

## Pressure Grows for Public Takeover of PG&E *State Restructuring, Cooperative Utility Among Proposals*

By Hudson Sangree

SACRAMENTO, Calif. — More elected officials are calling for a public takeover of Pacific Gas and Electric or a government restructuring of the utility after it blacked out millions of state residents to prevent wildfires.

Gov. Gavin Newsom summoned PG&E executives and creditors to his office Nov. 5 to try to resolve the battle between Wall Street hedge funds for control of the bankrupt company. A spokesman said Newsom told PG&E CEO Bill Johnson in the closed-door session that unless the situation changes, the state will step in.

Newsom told U.S. Bankruptcy Judge Dennis Montali much the same thing in a *letter* Nov. 1.

"It is my hope that the stakeholders in PG&E will put parochial interests aside and reach a negotiated resolution in the near term," Newsom wrote to Montali, who is overseeing the utility's Chapter 11 case in San Francisco. "If the parties fail to reach an agreement quickly to begin this process of transformation, the state will intervene to restructure the utility."

On Nov. 4, a coalition of California mayors and county supervisors wrote a *letter* to the Public Utilities Commission and Newsom arguing that PG&E should be transformed into a public cooperative to fix the operational and governance problems that have plagued it for years and to ensure it emerges from bankruptcy as a "viable, creditworthy entity."

"In a growing coalition of local community leaders, we are developing a proposed

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**California PUC Votes to Keep Old Gas Plants Operating** (p.10)

## Danly Sails Through Hearing as Democrats Huff



FERC General Counsel James Danly gives opening remarks at his confirmation hearing Nov. 5. (p.7). | © RTO Insider

## General Counsel Vince Duane Leaves PJM

By Christen Smith



Vince Duane | © RTO Insider

PJM's year of high turnover continued this week with the departure of Vince Duane, the RTO's senior vice president and general counsel.

PJM announced Duane's resignation, effective immediately,

via email Monday. In the release, the RTO said Duane will seek other opportunities after more than 16 years with the organization.

"We are grateful to Vince for his many contributions to PJM and its stakeholders over the past 16 years," interim CEO Susan Riley said in a statement. "As a member of the PJM Board of Managers, I worked with Vince from the time I joined the board and have enormous respect for his legal perspective. The entire PJM community thanks Vince for his many contri-

butions to PJM."

Deputy General Counsel Chris O'Hara will assume the role of vice president, general counsel and corporate secretary with responsibility for law and compliance, effective immediately, PJM said.



Chris O'Hara, PJM | PJM

"It has been my honor and privilege to serve PJM's employees and members for more than 16 years," Duane said. "I am proud to have been part of such an outstanding team doing extremely important work, and I know PJM will continue to forge ahead with innovation, integrity and outstanding service to its members."

Susan Buehler, PJM spokesperson, didn't elaborate much further on Duane's departure, except to say that it "was purely his decision" and that he was ready to move on and "do

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**Outlying PJM States Call for More Autonomy** (p.23)

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# FERC Workshop Explores Barriers to Grid-enhancing Tech

By Christen Smith, Tom Kleckner and Michael Kuser

Representatives from utilities, RTOs, technology vendors and researchers gathered at FERC headquarters in D.C. last week for a staff-led workshop to discuss the role of grid-enhancing technologies (GETs) in transmission planning and operations and explore how FERC can help the industry address challenges related to their deployment (AD19-19).

GETs include power-flow control and transmission-switching equipment, storage, and advanced line rating technologies. Commissioner Richard Glick — the only commissioner in attendance — said he was struck



FERC Commissioner Richard Glick

by evidence that 20 to 50% of transmission capacity is going unused. He asked panelists the central question of the workshop: why “utilities haven’t adopted these tools, purchasing the hardware or software or deploying software, to improve power flow controls and manual configuration. Why haven’t we done more given the lack of use of the existing grid?”

It’s a “chicken and egg” problem that Washington State University professor Anjan Bose says FERC holds the power to fix, citing how the Department of Energy’s investment in phasor measurement units (PMUs) encouraged widespread use of the technology.

“FERC has to encourage some of these solutions” he said. “Some of the needs have to do with reliability and security and not just decreasing congestion at this one point. That’s something FERC can do. If it is needed for the reliability of the system, FERC has the ability to require it.”

“One of the challenges we have is getting detailed models because vendors don’t provide it because it’s proprietary,” said Robert Bradish, vice president of transmission planning and engineering for American Electric Power. He explained that equipment failures force the utility to send the unit back to the manufacturer for repairs, rather than completing them itself. He said FERC should give operators access to this information, “so we can get insight into the actual workings of technology.”

“Given our responsibility for keeping the lights on, we believe it’s prudent for us to have a conservative risk posture when deploying new technology,” he said. “Once you get a technology that’s out there; that’s proven; that’s got performance metrics around it; that’s got cost benefits around it, then you can get deep into

analysis and consideration of it.”



Hudson Gilmer, LineVision

“I want to touch on the safety benefits of these technologies and transmission line monitoring in particular,” he said. “I’m sure everyone is aware of recent events in the wildfires and the power shutoffs that we would argue largely occurred because of unmonitored power lines.” (See [PG&E Stock Plummets amid Wildfires, Shutoffs.](#))

Gilmer said technologies like the kind his company manufactures gives operators the ability to continuously monitor transmission lines and detect anomalies caused by age, clearance violations, blowouts and icing, among others, and “ultimately improve the safety and reliability of the grid.”

The societal benefits of GETs tend to outweigh the financial benefits, Bose said.

“Most of the cost justifications that are being used today to put in these technologies are on the basis of transmission, the cost of market utilization and so on,” he said. “The major advantages mentioned — reliability, flexibility, security — there are no cost benefits of that to stakeholders. There’s a lot of cost benefit to society, which is why we want this.”

## TO Incentives

Some panelists at the conference said sweetening the deal will ease transmission owners’ hesitation to adopt GETs.



Rob Gramlich, Grid Strategies

Gramlich, on behalf of the Working for Advanced Transmission Technologies (WATT) Coalition, proposed a program that would allow utilities to reap 25% of the shared savings to load from GET projects valued at less than \$25 million that “provide quantifiable congestion-reduction benefits.”

GETs — like transmission line monitoring — could help system operators keep track of damaged or aging infrastructure instead of relying on annual foot patrols, LineVision CEO Hudson Gilmer said.

Unlike resilience, reliability or safety, Gramlich said congestion can be measured and monetized. He said deployment incentives worked to increase wind and solar penetration, so it can naturally extend to GETs too.

“I think we’ve heard pretty resoundingly from the RTOs and transmission owners ... [that] the RTOs aren’t going to tell the transmission owners what technology to put on their wires at any time,” he said. “I think we’ve crossed out all of the alternatives except incentives.”

Bradish said his company could accept the framework of the coalition’s proposal, but he cautioned against “picking winners and losers” when it comes to chosen technologies.

“I think this incentives concept is beneficial to moving the ball forward,” he said. “There needs to be some criteria around that definition so you don’t lock out certain types of technology and innovation.”

Michael Kormos, Exelon’s senior vice president of wholesale markets and energy policy, argued that while the coalition’s proposal focuses on the right metrics, it would “fall apart very quickly” in PJM’s competitive model.

“We may yearn for the days of more collaborative planning, but that is not what we have created,” he said. “It’s winner-take-all. It’s not just a matter of it’s OK if [the proposal] doesn’t hurt me — I don’t want my competitor to have it at all.”

Former FERC Chair Jon Wellinghoff, CEO of GridPolicy Consulting, proposed a program that allowed participants to vie for shared savings worth up to 50% of the congestion benefit realized. He said this approach moves utilities toward a more market-based solution.

“If we structure it as a competitive process, I think that takes it out of the realm of the TOs deciding,” he said. “It can be decided ultimately by the RTO or planning entity, and ultimately, anyone can come in with the best solution.”

Except, not all TOs like the specificity of either proposal.

“I get nervous when I hear very proscriptive things,” said Robert McKee, director of strategic projects at American Transmission Co. and representative of MISO’s TO sector. “It’s got to be under \$25 million. It’s got to be this [grid-enhancing] technology. By proscribing that, you may be obviating a solution. Rather than proscribing what these projects should be, allow the entity to come in and propose something.”

Steve Leovy, of the Transmission Access Policy Study Group, disagreed that the WATT proposal “is the right solution” or that TO



Steve Leovy,  
Transmission Access  
Policy Study Group

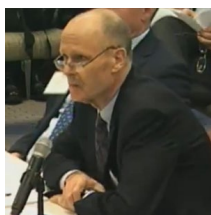
incentives will improve deployment at all.

"It doesn't sound to me that the lack of incentives is the reason this technology isn't being adopted," he said. "I've heard a lot more about needing more confidence in new technologies. ... Utilities

didn't need special incentive to get rid of copper conductors and start installing aluminum conductors. Technology changes and expectations and best practices should change along with technology. Putting incentives into this mix risks rewarding late adopters."

### Cost-sharing a Nonstarter?

Joe Bowring, president of Monitoring Analytics, PJM's Independent Market Monitor, said transmission incentives such as cost-sharing programs are inherently flawed and "counter-factual."

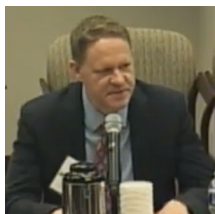


Joe Bowring,  
Monitoring Analytics

"The idea that you can provide an adequate incentive to a transmission owner to build a project that is 1/1000 the cost of a big transmission line is a nonstarter," he said. "You cannot overcome that basic return on investment by offering TOs incentives for building cheaper alternatives."

Bowring said using congestion as a metric fails to recognize that reducing it "is not always better." Further, the variability of the bulk power system will lead to unreliable forecasting.

"You cannot forecast benefits," he said. "The numbers are ultimately made up and the results are a variety of subjective assumptions. Cost-benefit analysis might be a good screening tool ... but the idea that it's an appropriate way to incent new technology is not correct."



David Patton, Potomac  
Economics

David Patton — president of Potomac Economics, the IMM for MISO, ERCOT, NYISO and ISO-NE — agreed, saying that "the problem runs so deep with transmission owners that proposing some marginal incentive for GETs in some cases

may work and, in many cases, won't."

"My biggest problem with it is, for the most economic GETs, it way under-incentivizes the investments in those technologies," he said. "You're not going to be able to correct the incentive problem with the TOs."

Even if RTOs and ISOs moved forward with the coalition's proposal and provided the cost-benefit analysis for these GET projects, none of them believed the data would provide enough reliable information on which to base rates.

"The long-term responsibility for that being a valid number for a very specific forecast with a very specific set of outcomes ... we would have trouble defending that ourselves as a credible value," said Neil Millar, CAISO's executive director of infrastructure development.

"Natural gas prices and transmissions outages are the main drivers of congestion," said Yachi Lin, NYISO's senior manager of transmission planning. "Neither of those can be forecasted with absolute certainty."

FERC shouldn't approve any additional processes for RTOs and ISOs to manage either, said Craig Glazer, PJM's vice president of federal government policy.

"The WATT proposal is very thoughtful, but it calls for a whole new process ... outside of the existing [Regional Transmission Expansion Plan] planning process," he said. "One thing we don't need is another process outside of that."

Instead, Glazer asked the commission to consider a nationwide solution to deploying GETs, given the complexities of seams relations.

"If there is any topic that cuts across the RTO and non-RTO boundary, it's this topic," he said. "Whatever you do, apply it across the country."

Glazer also asked FERC to "go on the record" and state its desire for system operators to consider deployment of GETs and create a record of possible strategies. He also wanted the commission's guidance on how to get pilot programs operational. Finally, he asked FERC to reconcile some its existing policies related to Order 1000 and transmission incentives.

PJM and other RTOs could serve as a testbed for these new devices, Glazer said, and create a record of their own that details proven technologies that "add value but offer implementation challenges."

Millar questioned the idea of a nationwide approach. "I'm not sure a one-size-fits-all solution is what's needed," he said. "We worry it risks a duplicative process of what we are already doing."

### Renewables Integration



Jeff Webb, MISO

Kicking off a discussion that explored how GETs can be incorporated into the transmission-planning process, Jeff Webb, MISO's senior director of transmission planning and competitive develop-

ment, said improving existing grid investments "is an important element in developing the most cost-effective transmission grid in both the near- and long-term planning horizons."

Webb said advances in generation technologies and other drivers are increasing renewable integration "at a dramatic pace." He pointed to "unprecedented" levels of wind and solar resources seeking interconnection.

"As the fuel mix of the fleet continues this evolution from carbon-based to renewable sources, these new inverter-based technologies put enormous stress on the transmission grid and bring new challenges to maintaining adequate and stable performance," Webb said.

MISO's regional planning process "can accommodate an all-of-the-above approach to developing transmission solutions to meet needs, with input from the diverse stakeholder community," he said. "At the present time, given the transformation in generation resources evident in MISO, enabling a substantial jump in bulk delivery capability is the much more pressing need."

Drew Clarke, lead integrated planning coordinator for Duke Energy, said the company took a different approach to future planning in 2016, when it created an integrated system and operations planning strategy. Recognizing the "significant transformations underway," he said Duke moved toward "a more holistic view of infrastructure investment, with the goal of modeling and evaluating options never contemplated before or [using] existing technologies in new ways."

Energy storage is one technology gaining tremendous momentum, he said.

"One of the challenges is the uncertainty of how non-traditional solutions, such as energy storage, will be classified by regulatory bodies," Clarke said. If energy storage is classified as a generator, "then the resource would need to go through the interconnection queue along with other generators. From a timing perspective, this could limit the feasibility of this alternative as a transmission or distribution solution, since traditional wires solutions would not be subject to this additional delay."

"It's important to recognize [that] different technologies and solutions might be more effective in different solutions. Give us the flexibility," he said.

Exelon Senior Vice President of Transmission and Compliance Mike Kormos said most "non-conventional transmission technologies" are not at a scale to drive down costs.

"They're getting better, but they're not quite there," he said. "[They] are difficult to compare to more conventional transmission alternatives. Some of these challenges may diminish with time as the costs of these new noncon-

ventional technologies fall.”

Kormos said most of the GETs listed in FERC’s *notice* for the workshop would be ineffective in meeting reliability needs. Referring to dynamic line ratings (DLR) and some power-flow control technologies, he said they might help “alleviate congestion in some instances, but system planners may not be able to depend on them to meet reliability needs under current assumptions used in transmission planning.”

“System planners must plan for the worst-case scenario when these technologies may be ineffective, given outages on other transmission facilities or adverse ambient conditions,” Kormos said.

The competitive environment and the RTO/ISO transmission planning processes both present challenges to deploying GETs, he said, noting there is no easy answer.

“A utility must attempt to minimize costs and risks, even if that means forgoing opportunities to gain experience with technologies that, over time, will become more cost effective,” Kormos said. At that point, grid operators ultimately select the more cost-effective solution. “Here, the benefits and risks are not necessarily aligned,” he said. “The responsibility to make this determination is a responsibility that an RTO/ISO may not desire to assume.”

Babak Enayati, manager of technology deployment for National Grid, said that by integrating renewable energy, new technologies deliver low-carbon resources, reduce the cost to serve customers, improve asset management, reduce operation and maintenance expenses, and improve resilience.

He focused his comments on dynamic transformer ratings (DTR), substation automation and storage. Enayati said National Grid installed DTR technologies on two transformers in July, estimating more accurate megavolt-ampere power ratings. The company has also increased the deployment of digital substation technologies that lead to quicker and lower-cost substation construction with a smaller environmental footprint.

Thanks to a 6-MW, 48-MWh battery on Nantucket Island and other installations, National Grid has concluded that “energy storage can offer a variety of benefits and challenges,” Enayati said.

When paired with flow-controller devices, he said, battery storage “may be the least-cost solution to address case-specific reliability issues on the transmission network” and can provide voltage and frequency services.

However, some storage inverters are manufactured outside the U.S, creating cybersecurity issues, Enayati said, “and some RTO/ISO regional planning processes do not consider energy storage as a potential solution to iden-



(Left to right) Jack McCall, Lindsey Manufacturing; Swaraj Jammalamadaka, Apex Clean Energy; and Pablo Ruiz, NewGrid.

tified reliability needs.”

## Who Benefits?

Unused transmission capacity is a challenge that can be met with technology, said Swaraj Jammalamadaka, vice president of transmission at Apex Clean Energy.

“You have, just in PJM [alone], over 1,200 transmission facilities that are loaded less than 20%, so from a generation developer’s perspective, when we get hit with congestion in the market, it’s a little concerning to us that there are lines next to ours not loaded anywhere close to their capability but we still experience congestion in the market,” Jammalamadaka said.

There’s “definitely a lot of value” for equipment that can control or redirect power flow while increasing transmission adequacy and enhancing system reliability, he said.

