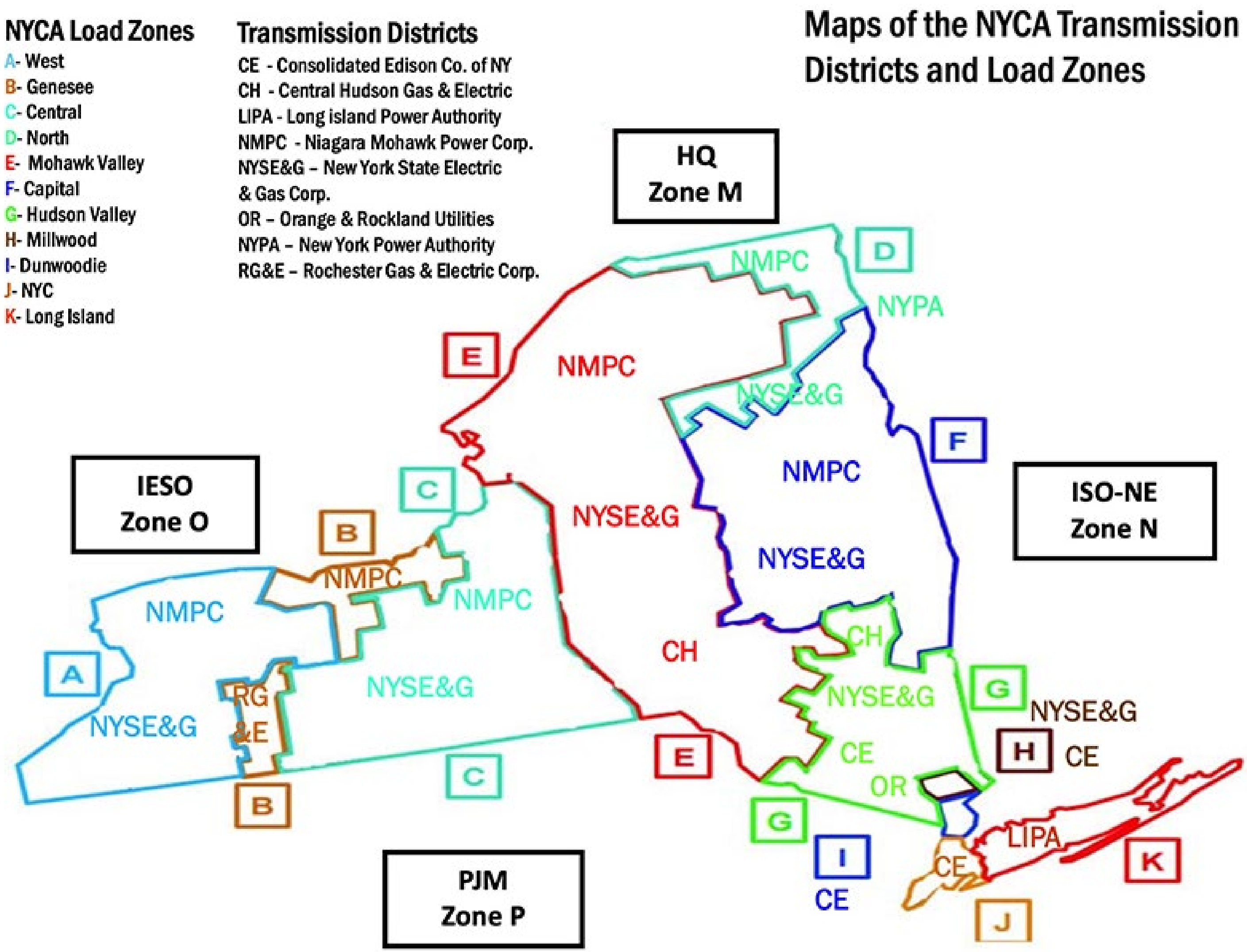
NYISO said that when it files the conforming tariff changes it will also address the effective date for the Part A enhancements "such that they will apply to the Class Year that begins immediately following Class Year 2021."

Significant progress in Class Year 2021 has already been made over the past year, with several process milestones pertaining to the Part A enhancements having long since passed, and "trying to implement the Part A enhancements at this time to Class Year 2021 could be disruptive and cause confusion," the ISO said.

NYISO originally filed the Part A enhancements in April 2020.

Initially, the ISO intended to implement the Part A enhancements for the Class Year 2019 study and included tariff language explaining that the revisions would apply to the Class Year 2019 and all subsequent BSM evaluations of examined facilities. Class Year 2019 was completed in January 2021, and Class Year 2021 began in March 2021.

Under the Part A test, NYISO will exempt a new entrant from the offer floor if the forecast of capacity prices in the first year of a new entrant's operation is higher than the default offer floor, which is 75% of the net cost of new entry of the hypothetical unit modeled in the most recent demand curve reset. ■



| NYISO

NYISO News

NY Residents Question Nuclear Plant Decommissioning Safety

By Michael Kuser

New York residents concerned about safety issues told state officials this month that they lack representation on the board overseeing the Indian Point nuclear plant decommissioning (*21-01188*).

Several residents recommended that Peekskill-based scientist and environmental activist Courtney Williams be appointed to the Decommissioning Oversight Board (DOB), speaking at its public *meeting* held with the Indian Point Closure Task Force on March 17, with many submitting their comments for a Wednesday deadline.

"This is really discriminatory not to have community representation by a qualified resident from an environmental justice community," White Plains resident Ellen Weininger said.

Weininger also joined others and a group called "Stop the Algonquin Pipeline Expansion" in seeking better oversight of Camden, N.J.-based Holtec, managing the decommissioning, and Enbridge's cooperation in safeguarding its three high-pressure Algonquin natural gas pipelines that pass close to the shut-down nuclear plant and its growing platforms of spent-fuel casks.

"A secretive company with a continuously morphing array of limited liability entities is now in charge, with the [Nuclear Regulatory Commission] handing out exemptions like hotcakes at each site Holtec is working on," the environmentalists *said*.

Holtec formed a partnership with Montreal-based SNC-Lavalin to help win regulatory approval of its bids to decommission nuclear plants in three states, but later dissolved the partnership, according to several comments.

Holtec had reached out to an international company, which then did not work on Indian Point. DOB member Sandra Galef expressed concern that the relationship was "just a façade." Galef is the state assemblywoman for the 95th District that includes Buchanan, site of the nuclear plant.

"We're taking a fleet approach," *said* Rich Burroni, site vice president for Holtec.

Holtec is decommissioning the Pilgrim plant near Boston and is ahead of schedule at Oyster Creek in New Jersey. "We're an international company, so we've taken that experience, and it's helped us here at Indian Point," Burroni said.

Safety First

Williams said that she was "very happy" to hear from Burroni that he now knows how to contact Enbridge, that there's a direct line in the control room and that there are iron plates over the pipeline.

"All of that is new since I visited the plant in December, and they had no idea who their Enbridge counterparts were, how to reach out to them and didn't feel it was necessary to put plates down, etcetera," Williams said. "I hope that Holtec is not still assuming that if the pipeline blows up, they're going to go out there with fire hoses."

She also complained that the DOB's *responses* to questions posed at its previous public meeting in October were not posted online until the day of the current meeting.

Iron plates on top of pipeline road crossings would not prevent a rupture, but would be serious projectiles in a rupture, and deactivated reactors do not reduce the potential of a cataclysmic fuel pool explosion should a rupture occur, North Salem resident Susanna Glidden said.

"Construction of Indian Point never should have been approved near two fault lines and on top of the gas pipeline with another added a few years later and recently the massive [Algonquin Incremental Market] AIM pipeline," Glidden said.

Approval of the 42-inch, 37.6 mile-long AIM pipeline was based on being able to shut off the gas from the control room in Houston in three minutes should a rupture occur, but that was found to be a false claim, she said.

"Moreover, instead of stored fuel casks lined up like bowling pins broadcasting a target for terrorism, we want them protected the real way with a hardened surface and berms," Glidden said.

Indian Point is one of only five U.S. nuclear power plants with continuous radiation monitoring capability, Burroni said. The site's exiting pad will hold 75 spent-fuel casks, and the company is building a new pad that will hold an additional 52 casks, with the final concrete pour scheduled for this spring.

It is not necessary to hit a transmission pipeline to cause it to rupture, as abnormal service loading can cause the pipeline to either crack or stress, *said* Rick Kuprewicz, president of Accufacts and a pipeline safety expert.

The exiting pad will hold 75 casks and a new expansion pad will hold an additional 52 casks. | *Holtec*

"There can be unusual decommissioning activities that could put a stress on the pipelines even though that activity is off the pipeline right of way, so it's important that Holtec and Enbridge communicate what the various activities are and be sure that Enbridge understands what's going on," Kuprewicz said.

Union Concerns

Local unions also have become frustrated with Holtec during the Indian Point decommissioning process.

The company has excluded Chauffeurs Union Local No. 456 from construction work that its members have performed for decades, said task force member Louis Picani, who represents Teamsters and Local 456.

"Now Holtec is excluding Teamsters from performing construction work at the site for all decommissioning work," Picani said. "Moreover, while the Teamsters were told that they would be included in a successor agreement covering this work, Holtec has reneged."

In addition, Local 456 has long represented the nuclear security officers at Indian Point and has filed numerous grievances concerning Holtec breaching the collective bargaining agreement, as well as retaliating against members for engaging in protected, concerted activity, he said. ■

NYISO News

FERC Upholds Denial of NYTOs' Cost Allocation Complaint

By Michael Kuser

FERC on Thursday upheld its denial of New York Transmission Owners' (NYTOs) complaint that NYISO's funding mechanism for transmission upgrades is unjust and unreasonable, refusing a rehearing of the order and rejecting a separate proposal to revise the methodology (*EL21-66-001* and ER21-1647-002).

