RTO Insider

Your Eyes and Ears on the Organized Electric Markets

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ISSN 2377-8016 : Volume 2020/Issue 03 January 21, 2020

SPP Board Taps Barbara Sugg as New CEO

By Tom Kleckner

Barbara Sugg | © *RTO Insider*

SANTA FE, N.M. — SPP's Board of Directors announced Wednesday that it has unanimously selected Barbara Sugg as the grid operator's CEO.

Sugg, SPP's senior vice president of information technology and chief security officer, replaces Nick Brown, who announced his retirement last July after 16 years in the position. (See *SPP's Brown to Retire as CEO in 2020*.)

Board Chair Larry Altenbaumer went public with the decision 15 minutes before the press release went out, notifying the Strategic Planning Committee as it began its January meeting. Altenbaumer chairs the committee, on which Sugg, 55, serves as the staff secretary.

"You have heard it here first," Altenbaumer said.

"I'm thrilled. Excited," Sugg said when the SPC broke. She said she had only been notified of the board's decision just before the meeting began.

"I'm humbled by this opportunity, I really am," Sugg said.

Sugg's selection follows a monthslong national search and selection process. A management consulting firm identified and vetted internal and external candidates, some of whom were SPP stakeholders. The board met Jan. 10 in Dallas to conduct its final interviews and agreed that afternoon on Sugg, Altenbaumer said.

The decision surprised some stakeholders, given Sugg's expertise in IT instead of markets or operations. The 23-year SPP employee, with 30 years of electric utility experience, was only named chief security officer in 2016 and a senior vice president last year.

Altenbaumer added further color in explaining

Continued on page 22

Disasters Prompt California Rate Case Change

By Hudson Sangree

| *California Governor's Office*

The effort to prevent utility equipment from causing disasters was a major reason the California Public Utilities Commission decided Thursday to extend the general rate case cycle for the state's investor-owned utilities from three years to four.

After the 2010 San Bruno gas pipeline

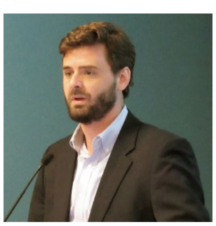
Continued on page 5

MISO Gauging Aftershocks of TO Self-fund Order

Renewable Advocates Warn of Increased Costs for New Generation

By Amanda Durish Cook

CARMEL, Ind. — MISO is still assessing the impact of FERC's recent order reinstating transmission owners' rights to self-fund network upgrades while renewable proponents express worry the decision could significantly increase the cost of new generation.



MISO counsel Mike Blackwell | © *RTO Insider*

The RTO is currently sorting through generator interconnection agreements struck over a three-year period to determine which need to be revised to allow TOs the opportunity to fund network upgrades, MISO counsel Mike Blackwell told stakeholders at a Jan. 14 Interconnection Process Working Group (IPWG) meeting.

MISO previously reinstated TOs' right to self-fund starting Aug. 31, 2018, anticipating FERC's final December order on the matter. (See *Ruling Reinstates MISO TO Funding of Upgrades*.) That leaves contracts signed between June 24, 2015, and Aug. 31, 2018, open to alterations.

"We are working to determine which of those interconnection agreements would need amendments," Blackwell said.

He said MISO would also create "compan-

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In this week's issue

BlackRock to Divest from Coal Companies

Climate Change Risk Forcing 'Fundamental Reshaping of Finance'

By Christen Smith

BlackRock, the world's largest asset manager, said last week it will dump companies that collect more than 25% of their revenue from thermal coal production by midyear as it pivots toward a sustainability-based investment strategy.

CEO Larry Fink told fellow executive leaders in a *letter* that compelling evidence of climate change has forced investors to reassess "core assumptions about modern finance" and brace for a significant reallocation of capital. This means, he said in a separate *letter* to clients, BlackRock will evaluate environmental, social and corporate governance (ESG) risk in its portfolios "with the same rigor that it analyzes traditional measures such as credit and liquidity risk."

"Thermal coal is significantly carbon intensive, becoming less and less economically viable, and highly exposed to regulation because of its environmental impacts," Fink said. "With the acceleration of the global energy transition, we do not believe that the long-term economic or investment rationale justifies continued investment in this sector."

BlackRock manages $7 trillion in assets worldwide and is a founding member of the Task Force on Climate-related Financial Disclosures. Fink said the company also signed the U.N.'s Principles for Responsible Investment and the Vatican's 2019 statement advocating for carbon pricing.