A GET most often works similar to transmission in terms of delivering benefits, so the company enabling the technology might not be the financial beneficiary, Jammalamadaka said.

Jeff Dagle of the Pacific Northwest National Laboratory said that while the cost of GETs has been coming down, historically there has been a cost barrier to implementing things like phase-shifting transformers that can redirect power flow on the network.

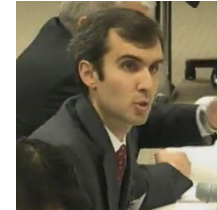
“A lot of times, the grid assets ... are based on a post-contingency analysis,” Dagle said. “So during normal day-to-day operations, if you just look at the asset utilization, you might see relatively low numbers, but yet those resources are really designed and justified based on post-contingency situations.”

## Other Perspectives

Jack McCall, executive vice president of California-based Lindsey Manufacturing, which

provides DLR systems, said he favored DLR over ambient-adjusted ratings (AAR), which he thinks should not even be considered as GET.

“We recognize the familiarity, assumed simplicity of implementation and perceived low cost of AAR. However, AARs do not truly provide situational awareness — merely a perception of awareness,” McCall said.



Pablo Ruiz, NewGrid

Pablo Ruiz, CEO of NewGrid, a utilities software developer in Boston, touted the benefits of topology-optimization technology, which automatically reconfigures power flow on the grid around congested elements.

“In terms of grid resilience and security impact, in several historical cases with overloads during extreme weather events, including heat waves [and] wildfires, we have found [the technology provides] in some cases complete relief,” Ruiz said. He pointed to his firm’s success in working with National Grid to improve system capability across a broad area of the U.K.

Monitor Patton questioned the advantage of treating topology different from other forms of optimization.

“When I listened to Pablo’s topology optimization, I don’t see how it’s different from other optimization improvements,” Patton said. “In fact, if [RTOs/ISOs] were to implement it, I think it would have to be implemented in their current set of models and tools because, for example, MISO and New York both run models every 15 minutes to optimally continue gas turbines, often for congestion relief.”

Ruiz responded that topology optimization “enables visibility on operational options, of the options that are not visible by and large today to the operators. In the end, software is certainly optimization. It has to be integrated in a different process, some processes require less integration, those are the days ahead and months ahead.”

MISO’s Webb said the question of who determines what qualifies as a GET can be a complicated. He counseled caution before RTOs adopt a particular technology.

“Maybe it depends if we’re talking about whether it needs to be isolated in definition from other types of transmission for other types of treatment, and I’m not sure we’ve resolved or addressed that,” Webb said. “Once you have an established technology that is mature, then the RTO can put that in its tool bag, if you will, with the collaborative planning process.” ■

# Climate is Human Rights Issue, Former NYPSC ALJ Says

By Michael Kuser

BENNINGTON, Vt. — About two-thirds of national constitutions now address environmental rights, but the legal profession has still been slow to recognize the nexus between climate change and human rights, a former New York Public Service Commission official told an audience at Bennington College on Nov. 4.



Eleanor Stein, Albany Law School | © RTO Insider

“There’s very little in law that recognizes this climate crisis as a human rights crisis,” said Eleanor Stein, a former administrative law judge with the New York PSC who now teaches climate change law at Albany Law School and the State University of New York.

She also serves on the board of the Rocky Mountain Institute.

Stein earned a master’s in climate change law and policy from the University of Strathclyde in Glasgow, Scotland, the first such program in the world.

Her appearance at Bennington’s Center for

the Advancement of Public Action was one in a series of lectures on climate change and environmental justice.

Stein noted that her talk coincided with an event that will spell a serious setback for environmental justice advocates. Earlier the same day, the Trump administration had delivered formal notice that it was pulling the U.S. out of the Paris Agreement on reducing greenhouse gas emissions.

“Today was the first day that the United States, or any other country that was a party to the Paris Agreement, could indicate its intention to withdraw, and that’s because today is three years since the day that the agreement took effect, or ‘entered into force,’ as they say in the world of treaties,” Stein said.

“One year from today, that notification will take effect, and the United States will no longer be a party to the Paris Agreement,” she said. “Ironically, that day, Nov. 4, 2020, is the day after the next presidential election.

“The U.N. Charter and the Universal Declaration of Human Rights of 1948 lack any reference to environmental rights or environmental justice, but suffering environmental injustice prejudices your ability to hold onto other rights,” Stein said.

## ‘Big, Complicated Mess’

Asked about political developments favorable to the environmental justice movement, Stein referred to New York’s recent enactment of the Climate Leadership and Community Protection Act ([A8429](#)), which she called “a big, complicated mess of a law.”

The law requires 70% of the state’s electricity be generated by renewable resources by 2030, nearly quadruples its offshore wind energy goal to 9 GW by 2035 and requires the economy to be carbon-neutral by 2040. It also doubles the distributed solar generation goal to 6 GW by 2025 and targets deploying 3 GW of energy storage by 2030. (See “New Energy Law Could Affect CO<sub>2</sub> Market Design,” [NYISO Business Issues Committee Briefs: June 20, 2019](#).)

“In [the law] is something that was fought very hard for by communities of color in New York, and those are provisions that the state has to consider impacts on the most vulnerable communities as it makes its climate policy,” Stein said.

“Every action to slow or stop global warming is significant,” she said. “The Global North created the situation, but the Global South is paying the price in terms of human rights.” ■



Albany Law School Professor Eleanor Stein speaks on climate change and human rights law at Bennington College on Nov. 4. | © RTO Insider

## FERC/Federal News



# Danly Sails Through Hearing as Democrats Huff

By Michael Brooks

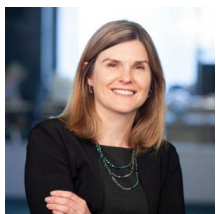
WASHINGTON — FERC General Counsel James Danly received little scrutiny at his confirmation hearing last week, even as Democrats complained about President Trump neglecting to pair his nomination to the commission with one from their party.

Trump nominated Danly last month to fill the Republican seat opened by the death of Commissioner Kevin McIntyre in January. If confirmed, Republicans would hold a 3-1 majority, with the seat of former Commissioner Cheryl LaFleur, who retired at the end of August and joined the ISO-NE Board of Directors, unfilled. His term would end June 30, 2023.

It is customary for presidents to send commission nominees to the Senate Energy and Natural Resources Committee in pairs, one from each party, when there is more than one vacancy, in order to avoid the minority party filibustering the nominee of the majority.

But in 2013, Senate Democrats *eliminated* the filibuster for presidential nominees other than those for the Supreme Court, meaning a motion to end debate needs only a simple majority. Still, Trump followed the pairing tradition when there were still two vacancies on the commission following the confirmations of Republicans Neil Chatterjee and Robert Powelson to join LaFleur, nominating McIntyre and Democrat Richard Glick.

"This is one committee that has worked very well as a bipartisan committee," said Sen. Joe Manchin (D-W.Va.), the committee's ranking member. "We've looked at the facts, looked at what's best for our country and our regions, and we've been able to have input on both sides, without any conflicts whatsoever. And to put us in a situation to where we can have a conflict and it could be avoided, it's just not right."



Allison Clements, Energy Foundation | Energy Foundation

Though not named at the hearing, it has been widely reported that Democrats have put forward [Allison Clements](#), clean energy markets program director for the Energy Foundation, as their choice. Manchin said that "we have a person who is very competent, very qualified; she's been vilified to a certain extent,



Katharine MacGregor's nomination to be deputy secretary of the interior took up much of the hearing. | © RTO Insider

thinking she's too far to the left." (See [Dems, Enviros Upset Over Solo FERC Nomination](#).)

Manchin stressed that he did not blame Danly, whom he called "very, very bright," nor Chair Lisa Murkowski (R-Alaska). He said he hoped the president "in his wisdom, in this next week, will bring her forward, and hopefully, next week, we can get her and a full-working FERC of five members."

"I just want to say how deeply worried I am that we are on the precipice of the FERC becoming another political entity, another extension of the" Trump administration, Sen. Martin Heinrich (D-N.M.) said. "And there's a lot of risk associated with that. In the short term, that may work well for one side and their view, but it risks creating a back-and-forth that would be truly untenable for our energy grid overall."

During Danly's opening remarks, a protester from Beyond Extreme Energy had interrupted, holding up a sign and chanting, "No more fossil lovers, wind and solar now!"

"You could see a scenario playing out where, in the short term, certain sources of energy are subsidized to the point of driving up energy costs substantially," Heinrich said. "In a year, maybe the gentlewoman who was escorted out gets nominated and appointed to the FERC, and we can no longer permit natural gas lines at all in this country."

"FERC is set up to avoid the need for pairings," Murkowski said. "And I think this is one of the myths and misconceptions that has been out there." She pointed to the fact that FERC com-

missioners' terms are staggered by one year each "in an effort to make sure that we didn't have these double vacancies. ... Bipartisan pairings are not always the norm."

Mirroring Murkowski's comments, shortly after the hearing, the committee *tweeted* a graphic showing the history of nominees to FERC since 1981, with each nominee placed under one of three columns: "not paired," "unbalanced" and "bipartisan pairing." The list, however, includes nominees submitted when there was a single vacancy and when there were multiple vacancies in the same party — unlike the current situation.

Murkowski also noted that McIntyre's seat had "already" been paired with Glick's.

"We've been waiting for 10 months to get a name ... so I don't think it's fair to tell the Republican nominee that we have to wait, given that we've been waiting for 10 whole months," she said. "Know, colleagues, that when we get the Democratic candidate, we will hear that nomination."

Speaking to reporters after the hearing, Murkowski said she hasn't "had direct conversation with the president about the Democratic name moving forward. I have been really focused on trying to get the Republican name forward, and so when Mr. Danly's name was advanced some weeks back, it was like, 'Finally, we can move on!'"

### DOI Nominee Gets Most Attention

"I hope [the lack of paired nominee] will not be what drives anyone to oppose your nomina-

# FERC/Federal News



tion,” Murkowski told Danly in addressing what she said she expected “will be the main source of the opposition to your confirmation this morning.”

It wasn't. In fact, Danly received little attention, let alone criticism, compared with Trump's nominee to be deputy secretary of the interior, *Katharine MacGregor*, currently deputy chief of staff for the department. Most Republicans virtually ignored Danly, and most Democrats

saved their ire for MacGregor, using their allotted time to question her on drilling for fossil fuels on federal lands and whether she had ties to the oil and gas industry.

Nor did Democrats give any attention to a letter sent to the Energy Department's inspector general and Office Of Government Ethics by Senate Minority Leader Chuck Schumer (D-N.Y.), asking them to investigate “the application of inconsistent and inaccurate

ethics advice by the Federal Energy Regulatory Commission's Office of General Counsel, which, notably, is managed by nominee for commissioner and FERC General Counsel James Danly.”

“It appears ... that at least one commissioner [Glick] was provided deficient ethics advice that, because of the seriousness with which he took his ethical obligations, ultimately forced him to abruptly recuse and cease work on certain proceedings,” Schumer wrote. “Another commissioner [Bernard McNamee] sought a waiver of his obligations under the pledge, weakening his initial contractual ethics commitments.”

However, Danly correctly pointed out in response to Murkowski that his office has no oversight over ethics waivers. Those are handled by the commission's designated agency ethics official, whom Glick said had changed his interpretation of rules under a pledge signed by all presidential appointees when Glick announced his recusal from matters involving his former employer, Avangrid, until Nov. 29. (See *Glick Recusal May Mean No MOPR Ruling Before December*.)

“I have, as general counsel, no role whatsoever in the provision of ethics advice,” Danly said. “Every agency in the federal government ... [has] a designated agency ethics official — we call them the ‘DAEO’ — and the DAEO reports to one person and that is the head of the agency; in our case that would be the chairman. ... I am not involved in any of the advice that's given by the DAEO to any of the people in our agency.”

“I think [the letter] was absolutely timed to throw a wrench into the works, and I think you saw how cleanly Mr. Danly disposed of it,” Murkowski told reporters. “I think that was just a poor effort by Sen. Schumer to try and create some controversy for Mr. Danly's hearing this morning. I don't think it worked at all.”

## The ‘Humble Regulator’

Danly stressed in his answers that he would strictly adhere to the laws governing FERC, namely the Federal Power Act and the Natural Gas Act. “I believe it is incumbent on every commissioner to act within the authorities granted by Congress when discharging the commission's duties,” he said in his opening remarks.

Manchin asked Danly what he meant by “the humble regulator approach,” a phrase he used in an April keynote speech at a conference held by his former employer, Skadden, Arps, Slate, Meagher & Flom.

## HISTORY OF FERC NOMINATIONS

### Not Paired

Name, Party, Date Confirmed

Bernard L. McNamee R 12.6.2018

### Unbalanced

Robert F. Powelson R 8.3.2017

Neil Chatterjee R 8.3.2017

Colette Dodson Honorable D 12.16.2014

Cheryl A. LaFleur D 7.15.2014

Norman C. Bay D 7.15.2014

John R. Norris D 12.24.2009

Marc Spitzer R 7.14.2006

Jon Wellinghoff D 7.14.2006

Philip D. Moeller R 7.14.2006

Suede G. Kelly D 11.21.2004

Nora Mead Brownell R 5.25.2001

Patrick Henry Wood R 5.25.2001

Curt Hebert Jr. R 7.30.1999

William Lloyd Massey D 6.26.1998

Vicky A. Bailey R 6.26.1996

James John Hoecker D 8.11.1995

Elizabeth Anne Moler D 8.25.1994

Vicky A. Bailey R 5.20.1993

Donald Farley Santa I 5.20.1993

William Lloyd Massey D 5.20.1993

James John Hoecker D 5.20.1993

Elizabeth Anne Moler D 10.17.1991

Branko Terzic R 10.11.1990

Martin Lewis Allday R 11.13.1989

Jerry Jay Langdon D 10.4.1988

Charles A. Trabant D 10.4.1988

Charles G. Stalon D 10.4.1988

Elizabeth Anne Moler D 10.4.1988

Martha O. Hesse R 10.4.1988

Martha O. Hesse R 10.3.1986

Anthony G. Sousa R 10.18.1985

Charles G. Stalon D 6.21.1984

Raymond J. O'Connor R 10.28.1983

Oliver G. Richard III D 8.19.1982

Anthony G. Sousa R 7.27.1981

Georgianna H. Sheldon R 6.4.1981

Charles M. Butler III R 6.4.1981

### Bipartisan Pairing

Kevin J. McIntyre R 11.2.2017

Richard Glick D 11.2.2017

John Robert Norris D 5.24.2012

Anthony T. Clark R 5.24.2012

Philip D. Moeller R 6.22.2010

Cheryl A. LaFleur D 6.22.2010

Jon Wellinghoff D 12.19.2007

Joseph Timothy Kelliher R 12.19.2007

Suede G. Kelly D 11.7.2003

Joseph Timothy Kelliher R 11.7.2003

Curt Hebert Jr. R 11.7.1997

Linda Key Breathitt D 11.7.1997

Curt Hebert Jr. R 11.7.1997

Linda Key Breathitt D 11.7.1997

Senate ENR Republicans tweeted out this graphic to rebut the tradition of pairing nominees of different parties to FERC. | *Senate ENR Committee*



# FERC/Federal News



"It boils down to the concept that officials and agencies should do honor to the statute that they are charged with administrating," he told Manchin.

Sen. Catherine Cortez Masto (D-N.M.) asked Danly if he agreed with the D.C. Circuit Court of Appeals' ruling in *Sierra Club v. FERC*, the so-called "Sabal Trail" case, in which the court remanded the commission's environmental impact statement on the Southeast Market Pipelines Project. The court ordered FERC to estimate the project's impact on GHG emissions, including upstream and downstream impacts, or explain more fully why it could not do so.

"I agree with the D.C. Circuit when it hands down a binding ruling, yes," Danly replied, smiling.

Sen. Mazie Hirono (D-Hawaii) probed deeper. She quoted Danly's argument in the case that "it would be an exercise in futility" to ask pipeline developers about the origins or destination of the project's gas. Noting that the court had affirmed its previous ruling in a separate case in June (*Birckhead v. FERC*), Hirono asked Danly, "What is your plan for how FERC will identify the information on the greenhouse gas



A protester from Beyond Extreme Energy is led out of the hearing room after interrupting Danly's opening remarks. | © RTO Insider

emissions from gas pipelines necessary to fulfill its statutory abilities, having argued that it is 'exercise in futility' to get such information?"

"The black-letter law of [the regulations] implementing the National Environmental Policy Act require that all direct and indirect effects and cumulative impacts of every major federal

action be reviewed and considered when making a decision, and I have every intention of following that unequivocal black-letter law," he responded.