The commission reiterated its previous determinations, concluding that "petitioners' repetition on rehearing of the evidence and arguments presented in their prior pleadings does not change our assessment."

The NYTOs, which included all the investor-owned utilities in the state except PSEG Long Island, asserted that the existing funding mechanism does not allow them to recover a reasonable rate of return for the risks and costs of upgrades caused by generator interconnections.

They asked the commission to direct the ISO to amend its tariff to allow them to provide initial funding for such upgrades and charge the interconnection customer to recover a return on this cost.

But the commission said it continued to find its interpretation that costs are distinct from rate-structuring risks "to be appropriate, including the commission's corollary finding that the regulatory, reliability, cybersecurity, environmental and operational risks that the NYTOs state they face in connection with owning, operating and maintaining system upgrades are not costs under this provision."

FERC explained that the precedents cited by the NYTOs — *Bluefield Water Works v. Public Service Commission*, *FPC v. Hope Natural Gas* and *Ameren Services v. FERC* — do not require a change to NYISO's existing funding mechanism and that the NYTOs had not presented sufficient evidence to show that the existing funding mechanism results in the them facing uncompensated risks and costs.

Neither do the other sections of the NYISO-TO Agreement cited by the NYTOs support their preferred reading, the commission said.

Moreover, in alleging that the complaint order was internally inconsistent and that the commission "clearly affirm[ed]" that risks are recovered through authorized returns yet denied recovery in costs because the risks were not costs, the NYTOs misunderstood the commission's reasoning, FERC said.

"The fact that utilities incur costs to mitigate and manage their risk, and risks therefore increase costs for utilities, does not mean that risks are, themselves, costs. The costs utilities incur to manage and mitigate risks are borne as expenses, which are fundamentally different to the risks themselves," the commission said.

Commissioner James Danly dissented from the order because the "commission exceeded its authority by impermissibly eliminating rights expressly reserved to the NYTOs ... and by rejecting proposed changes to the funding mechanism that were consistent with those reserved rights." ■

New York State Electric and Gas (NYSEG) in November 2021 completed its replacement of the Willet substation near Binghamton. | *ISO-NE*

PJM News

Fierce Competition in Plans to Upgrade NJ Grid

13 Companies Offer Plans to Prepare for Offshore Wind Energy

By Hugh R. Morley

Atlantic City Electric outlined eight proposals on how to enhance and upgrade New Jersey's electricity grid to prepare for the influx of clean energy from the state's planned 7.5 GW of offshore wind projects.

Anbaric, a renewable energy transmission and storage company, said its portfolio of 19 grid proposals could provide a "complete," "flexible" and "low risk" system of land and sea power cables and interconnection points capable of handling New Jersey's entire planned offshore wind generation.

More modestly, Rise Light and Power — a subsidiary of LS Power — suggested running cables from offshore turbines to a South Amboy, N.J., brownfield that, after conversion to a "renewable energy hub," would be "uniquely positioned" to address the state's needs.

The proposals were among 80 outlined by 13 companies or partnerships at a public hearing March 22 that provided the first glimpse into the fruits of the competitive solicitation by the New Jersey Board of Public Utilities (BPU) for proposals on how to connect offshore wind turbines to the state's grid and to upgrade it to handle the extra power.

The bidders laid out their proposals in a three-and-a-half-hour online session that was the first of four to review the responses to a solicitation conducted by the BPU with PJM under FERC Order 1000's State Agreement Approach, as well as draw public input into the merits of the proposals. Future sessions will focus on integrating offshore wind energy into the grid, environmental permitting issues, and ratepayer protections and cost controls in the projects. (See *PJM, NJ Seek FERC OK for OSW Tx Process*.)

The BPU says it will decide which, if any, of the proposals to adopt over the coming months and will announce the outcome in October.

"The board is the ultimate decision-maker," Andrea Hart, a BPU legal specialist who hosted the meeting, said as she brought it to a close with a warning about what the board is seeking.

"These projects are not likely to be pursued if they do not result in the development of lower costs, lower risks or a higher benefits for the interconnection and delivery to New Jersey offshore wind residents," she said.

Identifying NJ's Needs

The state is planning to generate 7.5 GW of offshore wind power by 2035, about half of which has been awarded in two solicitations, with another three expected, the first of which is expected to begin in January.

In the second solicitation, the BPU in June awarded leases for two offshore wind projects: Ørsted's 1,148-MW Ocean Wind II, located about 14 miles from the New Jersey shoreline; and Atlantic Shores, with 1,510 MW of electricity in an area between 10 and 20 miles off the Jersey Shore near Atlantic City, to be developed by a joint venture between EDF Renewables North America and Shell New Energies US. Those awards followed the BPU's first award in 2019 of Ocean Wind, an 1,100-MW project also developed by Ørsted. (See *NJ Awards Two Offshore Wind Projects*.)

The BPU and PJM set out a rough guiding framework with the elements that the board believes need to be addressed as the RTO prepares for the increase in power when offshore wind projects come online. They include four onshore locations on the existing grid — one in North Jersey, two in the center of the state and one in the south — that are suitable interconnection points. The board also identified several "power corridors," through which lines could run onshore from the coast to the connecting sites, and five suggested routes for cables running underwater to the shore.

Finally, the BPU suggested an "offshore transmission backbone" running offshore parallel to the coast, to which the turbines would connect and on which several offshore substations would be sited, providing the connecting points for cables running to the shore.

Vying for Attention

Presenting their proposals, bidders sought to distinguish themselves from the competition, not only with project details, but by touting their experience in the field, understanding of the New Jersey market, commitment to helping the state meet its clean energy goals, and ability to bring jobs and investment to the state.

Jersey Central Power & Light, which provides power to customers in 236 municipalities in New Jersey, touted its heavy presence in the state and its knowledge of what customers want.

"One of the things we're very proud of is that in 2020, we purchased about $500 million worth of local goods and services, and of those purchased in New Jersey, over 40% of them were from diverse suppliers," JCP&L President Jim Fakult said.

Others, clearly mindful of the sensitivity of the issue and local concerns at the potential disruption from construction and laying cables, stressed their efforts to choose cable routes and shore landing points that would avoid such disruption.

Consolidated Edison representatives said it had opted to pursue a plan, called Clean Link New Jersey, that would create power corridors and run cables to the shore from the transmission backbone. For the latter, the company proposes an HVDC cable capable of carrying 2,400 MW that would require one or two interconnection locations, the company said.

The offshore cable would come on land at a "nonpublic location where our construction will not impact the beach … and minimize any impacts to the public," said Morad Hekmat, a project manager for Con Ed.

Public Service Enterprise Group, which submitted several proposals in a partnership with Ørsted, said their projects — collectively called Coastal Wind Link — would carry 4.2 GW of offshore wind power to the shore if all the elements were used. The proposals offer potential connections to not only Ørsted's two projects but those of other developers, the company said.

Another element of the proposal is converting the AC power of the turbines and transporting the electricity through 320- to 400-kV DC cables under the sea floor, the company said. The cables would come ashore and run below ground to another converter, which will switch it back to AC before interconnecting to the grid.

Raymond DePillo, PSEG's director of offshore wind development, added that the company's proposal is distinct for its use of a "mesh grid" that links different offshore projects together, which provides the "ability to move energy between the projects continuously."

"That means that the power can be delivered to the part of New Jersey that benefits the most from it in real time, lowering energy costs for consumers," he said. ■

PJM News

Generators Vent Frustration with PJM, FERC to Ohio Senators

Republicans Legislators Receptive to Criticism

By Michael Yoder

PJM stakeholders in the RTO's generator sector voiced frustration with FERC on March 22 over recent decisions related to the capacity market, especially multiple delays to the Base Residual Auction (BRA), to a receptive audience in the Ohio Senate Energy and Public Utilities Committee.

Glen Thomas, P3 | *The Ohio Channel*

The testimony from Glen Thomas, president of the PJM Power Providers Group (P3), prompted one senator to question whether the legislature could explore leaving the RTO.

Thomas told the committee that capacity resources in Ohio have done "very, very well" in the capacity market. Ohio has seen more than a dozen new power plants constructed in the last 15 years, leading to billions of dollars in investments and thousands of jobs, he said.

PJM's capacity reserve margin numbers are currently "very strong," Thomas said, creating short-term confidence in the market. But in the long term, P3 is "growing increasingly concerned" that reliability is going to become more of an issue in the future in PJM.

"There's a lot of things that have been occurring at the federal level that have a direct impact on Ohio's energy policy, and there's quite frankly some reasons to be concerned," Thomas said.

Sen. Steve Wilson | *The Ohio Channel*

Sen. Steve Wilson (R) said he was "scared to death" thinking about the long-term reliability issues Thomas talked about.

Wilson asked Lori Sternisha, director of the Office of the Federal Energy Advocate for the Public Utilities Commission of Ohio, what the legislature could do if FERC ends up forcing Ohio to pay for projects like offshore wind in New Jersey.

"Would we look to drop out of PJM, or what is our fallback plan if all of a sudden our reliability gets unacceptable and our price gets unacceptable?" Wilson asked.

Ohio Statehouse in Columbus | *M CC BY-SA 4.0, via Wikimedia Commons*

Lori Sternisha, PUCO | *The Ohio Channel*

Sternisha said her office is concerned with long-term reliability issues based on recent FERC decisions, but that PJM is responsible for making sure there are reliable resources throughout the RTO, and it continually conducts reliability studies. She said if new generation isn't located close to load centers, new transmission may be a solution.

"It would be my hope going forward that we not run away from PJM but use our oversized voice to direct the policy and do the best we can in that regard," Sen. Mark Romanchuk (R) said.