"Climate change has become a defining factor in companies' long-term prospects," Fink said. "Last September, when millions of people took to the streets to demand action on climate change, many of them emphasized the significant and lasting impact that it will have on economic growth and prosperity — a risk that markets to date have been slower to reflect. But awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance."

Fink said BlackRock will double the number of sustainable exchange-traded funds (ETFs) it offers to 150 over the coming year and update its screening tool to allow clients to sort out companies with the highest ESG ratings and identify those with an undefined connection to fossil fuels.

"From Europe to Australia, South America to China, Florida to Oregon, investors are asking how they should modify their portfolios," Fink said. "They are seeking to understand both the physical risks associated with climate change as well as the ways that climate policy will impact prices, costs and demand across the entire economy.

"Our investment conviction is that sustainability and climate-integrated portfolios can provide better risk-adjusted returns to investors. And with the impact of sustainability on investment returns increasing, we believe that sustainable investing is the strongest foundation for client portfolios going forward."

BlackRock's headquarters in New York City

Lingering Questions

It's not the first time BlackRock has revised its products to reflect changing political and social attitudes. In 2018, the company rolled out ETFs and index-tracking funds that exclude gun makers and retailers — including Sturm Ruger, American Outdoor Brands and Vista Outdoor — as criticism grew over the industry's influence in Congress and on Wall Street.

Fink said that while the government must continue to lead the way when it comes to addressing social issues, companies must act too.

"We don't yet know which predictions about the climate will be most accurate, nor what effects we have failed to consider," he said. "But there is no denying the direction we are heading. Every government, company and shareholder must confront climate change."

The Sunrise Project, a conservation group long critical of BlackRock's investment strategies, said that while "there's a lot to celebrate" in Fink's letters, questions remain about which companies it will drop as a result of coal revenues.

"BlackRock beginning its shift of capital out of fossil fuels, including today's divestment of coal in its actively managed funds, is a fantastic start and instantly raises the bar for competitors such as Vanguard and State Street Global Advisor," *said* Diana Best, Sunrise's senior strategist. "We will be looking for additional leadership from the company in, as Larry Fink put it, 'fundamentally reshaping finance to deal with climate change,' including additional shifts of capital out of fossil fuels."

Sunrise's analysis found gaps in how BlackRock will determine which companies derive 25% or more of their revenue from coal production. The exclusion metric appears to focus solely on producers and could possibly miss companies — such as utilities — included in the sector's supply chain, the group said.

Ben Cushing, a Sierra Club spokesperson, said via Sunrise that "the financial giants propping up the industries driving us towards climate disaster can no longer escape public scrutiny."

"As the biggest financial institution in the world, BlackRock's announcement today is a major step in the right direction and a testament to the power of public pressure calling for climate action," he said. "But BlackRock will continue to be the world's largest investor in coal, oil and gas. It is time to turn off the money pipeline to dirty fossil fuels for good. BlackRock should expand on its commitments, and other financial institutions should follow suit." ■

FEMA Wants $3.9 Billion from PG&E in Bankruptcy

By Hudson Sangree

Aftermath of the Camp Fire in Butte County, Calif. | *California Governor's Office of Emergency Services*

The Federal Emergency Management Agency's claims that Pacific Gas and Electric owes it more than $3.9 billion have thrown the utility's Chapter 11 case into disarray, just as it seemed on a steadier course toward conclusion.

FEMA is seeking reimbursement for its expenses following disastrous wildfires ignited by PG&E equipment, including the Camp Fire, which killed 86 people and leveled the town of Paradise, Calif., in November 2018.

Wildfire victims and their lawyers are worried the money could come out of a $13.5 billion trust that PG&E agreed to fund with cash and stock for those who suffered from the fires. FEMA's statements last week that it could seek reimbursement directly from some victims added to the outrage.

"FEMA is taxpayer-funded, as you know, and it is very unfair for them to get any of our settlement, period!" Camp Fire victim Brenda Wright wrote to U.S. Bankruptcy Court Judge Dennis Montali, who is overseeing the Chapter 11 case. "Please take this into consideration as you proceed. FEMA doesn't deserve any of this money. Please man up and do the right thing for us."

Lawyers for fire victims argued in *court papers* that the agency wasn't entitled to share in the settlement funds or to recover from PG&E.

More than 72,000 proofs of claim have been filed by residents and businesses harmed by the Butte Fire of September 2015, the 22 Northern California wine country fires of October 2017 and the Camp Fire. PG&E is liable for the victims' damages because the utility's faulty electric lines and equipment ignited the fires, "but it does not follow from this that the debtors are also liable to FEMA," the attorneys wrote.