"Even if you say it's 'an exercise in futility.' Well, I hope you ... please do your best," Hirono said before her time expired. ■

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## CAISO/West News

# California PUC Votes to Keep Old Gas Plants Operating

## Orders LSEs to Procure 3,300 MW of Capacity by 2023

By Hudson Sangree

The California Public Utilities Commission voted unanimously Thursday to recommend that some older gas-fired plants, scheduled to close next year, remain open for up to three years to prevent reliability problems.

The commission also ordered that all load-serving entities under its oversight collectively procure 3,300 MW of capacity, on a basis proportional to projected load, by August 2023.

The gas plant decision was unpopular with members of the public, local elected officials and the commissioners themselves, who said they were loath to keep the plants in service but couldn't see another option.

The once-through-cooling (OTC) plants along the Southern Californian coast, dating from the 1950s and 1960s, are notorious for killing billions of marine organisms and sully some of the state's most popular beaches, including Huntington Beach in Orange County and Redondo Beach near Los Angeles.

The decision whether to keep the OTC plants open will ultimately be decided by the State Water Resources Control Board in the coming weeks, though the commission's recommendation is likely to be highly influential.

"We do not seek these extensions lightly," Commissioner Liane Randolph said as she presented the proposal. Dozens of public speakers at recent commission meetings had opposed the [proposal](#), many traveling from Southern California to San Francisco to address the commissioners in person, she noted.

"But as we look at the next few years, the reality is those resources [totaling 3,750 MW] are needed," Randolph said.

Fossil fuel plants are retiring, and solar power cannot meet evening peak demand, which has shifted later in the day as solar goes offline, she said. The state needs far more storage capacity, including battery storage, to allow renewable energy to serve peak load, she said.

Other Western states are using an increasing amount of the renewable energy they produce, potentially limiting imports to California, Randolph said. California and neighbors such as Nevada and New Mexico have 100% clean-energy goals to meet by midcentury.



The California Public Utilities Commission voted to recommend keeping some older gas plants open to ensure reliability, including three units at the Alamos Generating Station near Los Angeles. | California Energy Commission

### Orders Pro Rata Procurement

To address the expected shortfall through 2023, the CPUC's decision Thursday also ordered all LSEs in CAISO's balancing area to procure a total of 3,300 MW of capacity in the next three years, based on projected load share. Huge investor-owned utilities such as Southern California Edison and small community choice aggregators (CCAs) are among those included in the order.

At least 50% of the new resources must come online by Aug. 1, 2021, followed by at least 75% by Aug. 1, 2022, and 100% by Aug. 1, 2023.

The CPUC asked the LSEs to procure resources with an eye toward grid resilience in the face of public safety power shutoffs intended to prevent wildfires.

CAISO also has made meeting reliability challenges a top priority.

In a presentation in September, Mark Rothleder, CAISO's vice president for market quality and regulatory affairs, told the ISO's Board of Governors that the state could start to run

short of electricity as soon as the summer of 2020, but the situation would likely grow more serious in 2021, when the state could fall 4,400 MW short of meeting peak demand with a 15% reserve margin.

The problem could worsen when Pacific Gas and Electric's Diablo Canyon Power Plant, the state's last nuclear generating station, shuts down in phases starting in 2024, he said. (See [CAISO, CPUC Warn of 'Reliability Emergency'](#).)

A group called Californians for Green Nuclear Power has advocated for keeping Diablo Canyon operational. Though not what some would consider clean energy, nuclear power does not produce carbon emissions. The "safe, economical and reliable Diablo Canyon Power Plant supplies 9% of California's in-state generation," Gene Nelson, the group's government liaison, said in an email to *RTO Insider*. "If DCPP closes, there will be huge electric reliability problems for California."

The CPUC restricted the scope of its reliability proceedings to 2023 in a "political move" to sidestep the issue of whether Diablo Canyon should remain open, Nelson said. ■

## CAISO/West News

# Pressure Grows for Public Takeover of PG&E

## State Restructuring, Cooperative Utility Among Proposals

Continued from page 1

structural change for PG&E that addresses all three of these key elements," it said. "Based on a foundation currently in the Public Utilities Code, we will propose transforming PG&E into a mutual benefit corporation — in essence, a cooperative owned by its customers."

The battle between PG&E's bondholders and shareholders playing out in the bankruptcy court is "merely spectacle, without regard for what will be left behind when the financial players inevitably leave the scene," it said. (See [Attorneys Clash over PG&E Reorg, Blackouts Resume.](#))

Billions of dollars in government bonds could help harden PG&E's grid against wildfires, the officials argued.

The letter was signed by the mayors of 16 cities — including San Jose Mayor Sam Liccardo, who initially proposed the plan — and supervisors from five counties in Central and Northern California.

Sacramento Mayor Darrell Steinberg signed the letter, though his city is already served by the Sacramento Municipal Utility District (SMUD), which began its efforts to purchase PG&E's local electrical system in 1923 and succeeded after more than 20 years of legal wrangling.

SMUD is now the nation's sixth-largest community-owned nonprofit electric utility. Its service territory, surrounded by PG&E's, has avoided many of the problems that have plagued the investor-owned utility, including the large-scale blackouts of recent weeks.

"I signed the letter out of solidarity with my fellow mayors," Steinberg said in a statement. "Here in Sacramento, we're fortunate to be served by SMUD, our municipal utility, and we haven't experienced the blackouts or other problems like those happening in PG&E's territory. Electricity is a life-or-death commodity and should be viewed as a public resource."

### PG&E Responds

On a sidewalk near the State Capitol, Johnson said he understood the urgency of the situation and why the governor had called for a brokered solution.

"We have to emerge from bankruptcy and then we have to become the utility of the future," the former head of the Tennessee Valley Authority told reporters. But he said making



Thousands of firefighters have battled blazes sparked by PG&E equipment. | Cal Fire

PG&E a public utility could burden ratepayers with expenses they don't pay now.

"I think it has the potential to inadvertently shift costs," he said. "I think the way it's structured now is the best idea for the majority of customers."

Regarding the recent public safety power shutoffs, which blacked out more than 2 million people twice in one week, Johnson said PG&E's decisions had saved lives as the region faced high fire danger from unusually dry and windy conditions. The company's equipment came under suspicion, however, for starting the 78,000-acre Kincadee Fire on Oct. 23 in Sonoma County. (See [PG&E Stock Plummets amid Wildfires, Shutoffs.](#))

Friday marked the one-year anniversary of the Camp Fire, which killed 86 people and leveled the town of Paradise. PG&E equipment sparked that fire, state investigators found. The California Department of Forestry and Fire Protection also blamed PG&E equipment for starting 21 of the wine country fires of October 2017, which combined killed 20 people.

"I came to California with one basic purpose," Johnson said. "Let's make sure we don't kill anybody in our operations. And I think we achieved that this year. I understand the hardship. I apologize for it. But for me, safety has to come first."

PG&E responded to the governor's ultimatum and the mayors' takeover bid in written statements.

"We share the governor's focus on reducing wildfire risk across California and understand PG&E must play a role in these efforts," the utility said. "We welcome the governor's and the state's engagement on these vital matters and share the same goal of fairly resolving the wildfire claims and exiting the Chapter 11 process as quickly as possible."

PG&E's reaction to the mayors' proposal was more dismissive, echoing statements it made earlier this year when it rejected San Francisco's \$2.5 billion offer to buy PG&E's grid in the city. (San Francisco's mayor did not sign the letter, but the city has independently said it wants to create a municipal utility.)

"We are aware of proposals by various government agencies to acquire PG&E assets or to convert parts of the company to what is being described as a mutualized entity," PG&E said. "We study and analyze each proposal. However, PG&E's facilities are not for sale, and changing the structure of the company would not create a safer operation."

"We remain firmly convinced a government or customer takeover is not the optimal solution that will address the challenges and serve the long-run interests of all customers in the communities we serve," it said. ■

## CAISO/West News

# CAISO Black Start Project Must Divulge Cost Info

By Hudson Sangree

FERC accepted an agreement last week between CAISO and a Calpine plant to provide black start service, but it also agreed with the California Public Utilities Commission that more cost information was needed to determine if the deal was just and reasonable (ER19-2800).

The federal commission accepted the agreement effective Nov. 6 but required additional information to be presented at settlement hearings.

CAISO in 2016 determined it needed additional black start capability in the San Francisco Bay Area. It issued a request for proposals in June 2017 and ultimately selected a plan by Calpine to provide battery storage at the company's gas-fired Russell City Energy Center in the city of Hayward.

The agreement between the Russell City and the ISO — in which Pacific Gas and Electric,

the transmission provider in Hayward, is also a participant — stipulates that the plant will collect about \$7.4 million annually for five years to cover a \$21.8 million capital investment and earn a reasonable rate of return. The plant owner will recover both the variable cost of providing black start service and the fixed cost of constructing the battery system.

The variable cost represents the sum of a start-up charge, a fired-hours charge, greenhouse gas reimbursement, CAISO charge reimbursement, a performance test field support charge and a power plant outage cost reimbursement — all outlined within a schedule of the agreement. The contract also provides for Russell City to recover a “market revenue shortfall” if the revenues received during energy delivery are less than provided for by the schedule.

Russell City contends that CAISO's competitive solicitation process guarantees that its rates, terms and conditions for black start service are just and reasonable. The ISO would

have the option to renew the agreement for an additional five years after the contract expires.

In its comments to FERC, the CPUC said it supported the development of black start capability in the Bay Area but argued Russell City had not provided underlying cost information to support its filing. The state commission requested that FERC require Russell City to refile the agreement with underlying cost information, or alternatively accept the agreement but also determine that it does not set any precedent. FERC agreed with the CPUC's concerns.

“Although Russell City, CAISO and PG&E represent that they exchanged information with CPUC about cost allocations during their negotiations of the agreement, that information has not been submitted into the record of this proceeding and therefore is not available for this commission to evaluate in determining whether the proposed rates are just and reasonable under Section 205 of the Federal Power Act,” the commission found. ■



Calpine's Russell City Energy Center in Hayward, Calif. | © RTO Insider

# ERCOT News



## ERCOT Expects to Easily Meet Winter, Spring Demand

ERCOT said Thursday it will have sufficient installed capacity available to meet projected peak demand this winter and spring.

According to its final *seasonal assessment of resource adequacy* (SARA) for the winter months (December to February), ERCOT will have more than 82 GW of capacity available – more than enough to meet an expected winter peak of 62.3 GW.

The capacity includes 136 MW of winter-rated gas-fired and wind capacity that have become commercially operable since the release of the preliminary winter SARA. As much as 768 MW of planned winter-rated capacity could be available from new gas generation, wind and utility-scale solar projects.

The forecast projects more than 7 GW of resource outages this winter, based on historical data compiled since 2016.

“We studied a range of potential risks and believe there will be sufficient operating reserves to meet the forecasted peak demand,” Pete Warnken, ERCOT’s manager of resource



| ERCOT

adequacy, said in a *statement*.

ERCOT’s all-time winter peak is 65.9 GW, set in January 2018.

The Texas grid operator’s preliminary spring SARA for March to May foresees an additional

2.9 GW of gas, wind and solar units coming online to meet an expected peak demand of 64.2 GW. The final spring SARA report will be released in early March. ■

– Tom Kleckner

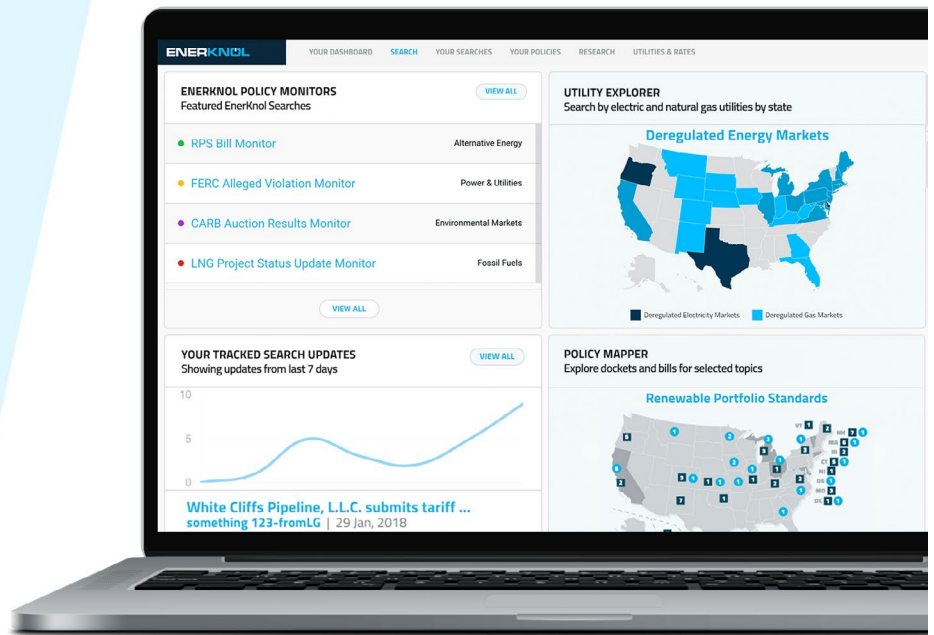
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## ISO-NE News

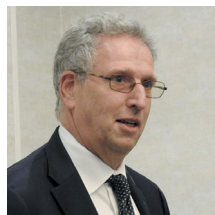
# Overheard at NECA 2019 Power Markets Conference

WESTBOUROUGH, Mass. — The Northeast Energy and Commerce Association (NECA) last week drew more than 100 participants to its 18th Power Markets Conference to explore grid reliability and resilience, carbon pricing, and the federal and state policies impacting the electricity sector.

Conference co-chairs Mary Usovicz, principal of MUCConnections, and David Fixler, an attorney with Greenberg Traurig, mixed up the format by doing away with slide presentations — mostly — and just having panelists say a few words before taking audience questions and polls via *Slido*, a web-based platform.

Following are highlights of what we heard.

### 'Dangerous Road' for Markets



FERC Commissioner Richard Glick | © RTO Insider

FERC Commissioner Richard Glick shared his perspective on the power markets after two years in office.

"Chairman [Neil] Chatrjee gave a speech a couple months ago in which he said he wanted to make FERC boring again," Glick said.

"Well, I don't think he's succeeded yet on that. It's been pretty crazy lately."

He said the "sometimes too emotional" commission meetings were "emblematic, unfortunately, of the governmental environment, at least related to the federal government these days."

The heated battles partly stem from how the transition to a new energy world inevitably creates winners and losers, Glick said. There's "a lot of money" involved, he added.

"When you have a dissent or disagreement and this kind of doctrinaire policy — that's my view — a lot of these issues end up getting litigated in a court, and all that does is create more uncertainty for you all in the industry," Glick said. "It doesn't mean you're guaranteed to survive a court challenge if there's a unanimous commission, but certainly it's much more likely.

"I never realized until I got to FERC how com-

plicated some of these markets have grown ... and we see a lot of proposals to tinker with the markets, particularly the capacity markets," Glick said. "There's a very broad difference across the country in how the RTOs and ISOs address resource adequacy," from highly structured markets in the East, to utility-centered planning elsewhere, to total market reliance in ERCOT.

In the debate over federal and state energy policies competing in some way, Glick said the Federal Power Act "is very clear."

"Resource decision-making is supposed to be left to the states, not to the federal government. The Supreme Court has spoken, and there are limits on what states can do — they can't set wholesale prices and so on ... but for the most part the court was also relatively clear that ... it's up to the states, not FERC, to make resource decisions."

Glick pointed to frustration with the lack of a federal carbon policy, leading states to decide to go their own way on carbon pricing or emissions standards, a process that produces its own complications — and risks — for organized electricity markets.

"What we're seeing is the real danger that we're going to unravel completely these markets," he said. "Some people might think that's a good idea, some not, but if you do support markets, it's a very dangerous road to go down to continue to stifle the states' efforts."

### State Perspectives



Rebecca Tepper, Massachusetts attorney general's office | © RTO Insider

During one panel, Rebecca Tepper, chief of the Massachusetts attorney general's energy and telecommunications division, asked how the wholesale markets would have to change in order for Massachusetts to bring on more renewables without state-sponsored procurements.

"We are looking at transitioning the current fleet [of generators], and the Department of Environmental Protection is looking at every cap on natural gas emissions on a declining basis, but we recognize that fossil [fuel] is going down and we have to replace that," Massachusetts Department of Public Utilities Chair Matthew Nelson said.



Matthew Nelson, Massachusetts DPU | © RTO Insider

"At the same time, the state is also trying to move transportation and buildings over to the electric grid, so electric's probably going to be growing," Nelson said. But he acknowledged he didn't know what prices the ISO-NE market would have to produce to discontinue procurements.