Regulatory Uncertainty

Panelists at the hearing spoke about the impact of PJM's minimum offer price rule (MOPR) on Ohio's energy sector.

PJM's narrowed MOPR took effect in September after FERC deadlocked 2-2 on the RTO's proposal to apply it only to resources connected to the exercise of buyer-side market power or those receiving state subsidies conditioned on clearing the capacity auction. The proposal became effective by operation of law under Section 205 of the Federal Power Act when the commission failed to act within 60 days. (See *FERC Deadlock Allows Revised PJM MOPR*.)

Thomas said PJM had used the MOPR to "keep competition fair and the playing field level" among states and to take subsidies out of the marketplace. But he said many states in the RTO are using subsidies to incent renewable generation, and without the MOPR, subsidized resources "enjoy a leg up" in the marketplace and Ohio resources are on an "uneven playing field."

"We believe the market should dictate winners and losers," Thomas said. "We believe that competition that drives down costs is a good thing."

Thomas said P3 has also grown concerned about the pace of plant closures resulting from delays in the running of PJM's capacity auctions. He said delays in the Base Residual Auction have led to closures for plants that may have been viable in an auction run on time.

PJM News

The BRA for delivery year 2023/24 has been delayed three times — from May 2020 to December 2021, then to late January, and finally to mid-June — each from separate FERC orders on different aspects of the capacity market. (See *FERC Approves PJM Capacity Auction Date Changes*.)

Arnie Quinn, Vistra | *The Ohio Channel*

Arnie Quinn, chief economist for Vistra, cited the retirement of Vistra's 1,320-MW coal-fired William H. Zimmer Power Plant, announced last summer.

The plant was originally scheduled to retire by 2027, but the deactivation was moved up to May 31. Quinn said the change was made after the results of the 2022/23 BRA last May — also delayed multiple times from its original May 2019 date — when auction prices cleared lower than Vistra expected, making the plant unprofitable. (See *Capacity Prices Drop Sharply in PJM Auction*.)

Quinn said Vistra debated keeping Zimmer in operation to see if capacity prices "rebounded" in the 2023/24 BRA. But he said FERC's decision on PJM's market seller offer cap (MSOC) and more delays in the auction made it "clear" that the commission was going to make it more difficult "to use our commercial and engineering judgment to reflect our costs" when the offers were presented to the capacity market.

"We should have had the opportunity to go to the market with a bid that reflected our view on how much it would take to keep that plant open," Quinn said. "We didn't give the market that option because we sensed a risk that those rules were going to disadvantage us."

Sternisha said her office has voiced concerns before FERC on fair and competitive wholesale markets, ensuring Ohio ratepayers are not burdened by public policy initiatives of other states and advocating for control of increasing transmission costs.

FERC's inaction on the MOPR and the repeated auction delays over the objections of PUCO are "concerning," she said, and a wholesale capacity market without "appropriate guardrails" doesn't provide reasonable price signals or compensation to all generating resources. The MOPR has been changed so many times that it was "watered down to the point that it provides little screen for subsidized, uneconomic resources entering the PJM capacity market."

Senators' Questions

Sen. Romanchuk asked about Ohio and Pennsylvania's combined energy consumption in PJM.

Sternisha said Pennsylvania represents 19.7% of load in PJM, while Ohio is at 19.3%.

Sen. Mark Romanchuk | *The Ohio Channel*

Romanchuk said that should give the two states an "oversized voice" in PJM and federal policy decisions. Sternisha responded by saying she believes they "carry a lot of weight" in PJM and at FERC.

Sen. Teresa Fedor (D) asked if PJM's capacity market has protections against generation resources that are "trying to game the system" through offering artificially low prices in auctions.

Quinn said the MOPR "is and was" the mechanism PJM has to deal with prices, and the new rule means "essentially no resource now has any limitations on how low they can get."

Fedor asked Quinn what types of resources in PJM are "trying to game the system."

Quinn said he wouldn't characterize resources' bidding behavior that way. "They have another revenue source that offsets the other costs that the wholesale market needs to pay for," he said, referring to state subsidies. "That resource is reflecting that in their offer. I wouldn't say the resource is gaming anything. The resource is expressing what their economic interests are. The state has changed the playing field for all resources." ■

BPU Approves Agreement to End the Use of Coal Plants in NJ

By Hugh R. Morley

The last two coal-fired electricity generation units in New Jersey will close under an agreement approved Wednesday by the New Jersey Board of Public Utilities (BPU) between the plants and the utility they sold power to for more than three decades.

The BPU backed a petition filed by Atlantic City Electric (ACE) seeking to modify power purchase and sales agreements that the South Jersey utility held with Chambers Cogeneration and Logan Generating Plant, the board said in a release. As a result, coal-fired generation at Logan, a 225-MW facility located in Swedesboro, and Chambers, a 285-MW facility in Carney's Point, will "end after a brief period of transition," the BPU said.

The deal concludes what ACE describes in its petition as a pair of contracts struck more than 30 years ago under which the utility soon began losing money because of changing market conditions. While the agreements will bring the benefit of ending the emissions of extensive volumes of greenhouse gases, they will also enable the utility to reduce its ongoing losses, which would otherwise have continued until 2024.

The agreement requires ACE to make a series of negotiated, fixed monthly payments for the outstanding period of the power purchase and sales agreements, the BPU said. These will be partly offset by payments to ACE customers from Logan and Chambers, it said.

Gov. Phil Murphy, who has made the state's transition to clean energy a central element of his four-year tenure, said the closures are a key element of that effort.

"These agreements today allow us to further shift New Jersey's energy portfolio away from harmful coal generation and focus on clean energy technology," Murphy said.

Starwood Energy Group — a Greenwich, Conn.-based private equity investment firm that owns the plants — said in a release that it expects the plants to cease coal-fired generation in May.

"We are pleased to continue our focus on sustainable energy transition by creating win-win solutions with our counterparties such as ACE," CEO Himanshu Saxena said.

Ongoing Losses

ACE said that under the agreement, customers would get $30 million in energy bills savings through the end of 2024.

The utility entered into contracts to buy power from the two plants in 1988, but by 1994 the "pricing terms included in the contracts resulted in payments in excess of the market value of the output of the facilities," ACE said in a petition it filed with the BPU in December. As a result of the high costs, all of the energy and capacity purchased by ACE under the contracts was sold into PJM's wholesale markets, the petition said; none of the power generated was being used to meet the needs of customers.

"ACE does not earn a return on, or benefit from, these agreements in any way," the petition said. "Consequently … ACE has sought for many years to identify and employ strategies for renegotiating, modifying and/or eliminating the Chambers and Logan agreements."

The order approved by the BPU said ACE estimated that had it not negotiated the termination agreement with the two plants, the sales and purchase contracts would result in payments of $417.8 million to the two plants. That would have been offset by PJM revenues of $159.3 million, leaving customer costs of $258.5 million, it said.

Starwood purchased the plants, as well as two other plants in Arkansas and West Virginia, in 2017. At the time, the company said three of the plants purchased "comply with current and currently anticipated environmental regulations and are relatively recent vintage assets that do not have legacy environmental issues."

Reducing Pollution

ACE Region President Doug Mokoid said the company is proud to "do our part in helping to establish the state as a clean energy and climate leader."

"This accomplishment means more than bill savings for our customers," he said in a release. "It means cleaner air for our communities and a safer environment for generations to come." The company in September announced a "major climate change commitment" that called for the company to take "actionable measures" to cut greenhouse gases, such as transitioning to clean energy for its buildings, electrifying 50% of its vehicles and installing energy-efficient lighting at company facilities.

The New Jersey chapter of the Sierra Club welcomed the move and said that Starwood plans to work with a clean energy developer to bring renewable energy projects to the former coal plant locations. A letter of support for the ACE petition filed by Sierra with the BPU said the two plants have "pumped out between 1.5 [million] and 2 million tons of carbon dioxide pollution every year since 2016."

Logan Generating Plant | *Google Maps*

"This is a huge milestone in the state's transition to a clean energy economy," said Greg Gorman, conservation chair of the chapter. The organization is "thrilled that Starwood Energy is looking to directly transition to cleaner, cheaper renewable energy at these sites, ending nearly three decades of pollution in Carneys Point and Penns Grove, historically overburdened communities on the Delaware River."

The New Jersey Division of Rate Counsel, which reviewed the plans and agreements outlined in the petition, said in a March 7 letter that it would not oppose the deal. The agency said there were environmental benefits to closing the plants, although the delay in closing them and other factors mean the benefits are "not easily quantified."

It also said it could not say the financial benefits to customers were "just and reasonable," because they could diminish in certain scenarios. ■

Stakeholders Encourage PJM to Defend FTR Filing

By Michael Yoder

Stakeholders last week urged PJM to hold its ground on proposed collateral requirements for FTR traders, saying it should offer more support for a formula FERC rejected in February.

FERC on Feb. 28 rejected PJM's proposal to modify the FTR credit requirement with an initial margin calculation from a historical simulation (HSIM) model using a 97% confidence interval. The commission said PJM failed to support its proposal because its independent auditors validated the model at a 99% confidence interval rather than the 97% confidence interval proposed.

The commission directed PJM to make a filing within 60 days to show cause why its existing FTR credit requirement remains just and reasonable or explain what tariff changes will remedy the commission's concerns (ER22-703). (See FERC Rejects PJM's FTR Credit Requirement Proposal.)

In a sector-weighted vote at the March 23 Members Committee meeting, stakeholders endorsed a motion for PJM to refile the original proposal "accompanied by some new supporting rationale." The motion received a sector-weighted vote of 3.9 out of 5 (78%).

A second motion calling for PJM to file the FTR credit requirement revisions with a confidence interval of 99% received a sector-weighted vote of 2.25 (45%). A third motion that called for instituting the 97% confidence interval, and then moving to the 99% within one year, received a sector-weighted vote of 3.01 (60%).