Asked if there is a breaking point price for electricity consumers, Nelson quipped that his staff would advise him not to answer that question.

"Who wouldn't want electricity? It's the closest thing we have to magic," Nelson said.

On the subject of carbon pricing, Nelson said, "When people see something as complex as a clean peak standard in a single state, you start thinking, 'Is a regional carbon adder the right way to go?' If we're going to design a carbon adder ... we don't want to set a price that fails to impact the market the way we want it to.

"I think RGGI is great, and I like carbon pricing, but is that the thing that is bringing offshore wind on? Is that price or policy sufficient to bring energy storage; to support a Millstone? Those are the questions we have to answer when we are thinking about what a carbon price is in the market."

Cynthia Arcate, CEO of PowerOptions, asked, "What is the path forward for renewables if there is insufficient demand for" Competitive Auctions with Sponsored Policy Resources (CASPR)?

Mark Karl, vice president of market development for ISO-NE, who earlier referred to CASPR as "the friendly ghost," said the question goes to the heart of



Mark Karl, ISO-NE | © RTO Insider

what the New England States Committee on Electricity "is asking all of us to work on, collectively, which is, 'How do we manage these resources?'"

"I think of CASPR not as a friendly ghost, but as

# ISO-NE News

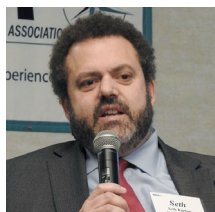
the ghost of a promise that we in the states were going to be able to incentivize renewable resources," said Marissa Gillett, chair of the Connecticut Public Utilities Regulatory Authority. "We need more work by the states.



Marissa Gillett, Connecticut PURA | © RTO Insider

"You're never going to get [carbon pricing] from the states, because we are not eager to make anything else FERC-jurisdictional at this moment."

## Defining the Future



Seth Kaplan, Mayflower Wind | © RTO Insider

Seth Kaplan, director of permitting and development for Mayflower Wind, which just won Massachusetts' second 800-MW offshore wind solicitation, brought up the potential for the region to export energy to the Midwest, where

older fossil resources are retiring.

"There were [U.S. Department of Energy] transmission studies 12 years ago that modeled that with a full build of offshore wind generation and onshore transmission," he said.

After another speaker referred to wind turbines as "intermittent," he also gave the audience a vocabulary lesson, saying, "Words matter."

"All energy sources are to some degree intermittent," Kaplan said. "Nuclear power plants sometimes go offline. ... That's intermittent. Variable is predictable. We can give you a 90%

case that tells you how much energy a wind farm will produce over the course of a year, and that's what you can plan around."

Deborah Donovan, Massachusetts director for the Acadia Center, was asked how to tell the difference between the goal of zero carbon, carbon-free electricity, reduction of carbon emissions by 100% and net carbon neutral."



Deborah Donovan, Acadia Center | © RTO Insider

"There are some subtle differences," Donovan said. "First of all, it does matter whether we're talking about an economy-wide target versus a sector-specific target, because not all these terms apply to all situations."

Following what the U.N. Intergovernmental Panel on Climate Change says about net zero carbon, "that definition is that manmade carbon additions are being balanced by manmade carbon removals, so those could be other actions like reforestation," Donovan said.



Dan Dolan, NEPGA | © RTO Insider

Dan Dolan, president of the New England Power Generators Association, called for an "analysis and articulation" of future market needs at the same depth with which the RTO has been studying fuel security.

"The second component is trying to identify what is the most common element driving these [state] procurements and other entry into the market," Dolan said. "And pretty clearly it's carbon; it's

**"I think of CASPR not as a friendly ghost, but as the ghost of a promise that we in the states were going to be able to incentivize renewable resources."**

—Marissa Gillett, chair of the Connecticut Public Utilities Regulatory Authority

meeting the economy-wide mandates that the states have. A dual and second track to all this is a meaningful look at what it requires on an economy-wide basis ... to try and obviate the need for a second wave of contracted resources."

The morning keynote speaker said that on carbon he was only repeating what ISO-NE CEO Gordon van Welie, FERC commissioners and many others have said in the past.

"The cure for what ails the markets, or at least its biggest problem if you think we should be trying to integrate renewables and keep nuclear plants running without depressing prices, is a carbon fee," said Rich Heidorn Jr., editor-in-chief of RTO



Rich Heidorn Jr., RTO Insider | © RTO Insider

*Insider*. "Incorporate the externalities, and you could reduce [ISO-NE's] meeting schedule, and FERC's workload, quite a bit." ■

— Michael Kuser

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## MISO News

# MISO Weighs Seasonal Capacity, Poses Accreditation Plan

By Amanda Durish Cook

MISO is proposing standalone fixes to its loss-of-load expectation (LOLE) study and capacity accreditation while it still conducts analysis to determine whether it should implement a seasonal capacity construct.

The analysis and proposals are the latest efforts in the RTO's ongoing resource availability and need (RAN) initiative.

MISO planning adviser Davey Lopez called his presentation at the Resource Adequacy Subcommittee's meeting Wednesday a "progress report" on the RAN effort, given that MISO suspended presentations on the project in September to allow time for analysis that could drive future draft rules. (See "RAN Respite," [MISO Resource Adequacy Subcomm. Briefs: Sept. 12, 2019](#).)

Lopez said MISO will finish a detailed analysis on a seasonal construct and have results for stakeholders by January, and that it is still targeting a March filing to change capacity resource accreditation. He said a seasonal construct might provide a more accurate representation of the footprint's capacity supply.

"We know some resources perform differently throughout the year, and some might not be available all year long," Lopez said. "We know some resources aren't participating in our auction because they don't want to be subject to must-offer all year long." He said seasonal divisions of capacity supplies could provide the "granularity" that those resources require.

MISO executives this year began publicly questioning the effectiveness of continuing to measure system reliability according to the ability to meet demand during the summer peak hour.

CEO John Bear said the RTO must be mindful of reliability across all hours of the year, with resources being accredited based on availability and market prices incenting availability. He also said an efficient transmission system is needed to accommodate the shifting generation portfolio.

"We're seeing significant change in our resource portfolio and how it performs. We're going to need our stakeholders," Bear said during an Oct. 22 Informational Forum, noting that solutions will become more complex.

MISO's LOLE modeling assumptions have historically been tailored to covering a

summer peak.

"But given that we've seen [maximum generation] events in recent history, primarily outside of the summer months ... we're asking ourselves if a summer focus still makes sense," Lopez said.

Day-ahead offers have decreased since 2014 in relation to generation cleared in the Planning Resource Auction, he said. "Much of our requirement is being made up by emergency-only resources."

### LOLE Modeling and Accreditation Changes

Lopez said a "disconnect" exists between LOLE modeling and resource accreditation. He said MISO needs to better define risks and include seasonal effective outage rates, limitations in load-modifying resource availability and intermittent resource capabilities in its modeling. The LOLE study improvements can be made regardless of whether the RTO moves forward with accreditation changes or a seasonal construct, he said.

MISO could also tie a resource's accreditation to its day-ahead offers during critical times, possibly using a resource's day-ahead offers for the bottom 5% tightest margin hours over the last three years to calculate accreditation. The RTO must conduct more analyses to determine the impacts of factoring day-ahead offers into accreditation, Lopez said.

Lopez noted that MISO realizes it could not apply the day-ahead approach to intermittent resources, so it would instead continue to use its effective load carrying capability (ELCC) analysis to determine capacity credits for wind resources. MISO will devise an ELCC for solar generation as penetration increases.

In response to a question from Customized Energy Solutions' Ted Kuhn, Lopez said using separate ELCC analyses across all resources might be too big a lift for RTO staff, although he would look into the possibility.

At the October RASC meeting, WPPI Energy Assistant Vice President of Planning Todd Komplin questioned what supporting research MISO had performed to verify the need for a seasonal auction or accreditation.

"It seemed that MISO jumped right into a seasonal resource adequacy construct without analysis behind it. We're not necessarily opposed to a seasonal construct, but the data needs to show a need," he said. "We haven't re-



Davey Lopez, MISO | © RTO Insider

ally seen [data], and it's been quite confusing."

Komplin argued that more market participants than ever are using MISO's Maintenance Margin supply look-ahead page and scheduling generation outages more judiciously, minimizing supply shortages.

He also said stakeholders have yet to see a "meaningful" LOLE analysis that reflects loss-of-load risks outside of summer. Customized Energy Solutions' David Sapper added that MISO hasn't considered its future resource mix in LOLE studies.

Kuhn also reminded MISO staff that they could consider just adding the now-hot September weather to the RTO's definition of summer months and forgo capacity seasonality altogether.

MISO has called its short-term RAN fixes a success, [reporting](#) that stricter generation outage rules, better LMR availability reporting and annual real power testing for demand response have resulted in 5 to 10 GW of additional availability during times of need.

Dustin Grethen, MISO market design adviser, said this past summer broke a three-year pattern of declining margins and increasing emergency near misses.

"We had our tightest margins day after day after day in the summer of 2016," Grethen said at the Market Subcommittee meeting in October, adding that 2017 was relatively manageable because of low load, but 2018 was again a study in volatility.

MISO has said its near-term RAN filings were meant to buy time to spell out bigger ideas to rectify supply imbalances brought on by increasing renewable generation. ■



# MISO News

## MISO Planning Reserve Margin to Climb in 2020

By Amanda Durish Cook

MISO estimates it will need an 8.9% unforced capacity planning reserve margin for the 2020/21 planning year, a full percentage point above the current level, according to the RTO's most recent annual loss-of-load expectation (LOLE) study.

The new *margin* will translate into an 18% planning reserve margin requirement on an installed capacity basis, compared with the current 17% target.

Resource mix and performance changes along with load profile and forecast changes drove the uptick, MISO said. The RTO reported larger resource sizes and a continued trend of increasing forced outages coupled with decreased forecasted load but more peak demand days across the year.

"In this year's LOLE study, the changing resource mix and performance of the resource mix have contributed the most to the increase

in the [planning reserve margin]," MISO Manager of Probabilistic Resource Studies Lynn Hecker told stakeholders at the Resource Adequacy Subcommittee's meeting Wednesday. Hecker said that while the number of resources in MISO has decreased, the average size of units has increased.

"This shouldn't be surprising to anyone because the PRM has been largely trending up because of changes in resource mix, rising forced outage rates and load uncertainty," Hecker said.

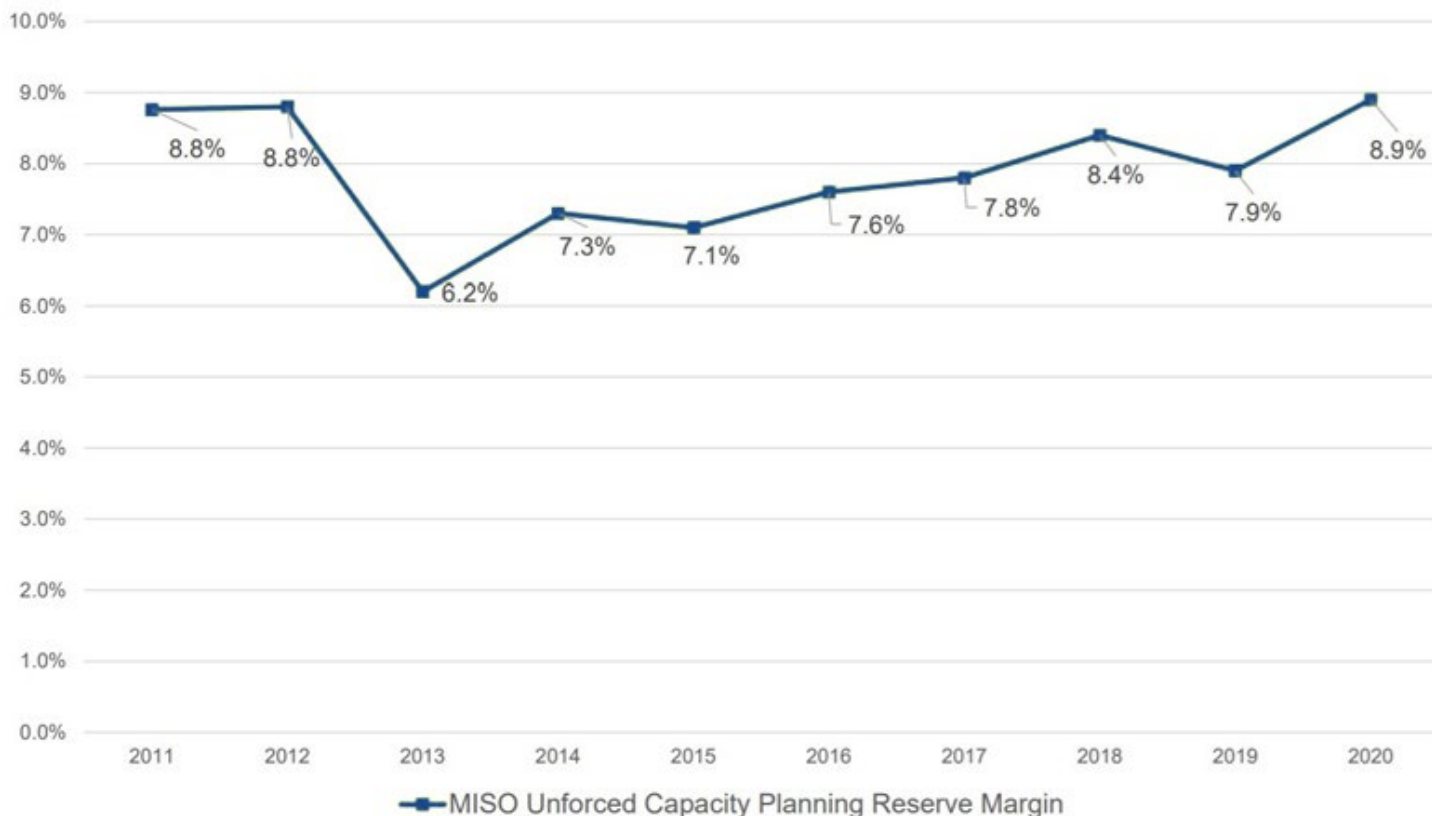
MISO's unforced planning reserve margin has generally risen since 2013, growing from 6.2% to nearly 9%.

Hecker said Wisconsin's Zone 2 and lower Michigan's Zone 7 are projected to be the closest to reaching their respective forecasted local clearing requirements based on results from MISO's 2019 resource adequacy survey with the Organization of MISO States. This year's OMS-MISO survey predicted adequate reserves through 2022.

"We have regular conversation with states ... about what we're seeing. The whole purpose of this conversation is us saying, 'Hey, we see some zones that are going to be tight.' We want to put it out there," Director of Resource Adequacy Coordination Matt Ellis said.

Customized Energy Solutions' Ted Kuhn said reserve margins are becoming so high that they may threaten the value proposition MISO touts to justify membership. Kuhn asked the RTO to conduct an analysis to show its recommendations are still more beneficial than maintaining individualized systems.

MISO and stakeholders may consider increasing the number meetings of the Loss of Load Expectation Working Group (LOLEWG) next year as the RTO mulls using a seasonal capacity construct. Should that happen, the LOLE study — which is based on an annual summer peak — may require fundamental changes. The **LOLEWG** currently meets about five or six times per year. ■



MISO UCAP planning reserve margin 2011-2020 | MISO

## MISO News

# MISO Pledges Work on Monitor's 2018 Recommendations

By Amanda Durish Cook

CARMEL, Ind. — MISO officials last week said they agree with almost all the recommendations outlined by the Independent Market Monitor in this year's State of the Market report.

However, RTO staff will need to perform further analysis before committing to solutions for three of the six recommendations, officials said.

Monitor David Patton produced six new recommendations in June as part of his 2018 report, among them clarifying the criteria for calling emergencies, procuring operating reserves on the Midwest-to-South regional transfer limit and lowering the generator shift factor (GSF) cutoff for transmission constraints with limited relief. (See [MISO Monitor Poses 6 New Market Recommendations](#).)

"After talking and interacting over the summer, we agree with most problem statements," MISO Executive Director of Market Strategy and Design Scott Wright told stakeholders during Thursday's Market Subcommittee meeting, where he presented the RTO's official [response](#) to the Monitor's report. MISO's Tariff requires it to provide a formal response to the Monitor's recommendations within 120 days.

Wright said a decision to procure operating reserves on the regional dispatch transfer limit doesn't come down to MISO alone: The RTO must approach the joint parties to the transmission use agreement to discuss their willingness to create reserves.

"We just can't say, 'We're going to do that,'" Wright said.

Wright said.

MISO also must proceed carefully and conduct more analysis if it's to create lower GSF cutoffs for transmission constraints with limited relief, he said. "We think we need to think more about the solution."