Dave Anders, director of stakeholder affairs for PJM, said the RTO's technical and legal staff "values the feedback it received" and would assess the next steps in the filing process. Anders said "no firm decision" has been made by PJM on the filing, but the RTO will notify stakeholders of a decision within a week. The PJM Board of Managers have the final say on what the RTO files with the commission.

PJM Perspective

PJM's Chief Risk Officer Nigeria Bloczynski presented the RTO's perspective on the FTR filing, saying FERC's order "appears to provide support" for moving to the 99% confidence interval.

The RTO filed its initial proposal with the commission in December after stakeholders endorsed it in October. (See PJM Stakeholders Endorse Initial Margining Proposal.)

The proposal resulted from a two-year stakeholder process at the Financial Risk Mitigation Senior Task Force (FRMSTF), an effort to strengthen PJM's FTR credit and collateral rules in response to a report by independent consultants on the 2018 GreenHat Energy default. PJM said the proposal addressed one of the last recommendations in the report yet to be implemented: "eliminating the undiversified adder."

Much of the stakeholder debate in October centered around the confidence interval, with some advocating for 95% and others for 99%, ultimately settling on 97% as a compromise. The confidence interval refers to the "statistical certainty that a given value will exceed the range of possible outcomes (i.e., the losses in portfolio value over the margin period of risk) produced by the HSIM model," according to PJM.

In its order, the commission said it agreed with arguments made by the Organization of PJM States Inc. (OPSI) and PJM's Independent Market Monitor that the record "fails to support" a 97% interval.

In the December filing, PJM argued that imposing a 99% confidence interval instead of 97% might "force some market participants to unwind market positions or to decide not to continue participation in the FTR auctions and FTR markets entirely."

Bloczynski said PJM is now recommending moving toward the 99% confidence interval because using a higher confidence interval "provides more coverage of tail events" to protect PJM members and ratepayers in a default. She said the 99% confidence interval "brings PJM closer to the standards generally used in other commodity markets."

PJM "stands behind" its original December filing, Bloczynski said, but the RTO doesn't believe there is a "high probability of success" with a refiling that includes additional support if there continues to be protests by stakeholders against the 97% confidence interval. She said having a filing that includes a transition from 97% to 99% could have more "success" with the commission.

Stakeholder Perspectives

Steve Lieberman, vice president of transmission and regulatory affairs for American Municipal Power, presented the motion for alternatives in the PJM filing.

Lieberman argued that PJM should continue to support the 97% confidence interval in its filing and demonstrate to FERC that other changes included in the proposal "mitigate the risk of the riskiest market participants." He said if PJM decides to move forward with the 99% confidence interval in a Section 205 filing, the process could be complicated through stakeholder protests.

"My crystal ball isn't very clear, but I do believe we'll see a very contentious docket at FERC, and I'm not sure that will get us the most expeditious path forward," Lieberman said.

Jason Barker of Constellation Energy said his company was "disappointed" that PJM provided "insufficient analytical support" in its December filing to FERC on the 97% confidence interval. Barker said PJM could have done a more thorough cost-benefit analysis between the 97% and 99% confidence intervals.

"We're disappointed that PJM doesn't seem to express any concern for the cost of collateral," Barker said.

Greg Poulos, executive director of the Consumer Advocates of the PJM States, said the most important part of PJM's proposal for the advocates was to have some sort of confidence interval in place. Poulos said if PJM goes again to FERC advocating for the 97% confidence interval, it will create the "most uncertainty" on the issue and stall the adoption of other aspects of the proposal.

Market Monitor Joe Bowring said the IMM supports PJM's position on moving to the 99% confidence interval because it allocates the costs to those that are imposing risks on the market.

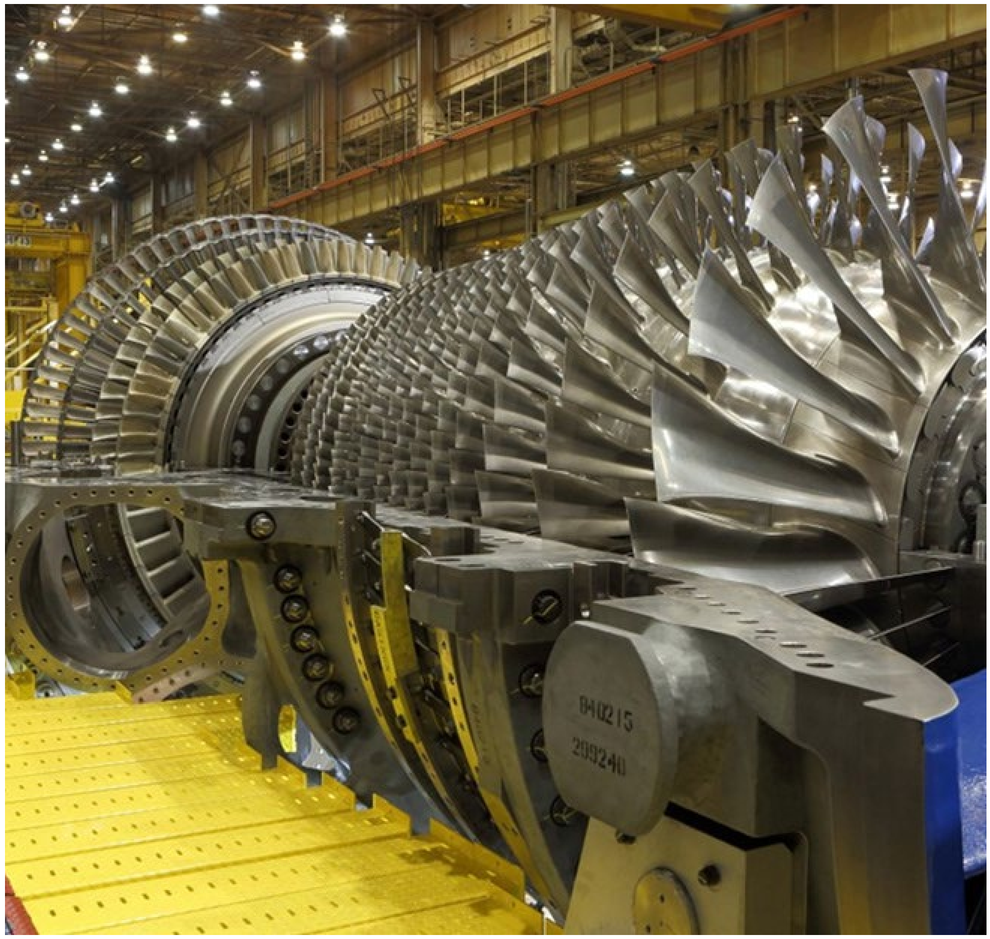
Gregory Carmean, executive director of OPSI, said his organization agreed with PJM making a Section 205 filing with the 99% confidence interval. Carmean said other institutions responsible for regulating financial trading require a 99% confidence interval level.

"There's no reason that the financial traders in PJM should be subject to less of a standard," Carmean said. ■

PJM News

FERC Rebuffs PJM Monitor in Accepting Kestrel Market Power Analysis

By Michael Kuser



A GE gas turbine like the ones used at Hunterstown Generating Station 810 MW natural gas-fired Combined Cycle power plant in Pennsylvania | *GE*

FERC on Thursday accepted Kestrel Acquisition's updated market power analysis as partially compliant with the commission's standards for market-based rate authority (MBRA), and directed the PJM generation owner to submit a further compliance filing within 30 days (*ER18-1106-002*).

In doing so, FERC rejected a protest by PJM's Independent Market Monitor, which said that "current PJM market rules for market power mitigation are insufficient to support [market-based rate] authorizations."

The commission said the Monitor failed "to submit any specific evidence ... demonstrating that Kestrel Acquisition has market power." Rather, the Monitor's protest was directed at PJM's rules and not Kestrel's analysis itself.

"In granting market-based rate authority, the commission does not certify markets as competitive; it determines whether individual sellers have market power," FERC said. "Here, IMM makes no attempt to show that PJM's monitoring and existing market power mitigation provisions would fail to mitigate any market power possessed by Kestrel Acquisition."

The Monitor argued that Kestrel's MBRA should be conditioned on offering into the energy and capacity markets at cost-based offers. But FERC said that "many of the allegations in IMM's protest apply to all sellers in PJM, including those that are not part of the protested proceedings. Such sellers have not been given adequate notice and opportunity to comment on IMM's proposal."

FERC noted that the Monitor's criticism of PJM's capacity market echo those made in a separate complaint, in which the commission approved its proposal to conduct a unit-specific review of all offers in the capacity market. It is also conducting a review the RTO's rules on parameter-limited offers. "We believe that proceeding, which will provide all sellers in PJM the opportunity to intervene and participate, is the appropriate forum to consider changes to the relevant PJM mitigation rules," it said.

Kestrel owns the 810-MW Hunterstown Generating Station combined cycle gas-fired power plant located in Gettysburg, Pa.

Commissioner James Danly concurred in a separate statement to highlight that the Monitor's "concerns in this case would properly be rejected even if the commission had not recently ordered PJM to adopt" the Monitor's unit-specific proposal.

"I opposed unit-specific review of all offers because doing so likely will result in over-mitigation," Danly said. "Unit-specific review is not required to adequately mitigate market power concerns, and today's order in no way indicates otherwise." ■

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PJM MRC/MC Briefs

Markets and Reliability Committee

Deactivation Process

PJM detailed changes in a proposal to update the process timing for generation deactivations at last week's Markets and Reliability Committee meeting after some stakeholders previously requested that the RTO slightly modify the language.

David Egan, manager of PJM's system planning modeling and support department, *reviewed* the proposal, presenting the revisions to *Manual 14D* and the *tariff* in a first read at the MRC. Stakeholders previously gave near unanimous support of the issue charge at the March 8 Planning Committee meeting. (See "Deactivation Process Timing Update Endorsed," *PJM PC/TEAC Briefs: March 8, 2022*.)

Egan said current language in the tariff provides 90 days advance notice and 30 days to complete deactivation studies, which is causing "insufficient and unsustainable" time for PJM staff to determine adverse impacts on reliability if more than one deactivation notice is made in a single study period. Industry trends and state energy policies are increasing the number of deactivation notices, Egan said, putting even more pressure on staff to finish studies in a timely manner.

"Thirty days to perform what is the equivalent in the interconnection process of a system impact study leads to overly conservative assumptions, which generally lead to inaccurate results," Egan said.

The issue charge calls for changes to the tariff and manual to "provide more time to complete analyses, allow additional and improved studies, and provide the ability for more efficient work control and consistency regarding timing of deactivation studies," Egan said.

The proposed deactivation process establishes quarterly study times for requests, with periods beginning Jan. 1, April 1, July 1 and Oct. 1. PJM staff would study deactivations "holistically" as a batch, Egan said, providing more accurate study results for impacts on the system.

The quarterly schedule would allow enough time for additional required seasonal, interim year and short-circuit analyses, scheduling upgrades, and cost estimates, Egan said, and for PJM operations to identify additional needed operational measures.

Egan said PJM is a "significant outlier" compared to other RTOs and ISOs in the deactivation process. MISO requires advance notice of 26 weeks for a deactivation, and the studies include 75 days to identify issues and 26 weeks to complete the deactivation study. NYISO requires advance notice of 365 days for deactivation, and studies are conducted in the subsequent quarter.

PJM granted a stakeholder request to insert tariff language that doesn't constrain a generator to a specific time frame for deactivation and to create exemptions if a unit is forced to deactivate through state legislation or actions by the federal government.

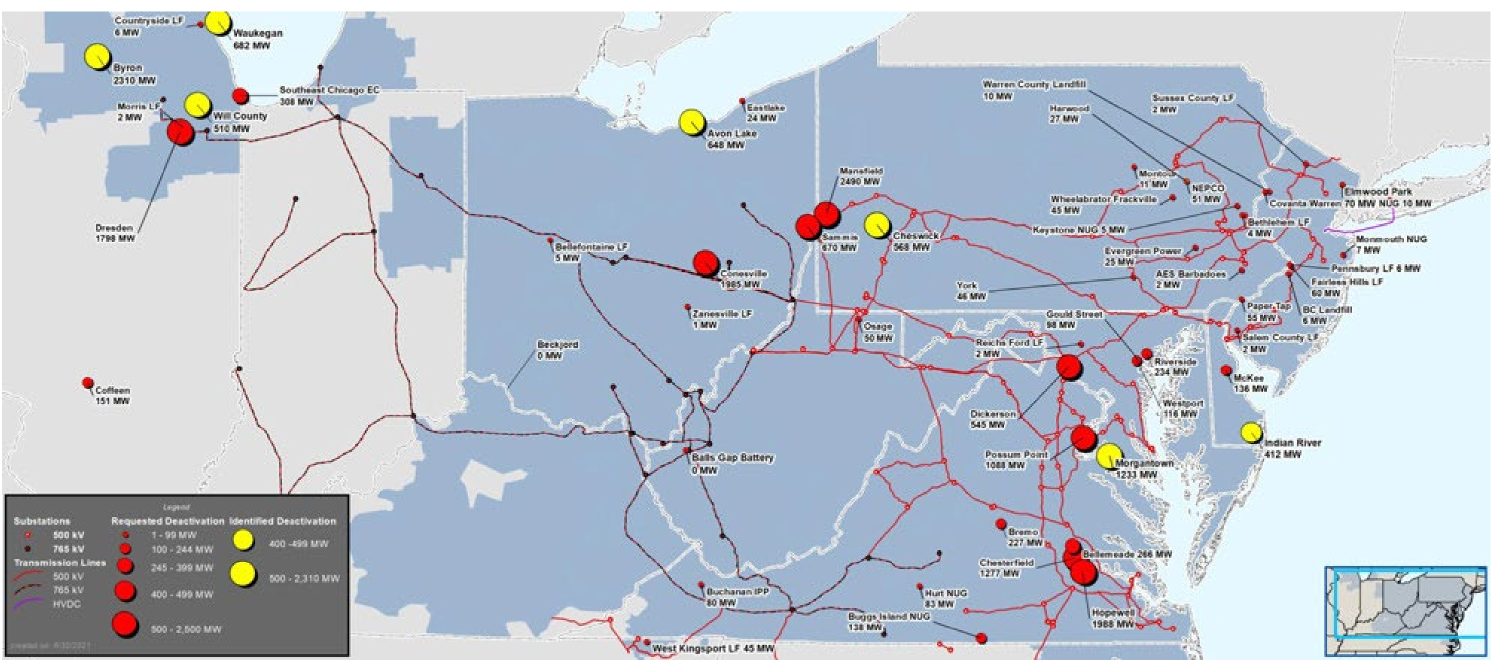
Jason Barker, Exelon | © RTO Insider LLC

Jason Barker of Exelon asked how a generator that experiences a catastrophic failure will be studied or considered by PJM. He requested that PJM provide an opportunity for an expedited review so that owners don't undertake carrying costs for waiting to decommission a unit that is "clearly not going to be operating any longer."

Egan said the impact from a unit that has a catastrophic failure "doesn't really change anything" because it will still have market obligations and have to look for alternative sources to fulfill the obligations.

"This whole process requires coordination with both transmission owners and generation owners to make sure we are able to mitigate problems on the system," Egan said.

PJM will move conforming Manual 14D



A series of 11 deactivation requests in July of 2021 prompted PJM to seek solutions to the review schedule for the RTO's staff. | *PJM*

PJM News

language through the Operating Committee and the Systems Operation Subcommittee if stakeholders endorse the proposal at the April 27 MRC meeting and the final tariff language endorsement at the May 17 Members Committee meeting.

Procurement of Clean Resource Attributes

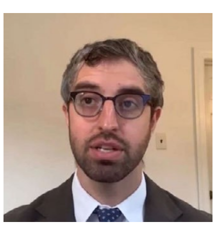
Dave Anders, PJM | © RTO Insider LLC

Dave Anders, director of stakeholder affairs for PJM, *reviewed* a proposed *issue charge* from the Resource Adequacy Senior Task Force (RASTF) addressing the procurement of clean resource attributes and the creation of a new senior task force.

Anders said the first key work activity in the RASTF's own issue charge was to determine whether the "forward procurement of clean resource attributes" should be pursued by stakeholders and to examine the inclusion of the social cost of carbon in PJM markets.

After discussions in the task force over the last few months, Anders said, stakeholders recommended a new issue charge for continued discussions and the development of potential market rules to implement the "preferred" design for clean resource procurement. Anders said 70% of RASTF members endorsed pursuing a new issue charge.

Anders said the new issue charge calls for a "comprehensive discussion of market enhancements" that would enable states and other buyers to procure clean resource attributes "on a voluntary basis, through a regional and centralized procurement or market."



Walter Graf, PJM | FERC

Walter Graf, PJM's senior director of economics and market services, provided details about the issue charge. Graf said stakeholders expressed interest in having a forum for a "comprehensive discussion on enhancements to the PJM markets."

Work would start with education on the procurement of clean resource attributes, including defining clean resource attributes across jurisdictions, markets and procurement mechanisms. The second step calls for discussing the objectives of a market construct to enable voluntary procurement of clean resource attributes.

Graf said PJM and stakeholders will determine an approach to conduct analysis and select one or more market design solutions for further development.

The expected deliverables in the issue charge include the education and analysis identified in the scope of work and any proposed market rules to implement the preferred design if one is found.

Discussions would take place in a new Clean Attribute Procurement Senior Task Force reporting to the MRC, and work would continue through the second quarter of 2023.

Denise Foster Cronin, EKPC | © RTO Insider LLC

Denise Foster Cronin of East Kentucky Power Cooperative asked if PJM anticipates moving forward with some type of market change even if the analysis resulting from the new task force doesn't fully satisfy stakeholders.

Graf said PJM is initiating the conversation "with the hope that we would get something useful out of it." He said PJM is looking to come to a consensus or compromise on the issue, but endorsing a solution is not necessary.

The committee will be asked to approve the recommendation at its April meeting.

CCSTF Sunset Endorsed

Members unanimously endorsed the sunset of the Capacity Capability Senior Task Force (CCSTF), bringing the work of the group to a close after nearly two years of discussions.

Melissa Pilong of PJM *reviewed* the sunset proposal and also presented the *final report* of the work completed by the task force. The CCSTF was originally created in March 2020 to consider using effective load-carrying capability (ELCC) to set the capacity value of limited-duration resources such as battery storage.

Stakeholders endorsed a joint proposal in September 2020 to use the ELCC method to calculate the capacity value of limited-duration, intermittent and combination (limited-duration plus intermittent) resources. FERC approved PJM's proposal in August. (See *FERC Accepts PJM ELCC Tariff Revisions*.)

Pilong said work originally endorsed by stakeholders for a second phase of discussions at the CCSTF was moved to the RASTF. The additional work includes a discussion of other rules or rule changes that may be necessary for limited-duration resources to participate in energy and ancillary service markets.

David "Scarp" Scarpignato, Calpine | © RTO Insider LLC

Calpine's David "Scarp" Scarpignato asked if work by stakeholders to examine using ELCC for all resources and evaluate its usefulness should be done at the CCSTF in the future rather than the RASTF because of the amount of detail needed to be discussed on the issue.