The Monitor's report had also criticized MISO's default emergency price floors as being unreasonable. "The default floors are set by a supplier's offer, which has resulted in them often being inefficiently low and can result in them being inefficiently high," it said.

MISO said it agreed with the Monitor on that item and would work on emergency and scarcity pricing improvements in 2020. It also agreed that it should clear up the criteria and improve the logging for declaring emergencies and taking emergency actions.

### MISO in Sync with RA Recommendations

Director of Resource Adequacy Coordination Matt Ellis said MISO agreed with the Monitor's two recommendations related to resource adequacy and that both are being covered in ongoing discussions over the RTO's resource availability and need projects.

The Monitor had asked for MISO's planning assumptions to include a more realistic volume of unforced outages and derates during peak-load conditions. It also wants the RTO to account for capacity resources' behind-the-meter process load and devise a method for validating suppliers' submitted data. MISO's current capacity accreditation rules only account for forced outage rates.

Ellis said that while MISO agrees with both

recommendations, accounting for unforced and unreported outages and derates in capacity accreditation will require more evaluation.

### One Recommendation down

MISO said that by the beginning of next year, it will address one of the Monitor's previous criticisms that capacity auctions allow for participation by resources that plan to be on outage for the entire planning year. The RTO last month filed a provisional solution that disqualifies capacity resources from auction participation if they plan to be unavailable for 90 of the first 120 days of the planning year. It expects a FERC decision in January so it can begin enforcing the proposal beginning with the 2020/21 planning year. (See [MISO Eases New Rules on Extended Outages](#).) ■



MISO Monitor David Patton | © RTO Insider

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## MISO News

# MISO Looks Beyond FTRs for Market Protections

By Amanda Durish Cook

MISO is proposing new Tariff changes that would require a market participant to put up additional collateral — or face a suspension from trading — when it exhibits undue risk to the RTO's wholesale market.

The proposal is separate from actions MISO has already taken to safeguard its financial transmission rights market. The RTO last month filed with FERC to apply stiffer rules to FTR traders, including a 5-cent/MWh minimum collateral requirement and a mark-to-auction valuation ([ER20-73](#)).

"These changes will cover the entire market," MISO credit analyst Brian Brown explained at Thursday's meeting of the Market Subcommittee.

Brown said the Tariff language will focus on evidence of default, manipulation and unreasonable risk to the market and would allow MISO to request additional collateral when it perceives "unreasonable credit risk" from a market participant. He said the RTO prefers to

step up collateral requirements "rather than ban a risky or bad actor."

The proposed changes would also allow MISO to reject applications from new and former market participants and those that have an uncured financial default in the RTO's market and attempt to rejoin under a different name.

The changes would additionally require current and prospective market participants to provide more specifics in their annual certification forms, including information about any past defaults, bankruptcies, dissolutions, mergers or acquisitions, and any investigations.

"In reading our Tariff, we found MISO currently does not have explicit authority to act in order to protect the market. We have implicit authority, but we want to have explicit authority in these issues," Brown said. "We just want to be able to protect the market when it's threatened."

MISO's legal team has said it is targeting a filing in December.

Gabel Associates' Travis Stewart last month said the first draft of the proposed Tariff



Brian Brown, MISO | © RTO Insider

language was vague and affords MISO with a "substantial amount of judgment." He asked for a more descriptive proposal.

But Brown said MISO needs the latitude to be able to address a variety of risks to the market. However, he said the RTO has opened the proposal to stakeholder feedback through Nov. 21. ■

## Testing Looms for MISO Cloud-based Market Platform

Three years into the project to replace its market platform, MISO is now set to begin moving information to its new private cloud to begin testing.

MISO Director of Digital Delivery Foundations



MISO's Carmel, Ind., headquarters | © RTO Insider

Kevin Larson said the RTO has completed much of the platform design work this year and will next year focus on upgrading technology infrastructure. He said it is making sure the platform is adaptable.

"We're focused on the performance of the day-ahead clearing of the market engines: How fast can we do that with all the new [market] products and services?" Larson told stakeholders at a Market Subcommittee meeting Thursday.

He said MISO's motto regarding the new cloud-based platform is "continuous integration, continuous delivery," allowing for more regular improvements instead of "a few big deployments infrequently" using the existing server-based platform.

"As we look into 2020, we're going to start migrating applications to the MISO private cloud," Larson said. (See [New MISO Platform Headed to the Cloud.](#))

MISO still expects to announce its preferred

vendors on the platform build by the end of the year. So far, General Electric is still the major vendor.

"We've now had some early software deliveries for testing, and it's been solid," Executive Director of Digital Strategy Jeff Bladen told the Board of Directors in September.

Bladen said the quality of the software was up to MISO standards, and GE's performance was much improved from its earlier delays. Board members at the time were pleased with the turnaround. (See "Vendor Delay on Market Platform Replacement," [MISO Board of Director Briefs: June 20, 2019.](#))

"We're pleased to say early results are quite positive and encouraging," CEO John Bear reported at the Oct. 22 Informational Forum.

MISO executives will deliver another market platform update at the Dec. 12 board meeting in Indianapolis. ■

— Amanda Durish Cook

## MISO News

# 7 Projects Make MISO 2020 Integrated Roadmap

By Amanda Durish Cook

CARMEL, Ind. — MISO's staff, stakeholders and Monitor have identified several market improvements they want to see implemented in 2020, according to recently released Integrated Roadmap rankings.

The six projects that secured high-priority status next year *include*:

- creating short-term reserves;
- working on a speedier interconnection queue process;
- using dynamic or predictive transmission line ratings;
- changing the process for deploying demand response resources during capacity emergencies;
- requiring the full installed capacity of resources to be deliverable; and
- implementing automatic generation control (AGC) for fast-ramping resources.

Roadmap space was also reserved for MISO's ongoing resource availability and need initiative.

MISO melded its own preferences with those of its stakeholders and Independent Market Monitor to produce the results, which were revealed at a special Integrated Roadmap workshop Thursday.

Many of the roadmap items have already received attention in 2019.

MISO is nearing a FERC filing to impose more stringent site control requirements and more at-risk milestone fees for interconnection customers entering the queue. (See [MISO Zeroes in on Queue Overhaul Filing](#).) Likewise, the RTO expects to implement AGC for fast-ramping resources by the end of the year for its approximately 400 MW of fast-ramping resources.

The RTO also filed early last month to revise its Tariff to include a short-term reserve product definition, though it doesn't plan to introduce the reserves until 2021. (See "MISO Preps Tariff for Short-term Reserves," [MISO Market Subcommittee Briefs: Oct. 10, 2019](#).)

MISO said it could implement all seven projects — save for dynamic line ratings (DLR) — on its existing server-based market platform instead of waiting on the new cloud-based platform, still under construction. MISO



MISO control room. | MISO

President Clair Moeller said DLR are difficult for the RTO to model in planning, citing varying instrumentation on lines and no standardized limits on exactly how much a conductor can be opened season to season.

"There are a lot of complicated things that go into that," Moeller explained during a Board of Directors planning meeting in September.

Monitor staffer Michael Chiasson said Potomac Economics has estimated that MISO stands to save more than \$150 million annually if it implements ambient-adjusted temperature line ratings. He said transmission owners remain reluctant to adopt DLR because it involves investment in equipment and manpower with little return for them at this point.

Meanwhile, the Organization of MISO States is drafting a filing in support of FERC encouraging the use of DLR.

"It's an opportunity to get more out of existing lines; it could defer or offset the need for new lines," new OMS President and Minnesota Public Utilities Commissioner Matt Schuerger said at the organization's annual meeting in October. However, regulators from Indiana and Wisconsin said FERC should not mandate DLR, as the technology involved is still new and expensive.

### Other Roadmap Items Checked off

MISO also reported that it expects to complete another handful of Integrated Roadmap-related items by the end of the year. The list includes stricter outage scheduling rules, more requirements around load-modifying resource availability, a more limited tolerance for unstructured deviations from dispatch instructions, external capacity counting toward local clearing requirements in the capacity auction and a FERC-imposed doubled energy offer cap. ■

# NYISO News

## NYISO Business Issues Committee Briefs

### Class Year/Interconnection Queue Redesign

NYISO's Business Issues Committee on Wednesday voted unanimously to recommend that the Management Committee approve Tariff changes intended to help speed up the interconnection process.

Thin Nguyen, senior manager for interconnection projects, *presented* the proposed changes, which seek to expedite the class year portion of the interconnection study and limit the potential for one or two projects to cause delay for other projects.

NYISO is proposing to:

- require deliverability evaluation in system reliability impact studies;
- remove additional system deliverability upgrade studies from the class year study;
- conduct expedited deliverability studies for capacity resource interconnection service (CRIS)-only projects; and
- tighten CRIS expiration rules to prevent the retention of CRIS by facilities not participating in the capacity market.

Nguyen noted that stakeholders were keen to ensure the proposal would not change the qualities of the current process most important to them, including:

- the identification of system upgrade facilities for projects to reliably interconnect, including detailed design, engineering and construction estimates;
- provision of binding, good-faith cost estimates that provide reasonable closure on upgrade costs; and
- equitable allocation of upgrade costs.

NYISO intends to make many of the proposals effective for Class Year 2019.

### Competitive Entry Exemptions

The committee also voted unanimously to recommend that the MC approve Tariff changes to make competitive entry exemption (CEE) available to requests for additional CRIS megawatts in a manner consistent with the underlying rationale for the exemption.

Senior ICAP Mitigation Analyst Jonathan Newton *presented* the proposal, which includes a change in the consequences of withdrawing a

CEE request or providing false and misleading information.

The changes also modify the CEE rules in a way that could facilitate the repowering and replacement of existing generators by allowing existing portfolio owners that have entered into competitive short-term hedging contracts to qualify for the CEE.

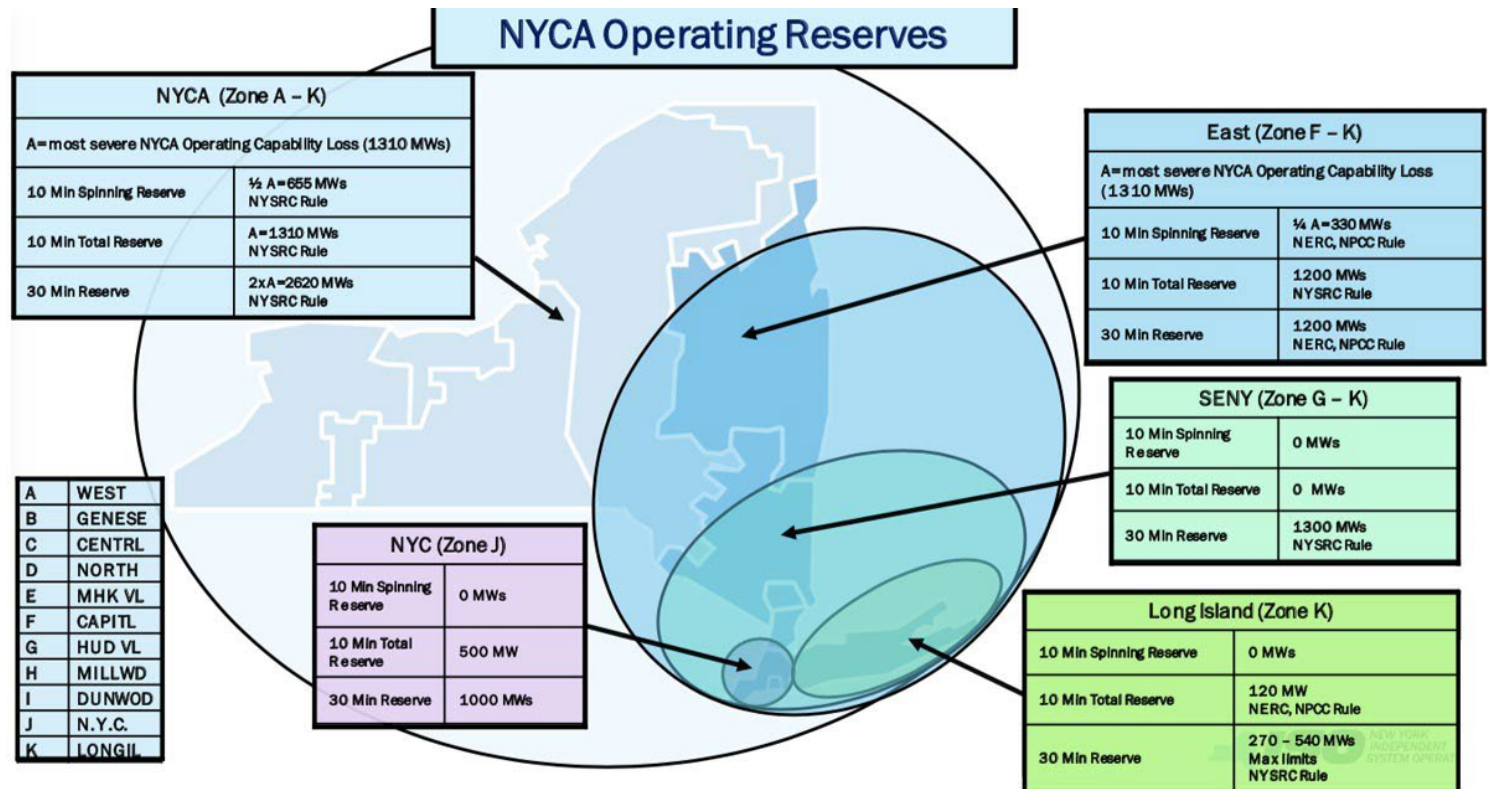
"The changes are a reasonable way to let people move forward without penalizing normal commodity hedging," one stakeholder said.

NYISO intends to make the proposed rules effective for Class Year 2019 projects, Newton said.

If the MC approves the queue changes this month, and the Board of Directors approves them in December, the ISO anticipates making the filings with FERC by Dec. 20 and seeking orders from the commission during the third week of February 2020.

### More Granular Operating Reserves

The BIC discussed a proposal to implement local reserve requirements in certain New York City (Zone J) load pockets.



New York Control Area operating reserves | NYISO

# NYISO News



Market Design Specialist Ashley Ferrer presented the *proposal*, as recommended by the Market Monitoring Unit, including the modeling of the requirements based on N-1-1 reliability criteria.

Load pockets in Zone J are areas constrained by load levels and generation capability, as well as by transmission-supported import levels into the pocket. The structure and boundaries of each load pocket varies based on load, generation and transmission imports, Ferrer said.

The ISO last June established a reserve region in Zone J based on a market design approved by stakeholders in March.

NYISO is proposing to establish operating reserve demand curves for each load pocket that assign a \$25/MWh value to the proposed reserve requirements. The ISO proposes 30-minute reserve requirements of 325 MW in Astoria East/Corona/Jamaica; 225 MW in Astoria West/Queensbridge/Vernon; and 250 MW in Greenwood/Staten Island.

“This issue is not prioritized in 2020, but we still consider it important, and it could go forward conceivably in 2021,” said Rana Mukerji, senior vice president for market structures. “We will actually bring forth the methodology [for an impact analysis] before conducting any consumer impact analysis [with respect to the proposal].”

## Broader Regional Markets Report

In *presenting* the month’s Broader Regional Markets Report, Mukerji highlighted updates to two ongoing proceedings.

The first item concerned five-minute real-time dispatch transaction scheduling with Hydro-Québec (HQ) across controllable inerties at the Chateauguay proxy.

The proposed plan includes a project to consider scheduling transactions on a five-minute basis with HQ, instead of either the 15-minute or hourly basis currently in effect using NYISO’s real-time commitment software. The ISO is targeting to complete a study of the

potential enhancement in 2020.