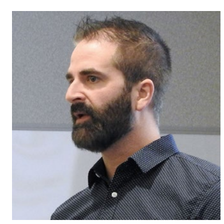
"It's a ton of work, and I think it would take awhile to do," Scarp said.

Anders said two different key work activities in the RASTF issue charge relate to the ELCC issue, including activities dealing with the risks and drivers and their relationship to accreditation of resources.

"There would be no reason to keep this CCSTF open to deal with that issue," Anders said.

Max Emergency Changes Endorsed

Stakeholders unanimously endorsed PJM's proposal to extend a temporary change to the maximum emergency status for gas combustion turbines and steam generators and an issue charge to look at a long-term solution.



Chris Pilong, PJM | © RTO Insider LLC

Chris Pilong, of PJM's operations planning department, *reviewed* the revisions to Manual 13: Emergency Operations in a *problem statement* and *issue charge*. Pilong said PJM made a temporary change to section 6.4 of Manual 13 in a "note" to modify the remaining hours under which a resource may be offered as maximum emergency generation to address recent concerns with fuel security and new emission standards in states.

The changes, which were endorsed in October, said PJM may request a generation owner to move steam units, which are mostly coal-fired, into the maximum emergency category if their remaining run time falls below 240 hours, or 10 days. The units could be restricted from operating during that time unless required to meet reliability needs for the grid. (See *Global Fuel Supply Prompts PJM Manual Changes*.)

Pilong said units could remain in maximum emergency status until their fuel inventory

PJM News

rose above 21 days, or 504 hours, and the designation would only be implemented to address concerns with local or regional reliability resulting from fuel supply shortages. The previous run-hour threshold for a maximum emergency was 32 hours.

Pilong said the manual change was set to expire April 1, but it needed to be extended to give PJM and stakeholders more time to work on a permanent solution.

The work on the long-term solution was requested to take place under a new *problem statement* and *issue charge* titled "Max Emergency Changes for Resource Limitations," which stakeholders unanimously endorsed at the MRC.

The issue charge calls for reviewing and modifying existing rules in response to concerns with the fuel and non-fuel supply chain, as well as the increasing environmental restrictions on generators that are creating challenges with managing run hours. Pilong said key work activities include examining the hours remaining at which max emergency can be used on a unit, along with the procedures and communications associated with a max emergency event.

The expected deliverables include education on unit eligibility and the opportunity cost calculator, as well as potential revisions to Manual 13 and "enhancements" to existing processes.

Pilong said PJM wants to spend four months working on the issue in the Operating Committee and have a solution before the summer 2022 peak period.

Combined Cycle Minimum Run Time Guidance Endorsed

Members unanimously endorsed a proposal and manual revisions that have been discussed for several months in committees to address pseudo-modeled combined cycle minimum run time guidance.

Tom Hauske, principal engineer in PJM's performance compliance department, *reviewed* the *proposal* that includes adding language to *Manual 11: Energy and Ancillary Services Market Operations*.

Hauske said market sellers can model a combined cycle generation unit as multiple "pseudo units" that are made up of a single combustion turbine and a portion of a steam turbine. But he said the potential exists for one or more of the pseudo-modeled units to operate for a period beyond the minimum run time parameter limit compared to an identical non-pseudo-modeled combined cycle unit if the market units of a pseudo-modeled combined cycle unit are dispatched at different times because the steam turbine takes extra time to reach operative levels.

The announcement of the planned closure of NRG's Indian River Generating Station in Delaware was one of several generating unit deactivation notifications in PJM last summer. | *NRG*

Hauske said the proposed solution calls for adding language to Manual 11 to require market sellers to update the minimum run time of any subsequent pseudo-modeled unit to remove the associated steam turbine start-up time included in the parameter limit when it's dispatched.

PJM wanted to have the final endorsement in place at the March MRC meeting because the RTO's unit-specific parameter adjustment process started earlier this month, and determinations on requests must be made by April 15.

Consent Agenda

Stakeholders unanimously endorsed four manual revisions as part of the MRC consent agenda. They included:

- revisions to *Manual 12: Balancing Operations* resulting from a periodic review. The changes include attachment references and other minor revisions.
- revisions to *Manual 13: Emergency Operations* resulting from a periodic review. The changes include new columns with winter values for estimated peak load and estimated load reduction in the voltage reduction summary table.
- revisions to *Manual 18: PJM Capacity Market* to conform with several recent FERC orders, including those on the minimum offer price rule, the market seller offer cap and the removal of the 10% cost adder for the reference resource used to establish the variable resource requirement curve.
- revisions to *Manual 37: Reliability Coordination* resulting from a periodic review. The language would properly label Silver Run Electric as a transmission owner in Attachment A of the manual.

Members Committee

Remote Voting for Annual Meeting

PJM wants to revise Manual 34 before the Annual Meeting on May 17, which includes the Board of Managers election and General Session, to allow for remote voting.

Michele Greening, manager of PJM's stakeholder process and engagement department, *reviewed* proposed revisions to *Manual 34: Stakeholder Process* to update the ballot process during the Annual Meeting at last week's Members Committee meeting.

Greening said Manual 34 includes language requiring written paper ballots for the elections of board members and the Members Committee vice chair. She said as the current remote meeting format has gone on for more than two years as a result of COVID-19 protocols, PJM identified the need to "exercise flexibility" to conduct the 2020 and 2021 board elections using an alternative to written paper ballots.

The 2020 board election was done remotely through the PJM Voting Application with special auditing provisions to "ensure ballot confidentiality," Greening said, and the 2021 board election was conducted through a secure, third-party online election service, Survey & Ballot Systems.

Greening said PJM wants to continue to use a secure third-party voting system for stakeholders not attending the Annual Meeting in person. To make the change permanent, PJM is proposing to modify the current Manual 34 provisions requiring a written paper ballot by striking the language.

The committee will be asked to approve the proposed Manual 34 revisions at the April MC meeting. ■

— Michael Yoder

SPP News

FERC Partially Grants Challenges to AEP Tx Rates

By Tom Kleckner

FERC last week partially granted four cooperatives' challenge of American Electric Power companies' annual update for transmission formula rate charges under the SPP tariff (ER18-194).

The commission agreed with several of the co-ops' complaints but also rejected others. It ordered AEP to make a compliance filing within 60 days.

The proceeding stems from a formal challenge by East Texas Electric Cooperative, Northeast Texas Electric Cooperative, Arkansas Electric Cooperative Corp. and Golden Spread Electric Cooperative of AEP's annual informational filings in 2020 on behalf of its Southwestern Electric Power Co. and Public Service Company of Oklahoma (PSO) affiliates. The filing detailed the true-up calculations of charges for the 2019 rate year under the companies' respective transmission formula rates.

In a settlement approved by FERC in 2019, the AEP rates transitioned from a historical formula rate to a forward-looking formula rate and removed directly assignable transmission costs related to generation.

The cooperatives claimed that in the new formula rates, AEP improperly:

- included regulatory commission fees in one account;
- accounted for capital lease interest expense;
- included coal-mining assets;
- included non-utility railcar facilities;
- included prepayments for tax credits that were sold;
- failed to include all unfunded reserves;
- included accumulated deferred income taxes (ADIT) related to accumulated accruals recovered through rates without including the reserves; and
- included ADIT related to rate refunds.

Four Texas cooperatives gained a partial victory at FERC in challenging AEP transmission rates. | *Matthew T. Rader, CC BY-SA 4.0, via Wikimedia Commons*

FERC disagreed with AEP's argument that the co-ops' challenge sought to undermine the settlement process by raising the same issues addressed through the settlement, saying the pertinent issue was whether AEP properly implemented the 2019 rate year formula. The commission agreed with the co-ops that the settlement did not bar future challenges to unfunded reserves and regulatory fees included in the 2019 rate year, finding that they were eligible for inclusion in the challenge, along with whether certain tax credits qualifying as prepayment.

The commission granted the challenge to the proper accounting of regulatory fees, finding they were not taxes. They directed AEP to include in its compliance filing the calculations reflecting the fees' inclusion and to refund with interest the amounts improperly collected for the 2019 rate year.

FERC also accepted the challenges to capital lease interest expense, the ADIT related to the accumulated reserve accruals for employee benefit costs and the ADIT related to rate refunds.

The commission ordered AEP to refund with interest on all amounts improperly collected for the 2019 rate year and that the refunds be reflected as adjustments in the next rate year's annual update. It said AEP had not justified why including the ADIT balance in the 2019 rate year's rate base is appropriate given the ratemaking treatment of the associated accrued reserves. AEP also failed to address whether the ADIT related to rate refunds should be included in rate base when the underlying refund amounts associated with the ADIT are excluded from rate base, FERC said.

The commission, however, denied the challenge to the proper ratemaking treatment for the coal-mining assets and railcar facilities. It found AEP had properly recorded the tax credits at issue, and it also denied the challenge on unfunded reserves associated with contingent liabilities, saying the related employee benefit accounts, except for workers' compensation, are not considered contingent because PSO knows that it will incur those expenses even if their timing is uncertain. ■

Midwest news from our other channels

Consumers Threatens to Hold off Closing Mich. Coal Plants

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SPP News

SPP's Consolidated Tx Planning Just Beginning

First Study Not Likely Until 2026 or Later

By Tom Kleckner

Leaders of an SPP task force charged with designing and developing a consolidated transmission planning process and associated cost-sharing mechanism said last week they will wait until the generator interconnection queue's backlog has been cleared before building the models for the process.

Staff told the Seams Advisory Group Wednesday that they expect it will take two years to get consolidated planning processes approved, with the first study being produced in 2026 at the earliest.

"We want to get queue clear before beginning the consolidated process," SPP's Kelsey Allen said. "It's very hard to coordinate across the various study processes."