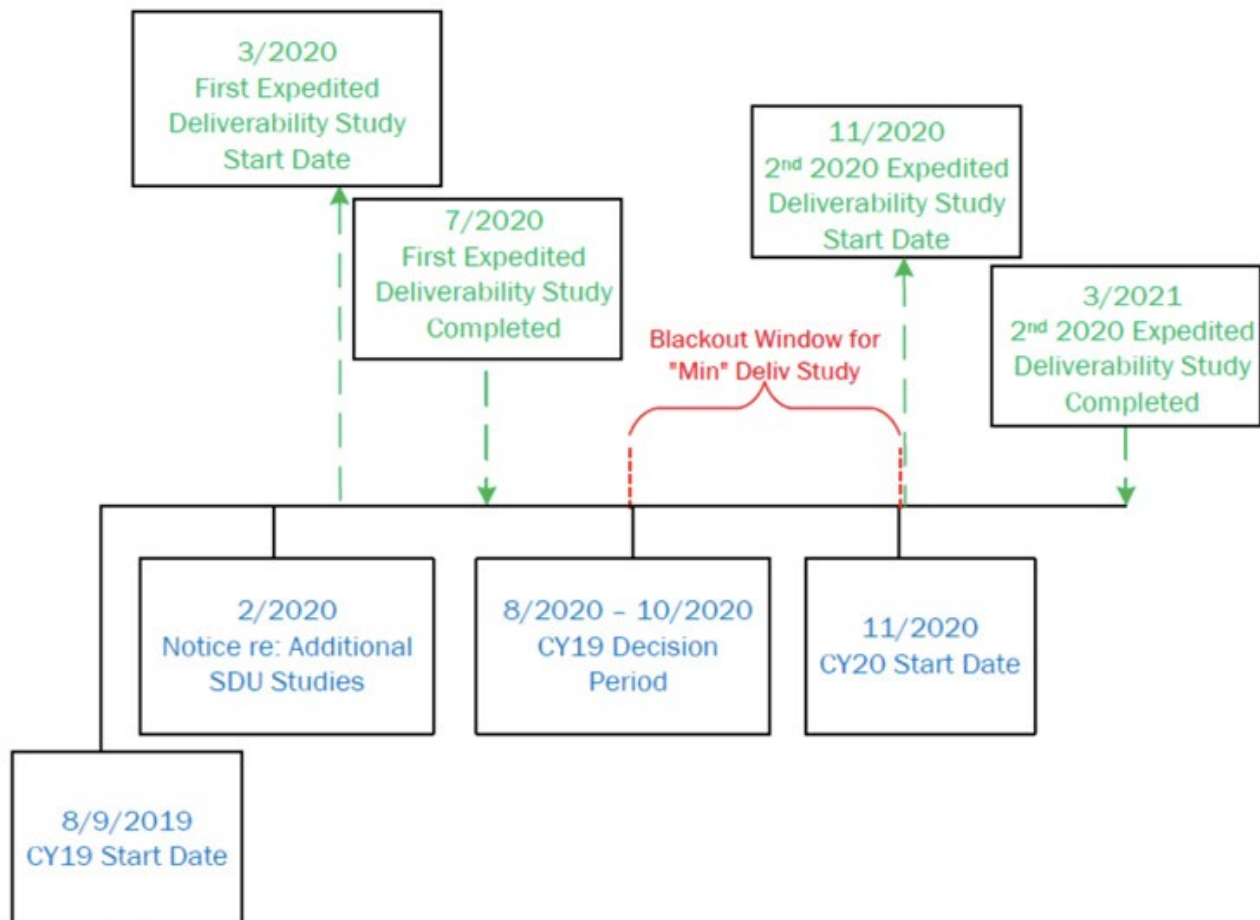
The second item concerned an effort to clarify the minimum deliverability requirements for external capacity.

At the MC’s May 20 meeting, stakeholders approved enhancements to the performance requirements for external capacity suppliers in response to a supplemental resource evaluation, a proposal that became effective in August after FERC approval.

## IPPNY’s Matthew Schwall Elected as Vice Chair

The BIC elected Matthew Schwall as its incoming vice chair for 2019/20. Schwall is director of market policy and regulatory affairs for the Independent Power Producers of New York, where he has worked since 2014, and previously worked in various capacities at the New York State Assembly. He is earning a master of science in global energy management at the University of Colorado Denver. ■

— Michael Kuser



A sample timeline of expedited deliverability of the class year study | NYISO

## PJM News

# Outlying PJM States Call for More Autonomy

By Christen Smith

BALTIMORE — State officials from PJM's western and southern borders last week expressed concerns about their autonomy after resuming a longstanding debate about whether states should strengthen their collective role within the RTO.

Panelists at the Organization of PJM States Inc.'s annual meeting gave varying accounts of how the RTO's structure benefits them, with many regulators in the west and south vocalizing concerns about the future of PJM's markets and its impacts on their ratepayers.



Charlotte Lane, West Virginia PSC | West Virginia PSC

"My fear is we are moving very far down a path where organizations like PJM are too big to fail," said Charlotte Lane, chairman of the West Virginia Public Service Commission. "They are becoming unregulated fiefdoms."

Lane said states should maintain control of their resources, particularly given the potentially skewed impacts of policies on carbon pricing and other market rules PJM will attempt to accommodate in the coming years. She also described "the constant bickering over market rules that are thinly veiled attacks on some types of generation over others" as one of the more disturbing elements of RTO involvement.

"I believe states must remain in control of their resources. That is and should remain our individual right," she said. "Though we are

**"My fear is we are moving very far down a path where organizations like PJM are too big to fail."**

—Charlotte Lane, West Virginia PSC

diverse in our views, I believe OPSI states have a mutual interest in maintaining that individual control."

Charlotte Mitchell, chair of the North Carolina Utilities Commission, said she's concerned about potential "erosion" of jurisdiction and characterized her impression of PJM's relationship with states as "adversarial." Dominion Energy serves 125,000 customers in the northeastern corner of North Carolina, the only area of the state within PJM's footprint.

"We certainly want to maintain our authority over the resource planning Dominion undertakes, but we will look to PJM to continue to provide adequate, affordable and reliable service," Mitchell said.



Charles Snavelly, Kentucky Secretary of Environment and Energy | Ky. Governor's Office

Kentucky also grapples with its autonomy in an RTO that's racing toward clean energy at breakneck pace, Secretary of Environment and Energy Charles Snavelly said on an OPSI panel about carbon pricing. He said Kentucky won't shutter coal plants early just to appease renewable energy targets in the east and contended the state will leave PJM to protect its economy from increasing electricity rates, if forced to. (See [Enviro Officials Talk Carbon, Consequences at OPSI.](#))

"It is our opinion that PJM is enabling the policies of certain states at the expense of others," he said. "We will reconsider our participation in PJM just out of necessity. It appears to me a lot of this is a competitive move by some of our members to further their economic interests, and Kentucky will further our own interests too."

### 'A Tool, not an Outcome'



Marji Philips, LS Power | © RTO Insider

Marji Philips of LS Power challenged the panelists on their criticisms of PJM's structure, noting it's produced an "enormous amount of efficiencies" that benefit their ratepayers.

"PJM is a tool, not an outcome," she said. "You

**"PJM is enabling the policies of certain states at the expense of others."**

—Charles Snavelly, Kentucky Secretary of Environment and Energy

all want to take back control of your resources but lean on the [power] pool when you can't do it. When you take it all back, they [PJM] can't do their job."

The sentiments speak to a larger debate about whether PJM states should pursue a more involved governance role. Unlike states in other RTOs, OPSI members can't assist in choosing the RTO's board members, vote on proposed market rules or file alternative plans at FERC. A [report](#) authored by former state commissioners turned clean energy consultants called "Making Markets Work for PJM States" suggested changing those rules — as well as giving states the power to set their own capacity reserve targets or adopting a fixed resource requirement option — could prove beneficial.

OPSI itself takes no position on the report and said it was only used to stimulate discussion for the governance panel at its annual meeting last month.

"At such time that OPSI develops a position or wishes to recommend changes to PJM, those thoughts will be communicated to PJM in writing with an indication of the degree of support within the organization for the proposal," OPSI Executive Director Gregory Carmean told *RTO Insider* in an email Nov. 5.

However, building upon the existing benefits of participating in an RTO mattered most for some panelists — like Michigan Public Service



Tremaine Phillips, Michigan PSC | © RTO Insider

# PJM News



## “PJM is a tool, not an outcome.”

–Marji Philips, LS Power

Commissioner Tremaine Phillips, who said a recent polar vortex and several corresponding electrical emergencies underscored the value

of PJM in times of need.

But the cold weather snap across the Midwest in late January and early February also pointed to deficiencies in Michigan’s import capacity and its visibility of distributed energy resources in PJM, he said.

“It’s more an issue of with these low-probability, high-impact events and the probability of these events given the capacity and generation mix,” he said. “Those are real situations we have to continuously look into and evaluate. When those instances occur, we have to rely on our neighbors for assistance. Those issues have

to be discussed RTO-wide to ensure those resources are available when we need them.”

Judith Jagdmann, chairman of the Virginia State Corporation Commission, said PJM has done a good job of providing reliability at a low cost and that it’s up to states to make sure their participation continues providing value to its ratepayers.

“What I see ... is that each PJM member is going to have to decide what is enough of a win for you to stay in PJM,” she said. “We can’t all have everything we want.” ■

## General Counsel Vince Duane Leaves PJM

*Continued from page 1*

something else.”

Duane is the fourth top executive to leave PJM this year, following the resignations of CEO Andy Ott, CFO Suzanne Daugherty and Vice President Denise Foster. In September, Riley announced the restructuring of the State and Member Services Division, previously led by Foster and now headed by Jen Tribulski, senior director of member services, and Asim Haque, executive director of strategic policy and external affairs.

Several key leaders within PJM also received promotions over the summer, announced at the time of Ott’s resignation. (See [CEO Andy Ott to Retire.](#)) The organization also hired Nigeria Poole Bloczynski as its first chief risk officer in



General Counsel Vince Duane is the fourth senior executive to leave PJM this year, following former CFO Suzanne Daugherty, former CEO Andy Ott and Denise Foster, former head of the RTO’s State and Member Services Division. | © RTO Insider

July and hopes to choose a new CEO before the end of the year. (See [PJM Names Chief Risk](#)

[Officer](#) and “CEO Search Continues,” [PJM MRC Briefs: Sept. 26, 2019.](#)) ■

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## PJM News



# Settlement Hearing Set for PJM Border Rate Dispute

By Christen Smith

FERC encouraged PJM's transmission owners to settle disputes over the sector's proposed Tariff attachment that revises outdated border and non-zone service rates using a methodology that several members find flawed and unreasonable.

The filing, sent to FERC in June, updates the yearly border charge to prevent network integrated transmission service (NITS) customers — network load located outside PJM's boundaries but served from within the RTO — from subsidizing border and non-zone service rate customers who use transmission service through and out of PJM (ER19-2105). In the filing, TOs said under existing rates, last updated in 2004, it's unclear if border rate customers "have been consistently charged transmission enhancement charges (TECs)" because of the ambiguity around which specific TECs apply to border service.

"The PJM TOs argue that the proposed revisions will end the cross subsidy that zonal NITS customers in PJM have been providing to border rate and non-zone service rate customers because revenue from customers taking service under each of these rates is either directly or eventually credited back to zonal NITS customers," the commission noted in its order.

The proposal would not increase the total cost of providing transmission service in PJM because the increases to border and non-zone service rates will be offset by a decrease for zonal NITS customers, the TOs said in their filing.

FERC accepted the TOs' filing Nov. 5, subject to refund, with an implementation date of Jan. 1, 2020, but also set a paper hearing and settlement procedures for involved parties to work out their differences over the proposed methodology behind the rates.

### Contentions Raised

In proposing the rate revision, TOs wanted to clarify that PJM's border service includes service to a point of delivery at a merchant transmission facility (MTF) that provides service to a neighboring transmission system — an unnecessary explanation, according to some of the protesters in the proceeding.

The New York Power Authority suggested the clarifying language "is an attempt to create a separate and unjustified classification of



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customers for purposes of extracting a higher point-to-point transmission service rate from such customers."

Linden VFT, a New Jersey-based MTF, said the new methodology would increase its border rate charges from \$6 million annually to roughly \$16 million, potentially forcing the company into insolvency because of "fundamental changes" to its business model. It also objected to a formula that it insists charges the company for lower-voltage transmission facilities "it does not use."

The TOs offered a solution for double charging of MTFs with firm transmission withdrawal rights (FTWRs): create a credit that would remove the cost of those TECs paid in connection to a facility's FTWRs from the cost of border rate service.

The Long Island Power Authority argued the crediting mechanism will not work, and the Neptune Regional Transmission Authority supported the claim, noting that the TOs "crediting mechanism is structurally flawed and would result in MTFs with FTWRs and their customers being charged twice for the same allocation of [Regional Transmission Expansion Plan] charges."

### FERC Weighs in

FERC dismissed Linden's argument that the proposed border rate would charge the company for lower-voltage transmission facilities it does not use, saying "the border rate reflects the fact that a transmission customer may take border rate service from any point within PJM,

and that the entire PJM transmission system, including lower-voltage transmission facilities, supports the export transactions."

"The border rate service, therefore, permits the exporter to access generation anywhere in PJM and such transmission may utilize any of the PJM facilities, including lower-voltage lines," the commission concluded.

FERC also allayed concerns over the TOs clarifying language on the definition of border service, saying that it is just and reasonable and aligns with commission precedent on the definition of "through and out service."

Other concerns over whether the proposal meets the standards for formula rate protocols were also dismissed. FERC said because the stakeholders can contest PJM TOs formula rates, there is no need for additional protocols regarding the proposed composite rate. The commission did agree, however, that the TOs' filing "lacks clarity regarding the process by which parties can challenge or confirm PJM's calculation of the border rate from the PJM TO's formulas."

FERC said a settlement judge will be assigned within 15 days of the filing. The appointed judge will report to the commission within 30 days concerning the status of settlement discussions. At that time, the judge can recommend additional time for settlement negotiations or commence a paper hearing.

The commission granted late-filed motions to intervene from Exelon, PPL and Helix Ravenswood. ■

# SPP News



## SPP Prices, Load down for Summer

By Tom Kleckner

SPP's energy prices and average hourly load this summer were below 2018 levels, while generator outages and congestion both increased, the RTO's Market Monitoring Unit said in a recent report.

The MMU's *quarterly market report* for the summer months (June-August) showed the average day-ahead price was \$23.02/MWh and the average real-time price was \$22.32/MWh during the period, a 10% decrease from the previous summer's prices. The \$1.54/MMBtu average gas price at the Panhandle Eastern pipeline was a 35% drop from the 2018 summer average of \$2.35/MMBtu.

Prices were highest in the southeast portion of SPP's footprint, northwest Kansas and South Dakota. Prices were lowest around the Kansas-Oklahoma border and in the north-west region of the footprint.

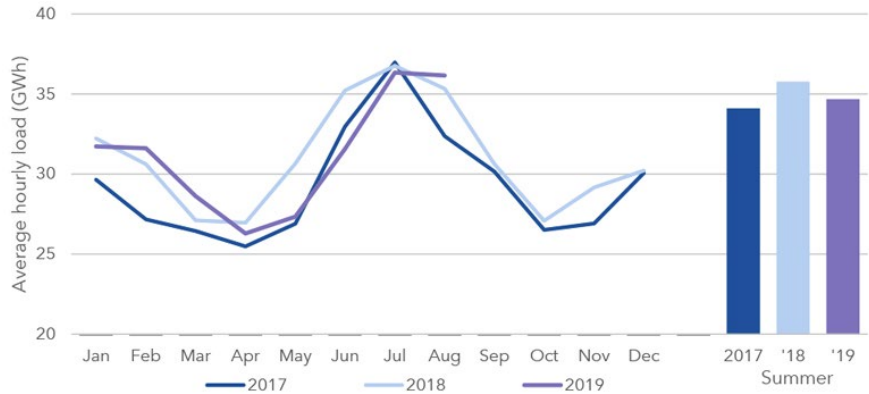
At the same time, the average hourly load was down 3% to nearly 35 GWh, from just under 36 GWh in 2018. Cooling degree days, used to estimate the effect of actual weather conditions on energy consumption, fell 9% from 2018 to 2019.

The MMU devoted the report's "special issues" section to the continued increase in generation outages. SPP saw a monthly average of 26,000 GWh in total generation outages this summer, a marked increase from just two years ago, when outages averaged around 17,000 GWh.

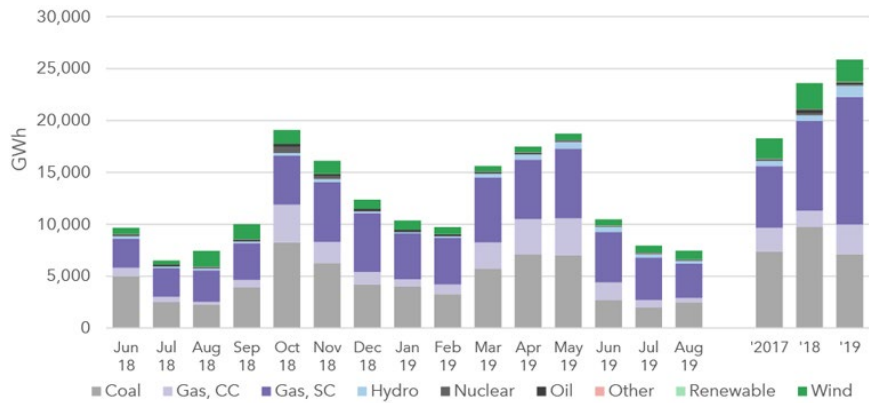
"A central tenet of SPP is that 'reliability and economics are inseparable,'" the Monitor said. "Economic incentives should drive behavior that increases reliability. However, circumstances exist that are not promoting reliability through economic incentives."