The RTO's queue backlog dates to 2017 and includes nearly 100 GW of IC requests, as of November. Renewables and storage account for all the potential projects, with a bit more than 6 GW of thermal requests. FERC in January approved SPP's plan to clean up the backlog by 2024. (See "GI Backlog Plan Approved," *FERC Denies Co-ops' $79M Complaint vs. SPP*.)

The Consolidated Planning Process Task Force, created last year by the SPP board, has held a couple of education sessions and laid out a high-level work plan, said SPP's Sunny Raheem, who is chairing the task force. Over the next few years, he said, the group plans to write as many policies as it can and build out technical requirements.

The task force will coordinate with and gather input from affected stakeholder groups in proposing methodologies, approaches, assumptions, parameters, criteria, data requirements and/or outcomes for successful consolidated planning design, implementation and approval.

"Sounds like job security to me," joked American Electric Power's Jim Jacoby, the SAG's chair.

The meeting was the first in-person stakeholder meeting at SPP's corporate campus in Little Rock, Ark., since the onset of the pandemic.

SPP, MISO to Set Joint Stakeholder Meetings

SPP and MISO staff are planning a series of stakeholder meetings over the next four to six months as they work on a cost-allocation methodology for their joint targeted interconnection queue (JTIQ) study.

The final *study report* is comprised of seven projects at a total cost of about $1.65 billion. If approved, the projects are projected to resolve 48 reliability constraints and deliver about $724 million in adjusted production costs savings to MISO and $247 million to SPP. (See *MISO, SPP Finalize JTIQ Results with MISO Tx Duplicates*.)

However, MISO has included two of those projects in its first tranche of long-range transmission projects, raising questions about how that affects the JTIQ's portfolio.

"That's one of the first things we have to work out in the upcoming stakeholder meetings," SPP's Neil Robertson said. "It does change the complexion of how cost allocation will be approached. …That was one of the primary objectives of [the JTIQ study]."

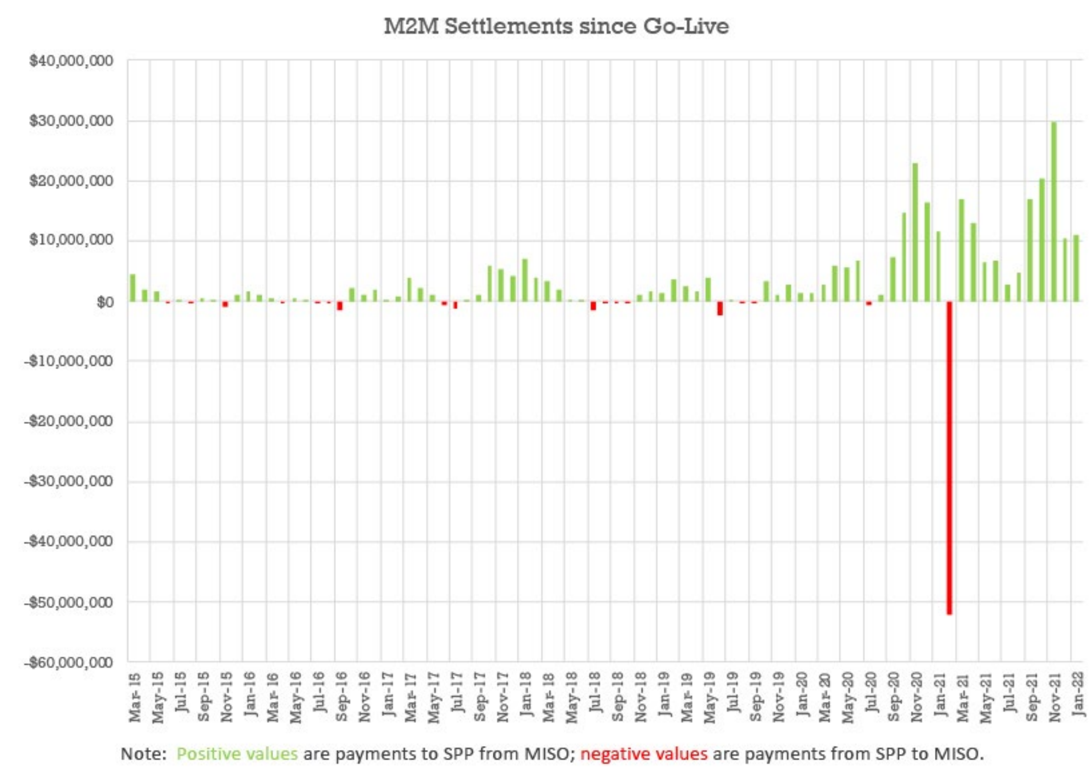
The stakeholder meetings are expected to be scheduled later this week.

SPP's M2M Settlements Exceed $250M

SPP accrued almost $7.9 million in market-to-market (M2M) settlements from MISO during January, staff told the SAG, pushing the amount MISO owes its neighbor for congestion to nearly $255 million.

Permanent and temporary flowgates were binding for 1,812 hours during the month. The two grid operators exchange settlements for redispatch based on the non-monitoring RTO's market flow in relation to firm-flow entitlements.

It was the 11th straight month M2M settlements have accrued in SPP's favor, and the 26th time in the last 28 months. The grid operators began the process in March 2015. ■



SPP's and MISO's market-to-market settlements since March 2015. | *SPP*

Company Briefs

Ameren Nuclear Plant Has Relied on Russian Uranium, Won't Say How Much

Ameren Missouri last week acknowledged that at least some of the nuclear fuel needs for its Callaway County plant are still tied to Russia but refused to say just how much.

The company said that "almost all" of its nuclear fuel comes from outside of Russia but did not clarify how much comes from that country or whether the comment applies solely to where the uranium is mined.

Utilities such as Ameren have been longtime customers for enriched nuclear fuel from Russia and its state-owned uranium export company called Techsnabexport, or Tenex. Ameren had a contract with Tenex from 2014 to 2020, which included an option for renewal. Ameren did not say what has happened since its expiration.

More: *St. Louis Post-Dispatch*

Edwards Named SPP Director of Diversity, Equity and Inclusion

SPP last week named Tamika Edwards its director of diversity, equity and inclusion (DEI), effective March 28.

In her role, Edwards will lead SPP's DEI initiatives and work closely with internal and external stakeholders to advance diversity, equity and inclusion within the organization and community.

Edwards has more than 20 years of experience in social justice, public policy, government and community engagement. Most recently, she served as special adviser to the CEO on diversity, equity,inclusion and engagement at Central Arkansas Water.

More: *SPP*

LG Energy Solution to Expand Michigan Battery Plant, Build Arizona Plant

LG Energy Solution said last week that it plans to spend $1.7 billion to expand its West Michigan battery factory.

The expansion, which is expected to break ground this spring, will add 1.4 million square feet of space that will be used to produce large lithium-ion battery cells and packs for electric vehicles. The Michigan Strategic Fund approved $189 million in incentives for the expansion. The company is seeking other funding that could bring total incentives to $525 million.

LG also announced plans to build a $1.4 billion battery factory in Arizona. The plant will be its first U.S. factory to make cylindrical cells, a type of battery that has been used in Tesla and Lucid vehicles. Construction will begin in the second quarter, with mass production to start in 2024.

More: *Bridge Michigan*, *Reuters*

Federal Briefs

BOEM Advances NC OSW, US Supply Chain with New Leasing Credit

The Bureau of Ocean Energy Management (BOEM) last week prepared two new lease areas for final auction off the North Carolina coast.

BOEM released a final sale notice and set an auction date for May 11. When fully developed, the lease areas could generate at least 1.3 GW of offshore wind power. The notice also includes a 20% credit to encourage direct investment in domestic U.S. supply chain or workforce development programs.

More: *Business Network for Offshore Wind*

FERC Commissioners to Meet In-person for First Time Since Feb. 2020

FERC Chairman Rich Glick last week announced that commissioners will convene in-person for the commission's April open meeting. It will be the first time the commissioners meet for the monthly open meeting at headquarters since February 2020.

While headquarters is generally not open for public entry yet, the commission noted that a number of its employees will begin to return April 18.

More: *FERC*

OSHA Issues Citations in Death at TVA Power Plant

The Occupational Safety and Health Administration (OSHA) last week cited Williams Specialty Services, GUBMK Constructors and the Tennessee Valley Authority for worker safety failures following an investigation of a worker's electrocution at the Bull Run Fossil Plant in Tennessee.

A 29-year-old industrial insulation installer was electrocuted after falling five feet through the top of a metal compartment and contacting energized electrical equipment. OSHA found that the three companies exposed workers to fall and electrocution hazards by not determining whether the walking and working surfaces employees were working from had the strength and structural integrity to support them.

Williams Specialty was cited with a proposed penalty of $152,900, while GUBMK was cited with a proposed penalty of $14,502. TVA was given a serious notice of unsafe or unhealthy working conditions.

More: *Business Insurance*

Report: Rich Countries Must End Oil, Gas Production by 2034

Rich nations must end oil and gas production within 12 years to give the world a shot at meeting the goal of the Paris agreement — and to give poor countries a "fair chance" to replace their lost income from fossil fuels, said a report released last week by the Tyndall Centre for Climate Change Research at the University of Manchester.

The report, which looked at the global carbon budget (the amount of carbon that the world can afford to emit without blowing past 1.5 degrees Celsius of global temperature rise), found that to have a 50% chance of meeting the target, developed countries must phase out oil and gas production by 2034. Developing countries would have until 2050.

Countries were classified by their capacity to maintain a vibrant economy without revenue from oil and gas. The U.S. came in as a "high capacity" country that must end production by 2034, with a 74% cut by 2030.

More: *The Washington Post*

State Briefs

COLORADO

175-MW Solar and Storage Project Cleared for Construction

El Paso County commissioners approved juwi Inc.'s 175-MW Pike Solar Project, which will include a 25-MW/100-MWh four-hour lithium-ion battery energy storage system and supply Colorado Springs Utilities under a 17-year power purchase agreement.

Construction is expected to begin next year and take about a year to complete.

CSU also said that there will be a reservoir on site for water-based energy storage, but that said storage is distinctly not hydropower.

More: *pv magazine*

Mysterious Solar Farm Crops up

Mystery surrounds a solar farm built adjacent to a former lumber mill near the town of Olathe, as none of the state officials responsible for project siting seems to know how it got there.

Circumstantial evidence suggests the project is part of a cryptocurrency mining operation. The company that owns the land doesn't have to reveal anything more at this point because they are not producing a product that would require inspection, and the land is zoned industrial, Montrose County Planning Director Steve White said.

More: *Colorado Sun*

DISTRICT OF COLUMBIA

AG and OPC: Pepco Systematically Mishandling Solar Projects

Pepco has committed a "pattern of systemic violations" in its handling of solar projects in the district potentially overcharging more than 6,000 customers, according to the offices of the Attorney General and People's Counsel.

The two offices jointly filed a complaint last week detailing the allegations, saying that the utility's actions are undermining progress toward the district's clean energy and climate goals.

"Complaints from developers, consumers and the District of Columbia Department of Energy and Environment staff illuminate that Pepco has repeatedly violated its legal requirements," they said.

More: *DCist*

ILLINOIS

Illinois Generators Cranked up Coal-fired Production Last Year

The state's coal-fired power plants burned 39% more coal in 2021 than the year before, as demand rebounded from the pandemic and natural gas prices increased.

That was the biggest percentage increase among the top 10 coal-burning states, according to federal data.

Faced with a coming deadline that will require most of them to shut down, 10 of the state's 13 coal plants boosted production.

More: *Inside Climate News*

OHIO

Shareholders: FirstEnergy CEO, SVP Ordered Bribery Scheme

Former FirstEnergy CEO Charles Jones and a former senior vice president "devised and orchestrated" a $64 million bribery scheme to pay a top legislative leader and utility regulator in exchange for official action, according to a sworn declaration last week from shareholders' lawyers who are suing the company.

While Jones and Michael Dowling were both suspected central characters in the operation — both were fired after initial FBI arrests in the case and matched identifying details in court documents — Wednesday's filing marks the first time the two were personally identified.

The shareholders' disclosure came after U.S. District Judge John R. Adams refused to sign off on a settlement between them and company officials until he was told who ordered the bribes. The settlement would call for FirstEnergy's insurers to pay the company $180 million for damages incurred in the scandal and force out six members of the board of directors when their terms expire.

More: *Ohio Capitol Journal*

AES Ohio Joins Coalition to Create EV Charging Stations

AES Ohio announced it has joined the National Electric Highway Coalition, a group of more than 60 investor-owned and municipal electric companies and electric cooperatives that is deploying electric vehicle fast-charging infrastructure.

The company has $5.1 million available for EV charging rebates, paid on a first-come, first-serve basis for eligible projects, including Level 2 and DC fast chargers.

More: *AES Ohio*

PENNSYLVANIA

Dr. Oz Switches Position on Fracking in Senate Race

Celebrity Dr. Mehmet Oz, who had previously raised health concerns over fracking, is campaigning for the Republican nomination to be U.S. senator as an unabashed fracking supporter.

"I'm here in Pennsylvania where there's natural gas under my feet that could address our domestic issues … and, more importantly, help our allies in Europe wean themselves off their dependence on Russian natural gas," he said in an appearance on "Hannity."

But Oz hasn't always expressed such unreserved support for fracking. In a syndicated newspaper column he began co-writing in 2007 with Dr. Mike Roizen, the two physicians cited the environmental and health risks associated with fracking on several occasions and, in one column, warned expecting mothers who live near natural gas wells against drinking the water and counseled them to keep 3 km away from fracking fields.

More: *Inside Climate News*

TENNESSEE

Bill to Override Local Control of Pipelines Spurs Backlash

The General Assembly is considering a bill that would remove local governments' ability to regulate fossil fuel infrastructure.

The bill would undermine pipeline opponents, like those that fought the now-defunct Byhalia Pipeline, a 49-mile natural gas pipeline proposed to run through a historically Black Memphis neighborhood.

More: *Tennessee Lookout*

TEXAS

Brazos Seeks More Time to Control Bankruptcy amid Mediation

Brazos Electric Power Cooperative asked U.S. Bankruptcy Judge David Jones in Houston to extend its exclusive period to file a reorganization plan in light of ongoing mediation with ERCOT that is critical to its restructuring strategy.

Brazos filed for bankruptcy protection in March 2021 shortly after the winter storm left it with a $2.1 billion bill from ERCOT. The co-op, which has said the bill for the week-long storm was nearly three times its total power cost for 2020, says it can't formulate a reorganization plan until it determines exactly how much it must pay ERCOT.

More: *Reuters*

Advanced Power Considers $184.5M Solar/Storage Project

Advanced Power is considering developing a 200-MW solar project near Victoria, according to tax incentive applications. The company is also developing a 140-MW solar project in Fort Bend County, both part of its 1-GW solar development pipeline in ERCOT.

More: *Houston Business Journal*

VIRGINIA

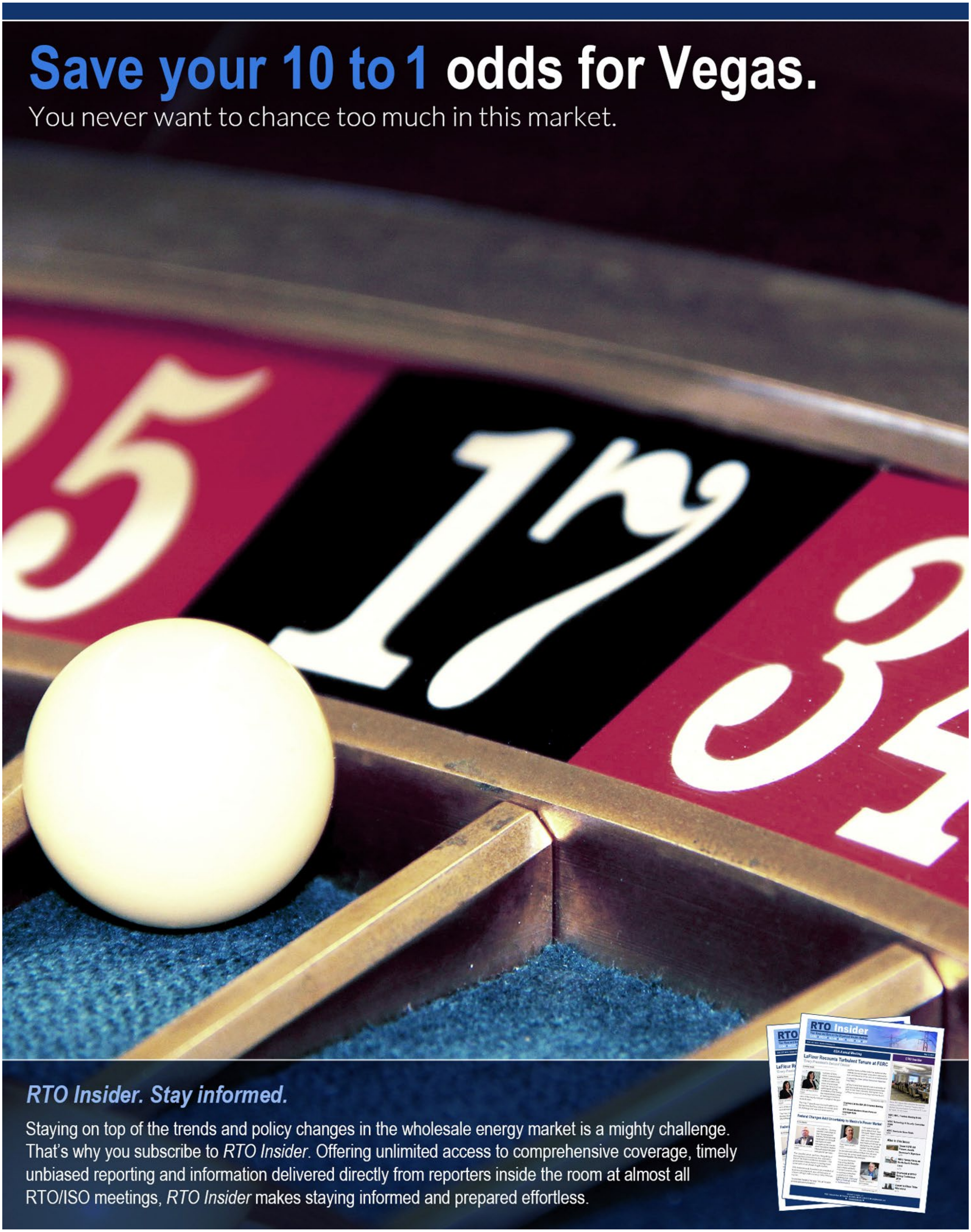
Proposal Would Turn 800+ Acres at Dulles into Solar Facility

The Metropolitan Washington Airports Authority is teaming up with Dominion Energy to convert a large swath of unused land at Washington Dulles International Airport into a solar farm.

The authority's board of directors agreed to a deal with the utility to turn over parcels totaling 835 acres on the grounds of the airport for the next 37 years. It is the culmination of nearly three years of discussion, and now awaits final approval from the Federal Aviation Administration and U.S. Department of Transportation.

"This is a groundbreaking project," said authority Chairman William Sudow, adding that despite objections raised by some, the agreement is fair to both sides.

More: *InsideNoVa.com*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