The report focuses on maintenance outages for the first eight months of the year, which increased from 35,000 GWh in 2017 to 45,000 GWh in 2019. Maintenance outages are generally taking longer than previously, which indicates there may not be as much incentive as before to quickly complete maintenance outages, the MMU said. With low gas prices, "it has been necessary for gas resources to take outages to perform maintenance previously completed when the resource was offline," the Monitor said.

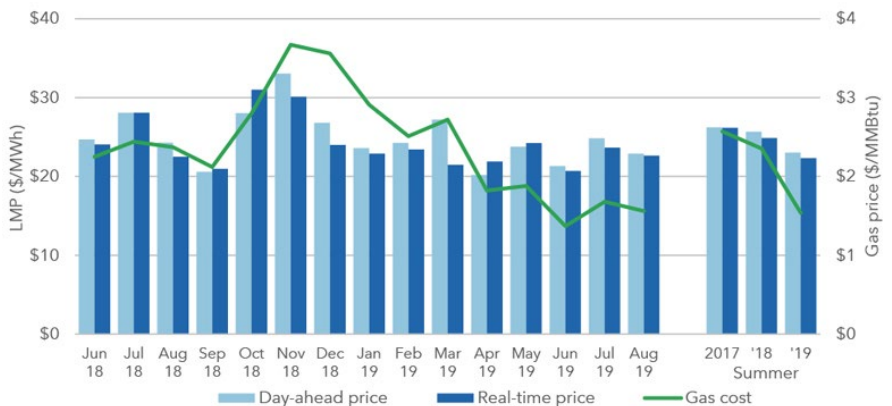
The large number of outages led SPP to declare a Level 1 energy emergency alert in August. (See [SPP Shortfall Leads to Scarcity](#))



Average hourly load | SPP MMU



Generation outages by fuel type | SPP MMU



Electricity and gas prices | SPP MMU

### Pricing Calls.)

Congestion was up during the summer, with 35% of all pricing intervals showing a breach in which the load on a flowgate exceeds the effective limit. Load-serving entities earned \$80 million in congestion payments and were able to fully cover their \$70 million in congestion

costs through the congestion-hedging market.

Coal-fired resources' percentage of total generation continued to fall, down from 50% in summer 2017 to 36% this summer. The increase of wind generation and gas generation (because of low gas prices) has made up the difference. ■

# SPP News

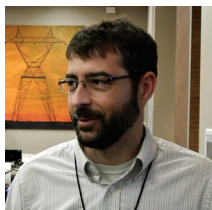


## SPP Seams Steering Committee Briefs

### SPP, SaskPower in Preliminary Planning Discussions

SPP staff last week told the Seams Steering Committee that they have begun “very preliminary” interregional planning discussions with Canadian electric utility SaskPower.

Clint Savoy, the committee’s staff secretary, said a provision in the RTO’s joint operating agreement with SaskPower allows joint planning analysis and coordinated system planning. The discussions center on reliability needs, he said.



Clint Savoy, SPP | © RTO Insider

SPP and SaskPower share a direct tie through Basin Electric Power Cooperative’s existing transmission facilities in North Dakota. The grid operator completed its first international transaction in December 2015 when it imported power from SaskPower during an emergency situation. (See [SPP, SaskPower Make First International Trade](#).)

In February 2017, the Department of Energy granted SPP’s request to make electricity exports to Canada. SPP told the department that it wanted to “address emergency assistance transactions” but that it doesn’t normally purchase from or sell to “such external entities.”

The authorization expires on Feb. 7, 2022.

FERC in 2016 approved SPP’s request to recognize the U.S.-Canadian border as a point of sale for transactions with Canadian transmission providers. The ruling allows Canadian companies to register their resources with and make them available to the RTO under its market rules. (See “FERC OKs Canadian Border Point-of-Sale Filing,” [SPP Briefs](#).)

### Pseudo-tie Revisions to SPP-MISO JOA

The SSC reviewed and made changes to a new pseudo-tie section of SPP’s joint operating agreement with MISO, addressing its neighbors’ continued deferral of dispatch decisions to its balancing authorities.

MISO has historically deferred to local BAs in making pseudo-tie decisions in the real-time transfer of a resource or load from its “native”

BA to an “attaining” BA in a different location.

“There are some local balancing authorities taking the position that we’re not a BA, so we’re not going to execute it anymore,” Savoy said. “We thought it would be helpful to address this in the JOA and avoid those situations in the future.”

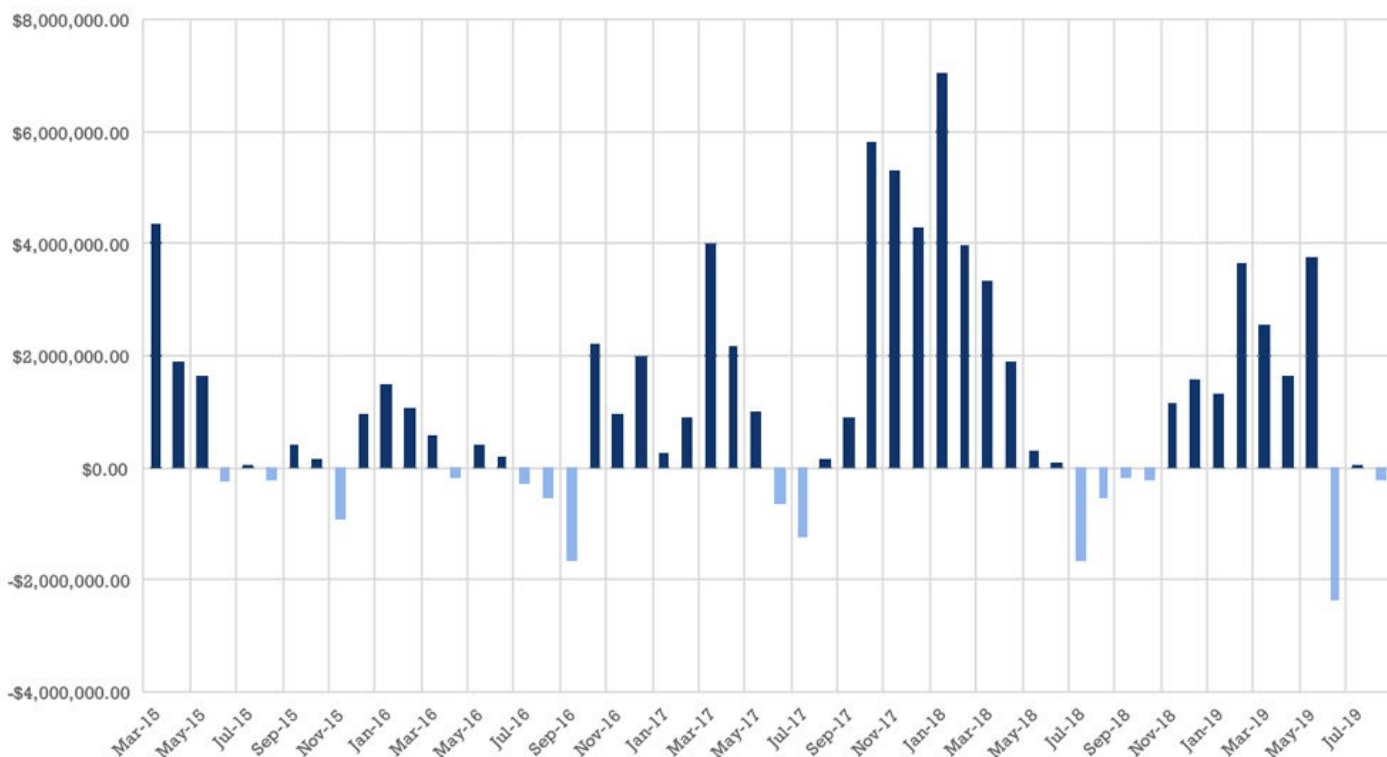
Savoy said staff have taken FERC-approved language from the MISO-PJM JOA as a starting point. SPP hopes to file the changes with FERC early next year.

### M2M Settlements Swing in MISO’s Favor

Staff’s regular market-to-market (M2M) report indicated another slow month, with 41 permanent and temporary flowgates binding for a total of 664 hours and resulting in a \$197,320 settlement in MISO’s favor.

August’s numbers dropped to \$64.1 million in SPP’s favor. The two seams neighbors began the process in March 2015. SPP has seen positive settlements in 40 of 54 months through August. ■

— Tom Kleckner



Note: Positive values are payments to SPP from MISO; negative values are payments from SPP to MISO.

## Company News

# Hot Summer Yields Positive Earnings for CenterPoint

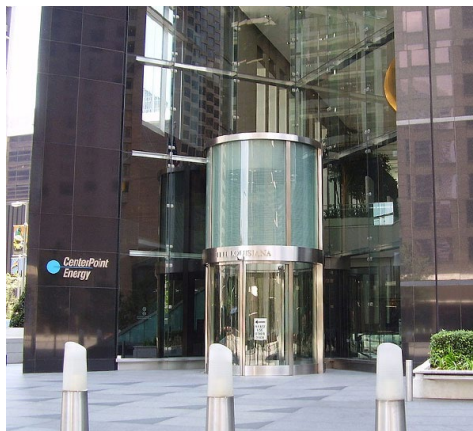
CenterPoint Energy's third-quarter earnings surged more than 57% thanks to record electricity usage this summer, the company *reported* Thursday. Profits were \$241 million (\$0.47/share) for the quarter, compared with \$153 million (\$0.35/share) a year earlier.

CenterPoint's performance exceeded Zacks Investment Research's projection of 43 cents/share.

The company's Houston transmission and distribution utility reported operating income of \$269 million for the quarter, up from \$227 million in 2018's third quarter.

"Our utilities delivered another strong performance this quarter, driven by solid customer growth, disciplined cost management and favorable weather," CEO Scott Prochazka said.

The company also reported a \$77 million distribution from Enable Midstream Partners, its gas gathering and processing partnership with



CenterPoint Energy headquarters in Houston

OGE Energy. Enable is forecasting a distribution of \$385 million to \$445 million in 2020, bringing CenterPoint's cash distribution since 2013 to \$1.8 billion. (See related story, *OGE Earnings Surge, Beat Expectations.*)

Tempering the company's positive news was a recent Texas administrative law judge's proposed *decision* that a requested Houston electric rate increase of \$154.6 million be reduced to \$2.6 million, or 0.11% of its present rate base. The docket is on the Texas Public Utility Commission's agenda for its meeting this Thursday (49421).

Prochazka told financial analysts during the earnings call that the decision was "clearly not a good outcome."

"We've assumed we would at least be recovering the additional investment, the billion dollars plus that we have already put in service that are not yet in rates. If we recover just that piece, it would be an increase in rates," he said. "The process isn't over, and the commissioners haven't yet opined on this. We hope the commissioners will have a different view of it." ■

— Tom Kleckner

# OGE Earnings Surge, Beat Expectations

OGE Energy *reported* third-quarter earnings on Thursday, beating analysts' expectations with a net income of about \$251 million (\$1.25/share). That compared favorably with the year prior, when the company reported earnings of \$205 million (\$1.02/share).

Thomson Reuters had projected earnings of \$1.11/share.

The Oklahoma City company said it benefited from more favorable weather, rate recovery and 9,000 new customers. OGE executives said they see "upward momentum" in the company's historical load growth of 1%.

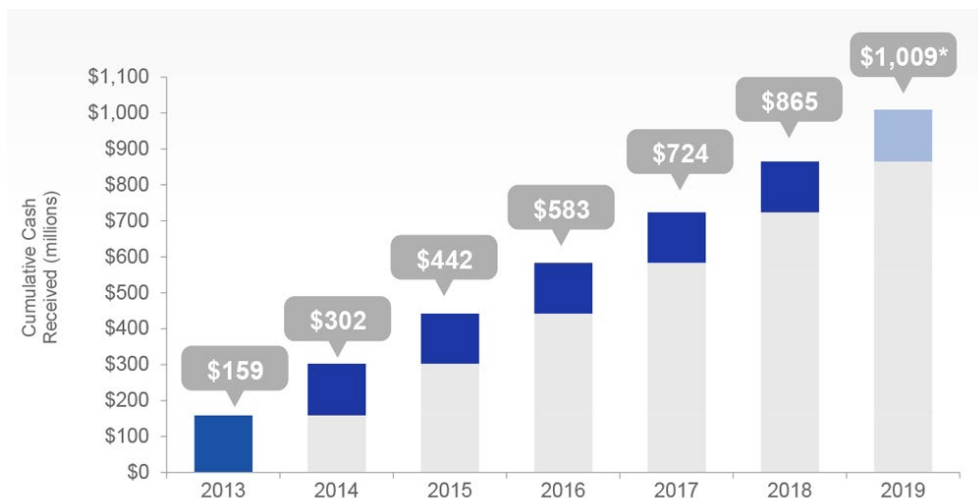
"There's a lot of modeling that goes into forecasting load growth," CEO Sean Trauschke told financial analysts. "To the extent we continue

to see growth and we're able to continue to attract customers and new businesses and have sales growth, that gives you the opportunity to spread costs over a larger base and minimize customer impact."

Trauschke said OGE's partnership in Enable Midstream Partners is in "good shape." The midstream gas business contributed \$37 million during the quarter to OGE, marking \$1 billion in total distributions since the partnership with CenterPoint Energy was formed in 2013. Trauschke said the revenues are used to support dividend growth and invest in its Oklahoma Gas & Electric utility. (See related story, *Hot Summer Yields Positive Earnings for CenterPoint.*)

The company revised its year-end earnings guidance to \$2.24 to \$2.30/share, up from \$2.05 to \$2.20/share. ■

— Tom Kleckner



Natural gas midstream operations (Enable) | OGE Energy



OG&E service trucks | OGE Energy

## Company Briefs

### Canada Pension Giant to Buy Pattern Energy for \$2.6B



CPP  
INVESTMENT  
BOARD

The Canada Pension Plan Investment Board agreed to buy Pattern

Energy Group last week in a deal valued at \$2.6 billion.

The investment board will pay \$26.75/share for Pattern, according to a press release. The deal will be financed with \$2.6 billion of equity from the board and includes \$1 billion in committed debt financing, Pattern said. The deal allows Pattern 35 days from the date of the agreement to entertain other offers.

Pattern has 28 wind and solar projects in the U.S., Canada and Japan, as well as other development projects in Mexico.

Separately, the board also agreed to purchase Pattern's development arm at an undisclosed price.

More: [Bloomberg](#)

### FuelCell Shares Rocket 108% Thanks to Carbon Capture Deal with Exxon



Shares of FuelCell Energy increased about 108%

last week in active volume after the company said it was expanding a partnership with ExxonMobil to develop carbon capture technology.

At 10.50 a.m. ET on Nov. 6, more than 101 million shares were traded, nearly nine times the stock's 65-day average daily volume.

The deal between the companies is worth up to \$60 million and will focus on FuelCell's technology that uses carbonate fuel cells to capture and concentrate carbon dioxide streams from large industrial sources.

More: [Market Watch](#)

### Google, AES Announce Cloud-based Partnership for Clean Energy



Google announced last week that it would partner

its Cloud Platform service with independent power producer AES on a "10-year strategic alliance," which would use tools such as

artificial intelligence and data analytics to modernize the electric grid and support new renewables projects in the U.S. and Latin America.

The alliance will focus specifically on Uplight, a company created when AES merged Simple Energy and Tendril, which provides "customer-facing solutions" for utilities. Google and AES said Uplight will use Google Cloud technology "to enhance its end-to-end energy action system, to increase customer satisfaction and reduce carbon emissions."

The companies are already working together on two projects in Chile: a 100-MW wind farm and an 80-MW solar installation that will power a Google data center.

More: [GreenTech Media](#)

### McDonald's Signs Supersized Renewable PPAs



McDonald's has signed a power purchase agreement for a portion of the 525-MW Aviator Wind West wind farm in Texas.

The company will also get power from another unnamed solar project in Texas for a total of 380 MW. Combined, the PPAs will provide enough power to run 2,500 of its restaurants.

"These U.S. wind and solar projects represent a significant step in our work to address climate change, building on years of renewable energy sourcing in many of our European markets," McDonald's Chief Supply Chain and Sustainability Officer Francesca DeBiase said.

More: [Recharge News](#)

### National Grid President of US Business Suddenly Leaves



National Grid announced last week that Executive Director **Dean Seavers** had stepped down from his position as a member of the board and as president of the company's U.S. business "for personal reasons." Seaver will

stay with the company as executive director until Dec. 31 to ensure a "smooth leadership transition and handover." Seavers had been president of National Grid US since December 2014.

The company said Badar Khan, director of corporate development and a member of the Group Executive Committee, will take over immediately as interim president. He will not join the board in the interim role but will stay on as a committee member.

More: [Syracuse.com](#)

### Shell Agrees to Buy Wind Developer Eolfi



Royal Dutch Shell agreed to buy French offshore wind developer Eolfi, the company confirmed last week, though it did not disclose any terms of the deal.

Shell is looking to boost spending on low-carbon energy in the face of climate change. Meanwhile, Eolfi, which is in one of the most developed markets for floating wind projects in the shallow waters off France, is expected to help Shell boost investments in the technology.

"Eolfi has been a pioneer of floating wind development," said Dorine Bosman, vice president of offshore wind for Shell. "We believe the union of Eolfi's expertise and portfolio with Shell's resources and ability to scale up will help make electricity a significant business for Shell."

More: [Bloomberg](#)

### Tesla to Unveil Electric Pickup in November



TESLA

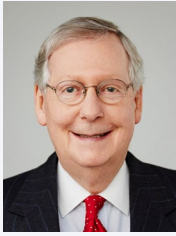
Tesla CEO Elon Musk tweeted last week that his company plans to unveil its electric pickup truck, the "cybertruck," on Nov. 21 in Los Angeles near the SpaceX rocket factory.

"Cybertruck doesn't look like anything I've seen bouncing around the Internet. It's closer to an armored personnel carrier from the future," Musk said in a tweet last month.

More: [Reuters](#)

## Federal Briefs

### Bill Would Address Pensions, Health Care for Miners



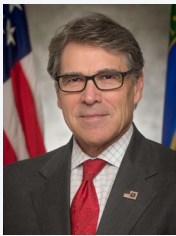
Senate Majority Leader **Mitch McConnell** last week said that he is co-sponsoring a bill with West Virginian Sens. Joe Manchin (D) and Shelley Moore (R) intended to preserve the pensions of roughly 92,000 retired

coal miners and health care benefits for 13,000 working miners.

The bill would transfer surplus money from the Abandoned Mine Land fund to prevent the insolvency of a 1974 pension plan. It also would add coal company bankruptcies from 2018 and 2019 to health care legislation passed in 2017.

More: [The Associated Press](#)

### Diplomat's Testimony Shows Perry Involved in Trump-Ukraine Saga



Newly testimony from U.S. Ambassador to the E.U. Gordon Sondland provides further evidence that Energy Secretary **Rick Perry** played a central role in the Ukrainian saga that's resulted in an impeachment probe against President Trump.

Sondland's deposition, which was released last week, explicitly places Perry in the room or on the call at key junctures in the events surrounding Trump's decision to ask Ukrainian President Volodymyr Zelensky to investigate former Vice President Joe Biden's son and his business dealings in the country. It also contradicts his own denial during a Oct. 17 deposition. Sondland reversed course in a written addendum last Monday, claiming testimony from others had refreshed his recollection about conversations involving the suspension of U.S. aid to Ukraine.

Energy Department spokeswoman Shaylyn Hynes said Perry "stands by his previous statements with regard to Ukraine" and his "anti-corruption and regional energy security message has been consistent" to Ukrainian leaders.

More: [The Dallas Morning News](#)

### Former Obama EPA Chief Takes over NRDC



**Gina McCarthy**, EPA administrator under President Barack Obama, confirmed last Tuesday that she has been hired by the Natural Resources Defense Council to be its new president and chief executive. McCa-

rthy crafted many of the climate change policies that the Trump administration is unraveling. She also worked on the 2015 Paris Agreement on climate change, which the United States began withdrawing from last Monday.

Since President Trump has taken office, the NRDC has been one of the most aggressive environmental groups challenging the administration's work to roll back federal climate rules. It has sued the federal government 96 times on a litany of issues, and according to the group, has won 54 of the 59 cases that have been resolved thus far.

"I really didn't want to sit on the sidelines. So the question was where to go," McCarthy said. "The current administration is trying to undo not only fundamental protections that have been in place under multiple administrations, but it's undermining the science and the work of scientists to protect the environment and the public."

More: [The Washington Post](#)

### Trump Nominates Brouillette, Senate Hearing Scheduled



President Trump formally nominated Deputy Energy Secretary **Dan Brouillette** to serve as the next secretary of energy after Secretary Rick Perry departs.

"I am honored to be nominated by President Trump to serve as the U.S. secretary of energy, and grateful to Secretary Perry for asking me to join him at the Department of Energy over two years ago," Brouillette said.

Trump had announced his intent to nominate Brouillette soon after Perry announced his resignation last month but did not formally submit his paperwork until Thursday. The next day, Senate Energy and Natural

Resources Committee scheduled a hearing to consider Brouillette's nomination for this Thursday.

More: [Energy.gov](#); [Senate Committee on Energy and Natural Resources](#)

### EPA Chief of Staff Under Investigation for Document Destruction

The EPA's inspector general is investigating whether Chief of Staff Ryan Jackson was involved in destroying internal documents that should have been retained, according to people familiar with the matter.

The IG is questioning witnesses about Jackson and if he has routinely destroyed politically sensitive documents. Jackson was put on notice that document destruction was improper, something a former administration official said he discussed with an official from the IG's office earlier this year. The former official alleges he has seen Jackson destroy documents firsthand.

Officials who are found guilty of "willfully and unlawfully" violating the Federal Records Act and unlawfully destroying federal documents can be fined and face up to three years in jail. The IG cannot prosecute any criminal violations but can refer matters to the Justice Department. Jackson has not been accused of breaking any laws.

More: [POLITICO](#)

### Idaho, Energy Department Sign Deal on Spent Nuclear Fuel

The state of Idaho granted a conditional waiver last week to the Department of Energy that could allow spent nuclear fuel into the state after years of it blocking such shipments.

The agreement means the Idaho National Laboratory could receive about 100 pounds of spent fuel for experiments as part of a U.S. strategy to expand nuclear power and reduce greenhouse gas emissions. The waiver requires DOE to first prove it can process 900,000 gallons of high-level radioactive liquid waste that sits above a giant state aquifer that supplies water to farms and cities.

The deal makes it easier for the Energy Department to bring spent fuel into the state and benefits the state by requiring earlier removal of other nuclear waste at a site west of Idaho Falls that includes the Idaho National Laboratory. The state had been banning spent fuel shipments because the

Energy Department missed a 2013 deadline to treat all the liquid waste.

More: [The Associated Press](#)

## Tribal Utility-scale Solar Advances Across Southwest

The emergence of battery storage technology, state energy policy changes and the rapidly falling prices are accelerating utility-scale solar installation deals on

tribal lands in the Southwest, according to a recent report by the Institute for Energy Economics and Financial Analysis.

The Moapa Band of Paiutes (Nevada), the Jicarilla Apache (New Mexico) and the Navajo Tribal Utility Authority (Arizona and Utah) have all been involved in the trend.

“All the deals are tied to long-term power purchase agreements that run from 15 to 25 years, and pricing on the most recent

ones, ranging from roughly \$21 to \$23/MWh, shows why utility-scale solar has become so attractive,” the report states. “Gas- and coal-fired electricity generation, by comparison, are much more expensive.” Still, the report notes that tribal lands in the Southwest remain vastly underdeveloped on the utility-scale solar front and that enormous opportunity still exist.

More: [T&D World Magazine](#)

# State Briefs

## CALIFORNIA

### Bay Area CCAs Solicit Distributed Batteries to Mitigate PSPS

Community choice aggregators Bay Community Energy, Peninsula Clean Energy and Silicon Valley Clean Energy, and municipal utility Silicon Valley Power, launched a 30-MW behind-the-meter battery solicitation last week aimed at protecting customers and communities from the public safety power shutoffs by Pacific Gas and Electric.

The goal is to equip homes and businesses in Alameda, San Mateo and Santa Clara counties with batteries, combined with new or existing solar systems. Proposals will focus on serving “low-income residents, customers with life-dependent medical equipment, and residents and businesses located in disadvantaged communities.” Partner vendors will be selected early next year, with the goal of getting projects underway in time for the 2020 fire season.

The CCAs want to aggregate the 30 MW of capacity to meet their resource adequacy requirements. While the solicitation did not provide a cost, using the Public Utilities Commission’s boosted incentive of \$1/W for Self-Generation Incentive Program funding to cover the entire cost of a typical home solar-battery system would imply a price tag of roughly \$30 million.

More: [GreenTech Media](#)

### PG&E Equipment Caused Lafayette Fires, Investigators Confirm

Days after Pacific Gas and Electric told state utility regulators its equipment malfunctioned near the site of two blazes in Lafayette last month, Contra Costa fire officials confirmed the company’s electrical equipment caused both fires.

An electrical “event/failure” of a transformer near the roadway at Camino Diablo Boulevard caused sparks to “fall to the ground, igniting vegetation in the surrounding area,” Contra Costa County Fire Protection District officials wrote in a summary released last week. The summary added that “all other competent ignition sources were eliminated.”

The Lafayette fires were part of eight wildfires that day that forced the evacuations of about 7,000 residents. While the causes of some of those fires are still under investigation, PG&E equipment failures were cited as the reason for at least a few.

More: [East Bay Times](#)

## MARYLAND

### Harford County Council Approves Settlement on Transource Project



The Harford County Council unanimously

approved terms of a settlement proposed by Transource Maryland last week for it to use existing infrastructure for the eastern portion of its Independence Energy Connection transmission project.

Terms of the settlement, which were detailed in a letter from Transource’s attorneys to the Public Service Commission, call for the portion of the project that runs through the county to be “entirely constructed, owned and maintained by [Baltimore Gas and Electric] within BGE’s existing utility rights of way.” The eastern leg is approximately 16 miles of power lines between York County in Pennsylvania and Harford County, including 3.1 miles in Harford ending in Norrisville.

The council voted unanimously in opposition to the project in February 2018 and

requested that the PSC deny the application. Over the summer, Transource requested the PSC suspend its consideration of the proposal because it was working on a settlement agreement. A 60-day suspension was approved, and after multiple extensions, a settlement agreement was proposed last month.

Transource’s attorneys have proposed a schedule for a public hearing in Harford County during the month of December, an evidentiary hearing Dec. 16 and 17, a post-hearing briefing Jan. 21 and a commission decision Feb. 18.

More: [The Baltimore Sun](#)

## MONTANA

### Regulators Endorse Rate Increase for NorthWestern Energy



The Public Service Commission quietly endorsed a \$6.5 million rate

increase for NorthWestern Energy customers Oct. 30.

The commission unanimously voted the rate increase was reasonable. The increase is part of a settlement brought by NorthWestern and several customer groups who had intervened in the utility’s case to raise rates. A final order for the rate case isn’t due until Dec. 26.

Details of the vote have been murky. The PSC typically posts videos of proceedings on its government website, but a week after the vote, it still had not produced a video of the people’s business. The PSC did post minutes of the Oct. 30 proceeding last week, and the minutes show all matters related to the rate case passing unanimously.

More: [Billings Gazette](#)

## NEW MEXICO

### Las Cruces Awards Contract to Bring Electric Buses to Transit Fleet

The Las Cruces City Council voted 6-1 last week to award a \$325,000 contract to the Atlanta-based Center for Transportation and the Environment (CTE) to advise the city on adding battery-electric buses to its transit fleet. The contract is for three years and allows for two one-year renewals.

CTE will act as a consultant for the implementation of the addition. It will also plan and oversee the purchase of electric buses and charging stations and manage the implementation of the program from start to finish.

Transit Administrator Mike Bartholomew said the city expects CTE to finish drafting a request for proposals for the purchase of the electric buses in March 2020. Once CTE puts out the RFP and finds a company to provide the buses, the city plans on buying five electric buses to replace some of the fleet's older buses.

More: [Las Cruces Sun News](#)

### Legislators Say Utility Regulators Undermining Law



State legislators are mounting a defense of their authority to determine a financial arrangement to close the coal-fired San Juan Generating Station and to guide new energy investments toward cleaner alternatives.

Public Regulation Commissioners are trying to decide whether the Energy Transition Act trumps the commission's own ongoing evaluation about shutting down the plant. Democratic House Speaker Brian Egolf said the PRC overstepped its authority by not implementing the act and is delaying financial aid to communities that will be affected by the plant closure, while advocates for utility customers say it provides an unjust financial windfall to Public Service Company of New Mexico.

More: [The Associated Press](#)

## NORTH DAKOTA

### Wind Farm Operators Seek to 'Repower' Aging Facilities

Ashtabula Wind, a subsidiary of NextEra Energy, requested approval from the Public Service Commission last week to install new equipment to its Ashtabula I Wind Energy Center.

The center was built in 2008 with a capacity to generate 148.5 MW but could produce as much as 160.4 MW with updates, the company says. Ashtabula would complete the upgrades over a three-month period. The commission did not take any action on the proposal and will discuss the matter at a work session on Nov. 26.

Commissioner Julie Fedorchak believes repowering wind farms will be the "new normal" in the coming years as companies look to replace older parts with newer ones and take advantage of federal tax credits.

More: [The Bismarck Tribune](#)

## RHODE ISLAND

### Siting Board Explains Decision to Reject Burrillville Plant

The Energy Facility Siting Board last week detailed in a 33-page written order a fuller explanation for why its three members unanimously decided against Invenergy's application to build a \$1 billion fossil fuel-burning power plant in Burrillville.

Invenergy filed an application for the 1,000-MW Clear River Energy Center in fall 2015 and received a "no" on the matter from the board last summer. The board is the lead permitting agency for major energy projects in the state. If the decision stands, it will mean the end of the proposal. Invenergy then has the right to lodge an appeal, which under state law, it has 10 days from the release of the decision to file with the state Supreme Court.

Some reasons for the decision included wholesale energy prices in New England falling even as old nuclear and coal-fired generators shut down, energy efficiency programs expanding and big offshore wind farms securing energy supply contracts.

More: [Providence Journal](#)

## SOUTH CAROLINA

### Leak Shuts down VC Summer Nuclear Plant

Dominion Energy has shut down its V.C.

Summer nuclear reactor in Fairfield County after the utility found a small water leak in the power plant's coolant system, spokeswoman Rhonda O'Banion said Saturday afternoon.

Dominion said operators had been monitoring a small leak for several weeks before deciding to close the plant so it could be fixed and did not say how long it will be shut down. The company also said no material has leaked into the environment and that there is no danger to the public.

More: [The Herald-Sun](#)

## TENNESSEE

### Major Decisions Face MLGW Leadership Heading into 2020



Memphis Light Gas & Water's (MLGW) Power Supply Advisory Team met for the final time this year on Thursday as it attempted to make major decisions on topics such

as the utility getting its power cheaper from a source other than the Tennessee Valley Authority, asking the Memphis City Council to raise rates and possible job cuts.

Members of team heard in-depth analysis of multiple studies that have shown the utility could save ratepayers by moving away from TVA, possibly saving \$1 billion over the next decade.

Earlier last week, utility leaders appeared before the council and let it know it would be asking for rate increases in the 2020 budget. The issue was heavily debated in 2018 and 2019, when the council only signed off on water rate increases and suggested the utility identify internal cuts before coming to customers. A consultant report released in October found MLGW should consolidate 300 to 400 jobs and close community offices to save millions.

Three meetings are planned for 2020 before a final recommendation is released on whether to get power from TVA or make a change. The council will consider the rate proposals in the coming weeks.

More: [WMC-TV](#)

## WEST VIRGINIA

### Natural Gas Leak Prompts Evacuations in Martinsburg

A natural gas leak in Martinsburg prompted evacuations and closed streets last week,



but authorities said no one was injured.

A contractor working on upgrading traffic signals at West Stephen and South Queen streets cut a steel gas line around 8:15 a.m. just west of the intersection, authorities said. Mountaineer Gas shut down the damaged section of pipe by 10:08 a.m. and closed streets in a one-block radius.

A total of 88 adults and 294 students were evacuated from buildings around the intersection around 8:30 a.m. but were able to return within two hours after officials cleared the scene.

More: *The Herald-Mail*

## WYOMING

### Lawmakers Toy with Overhauling PSC to Buoy Coal

The Joint Minerals, Business and Economic Development Committee introduced a draft bill that would require the Public Service Commission to consider the “socioeconomic factors associated with an early retirement” of coal-fired power plants, in addition to protecting ratepayers.

Under the proposed bill, the commission would not only have to ensure the lowest possible electricity cost for consumers, but it would also need to consider the impact

a utility’s actions could have on energy employees, tax revenue or “any other factor related to the early retirement that the commission deems necessary.” The commission would also have the authority to request bonds from a utility to finance remediation efforts or community transition plans when a coal-fired power plant is slated for early closure.

The draft bill, which has drawn praise and concerns, will be revised and offered to the Corporations, Elections and Political Subdivisions Committee for additional consideration later in November.

More: *Casper Star-Tribune*

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