On Jan. 13, FEMA Region IX Administrator Robert Fenton held a conference call with reporters in which he said the agency could try to recover approximately $200 million from fire victims who received funds from the agency and other sources for the same losses, according to the *Associated Press*. But that wasn't the agency's preferred course, he said.

"We want to help people after a disaster," the AP reported Fenton saying. "The last thing we want to do is to hurt them."

FEMA said it was excluded from confidential settlement talks that resulted in the $13.5 billion settlement agreement, leaving it in its current position. It said in a statement that it is legally required to try to recover public funds from those that cause disasters.

"Responsible third parties should not be unjustly enriched at the taxpayer's expense," the agency said.

Montali approved PG&E's settlement with victims represented by the official tort claimants committee (TCC) on Dec. 17, moving the utility closer to having its reorganization plan confirmed by the court. (See *Judge OKs PG&E Deals with Fire Victims, Insurers*.)

The utility is trying to exit bankruptcy by June 30 to participate in a $21 billion state wildfire recovery fund. It doesn't want the FEMA controversy to derail those plans.

"PG&E agrees with the tort claimants committee that FEMA does not have a valid legal claim against the company," the utility said in a statement. "The bankruptcy court has approved our settlement agreements resolving all major wildfire claims. This brings us one significant step closer to getting victims paid so they can rebuild their lives.

"As for our overall plan of reorganization, we remain engaged in active and constructive dialogue with stakeholders," it said. "We are committed to a safe and financially stable PG&E going forward."

PG&E and FEMA have not responded in court filings to the TCC's objections. The matter originally was scheduled to be heard in Montali's San Francisco courtroom Jan. 14, but the hearing was postponed to Feb. 11. ■

CAISO/West News

Disasters Prompt California Rate Case Change

Continued from page 1

explosion and years of catastrophic wildfires starting in 2007, the commission opened its general rate case (GRC) rulemaking in 2013 "out of concern that the energy utilities were not explicitly or adequately addressing safety and reliability issues in their GRC funding requests."

In December 2014, the commission added a Risk Assessment Mitigation Phase and the related Safety Model Assessment Proceeding to the IOUs' rate cases. The protocols require IOUs to examine the risks they face and propose strategies to mitigate those risks, which the commissioners must then approve. (See *CPUC Adds RAMP Costs to Rate Case for 1st Time*.)

In its latest *decision*, the commission said moving to a four-year GRC cycle would bolster disaster-prevention efforts.

"The longer cycle will allow the utilities and stakeholders to dedicate more time to implementing the new risk-mitigation and accountability structures that this commission established earlier in this rulemaking, and less time litigating GRC applications," it said.

The longer cycle also will let the commission monitor "utility spending in something closer to real time, especially when the utility decides to reprioritize authorized funding for another purpose."

With circumstances changing quickly because of wildfires, utilities have had to redirect money to fire prevention efforts such as tree trimming, line inspections and repairs. (See *California Regulators OK Utility Wildfire Plans*.)

Commissioner Clifford Rechtschaffen | *© RTO Insider*

CPUC headquarters in San Francisco | *© RTO Insider*

In addition, the commission said it hoped the four-year cycle would improve efficiency in the GRC process, which can be delay-prone, by providing more time to work through difficulties.

"General rate cases are the bread and butter of what we do," Commissioner Clifford Rechtschaffen said at Thursday's meeting. "They're very complex, very time consuming," and at least one rate case is always pending, he said.

In a GRC, the commission authorizes a utility to recover capital investments and annual operations and maintenance expenses through rates charged to customers. Fundamental principles include balancing the needs of investors and ratepayers and providing safe and reliable service at a reasonable cost.

The commission's unanimous decision said the "task we face is how to adhere to these principles in a world where — as all stakeholders can surely agree — events are moving much more quickly than can be accommodated by the existing GRC process."

"In such circumstances, the importance of commission oversight in the midst of a utility's GRC cycle increases," it said. "It is no longer sufficient for the commission to authorize a multiyear GRC revenue requirement for the utility and then sit back and wait for the utility and intervenors to report back three years later regarding whether the utility spent the authorized amounts, for specifically authorized purposes, or found it necessary to use the funds elsewhere."

The move to a four-year cycle was supported by two of the state's large IOUs, Pacific Gas and Electric and San Diego Gas & Electric, and by the commission's Public Advocates Office.

PG&E said the four-year cycle would allow for adjustments to the revenue requirement to address unusual circumstances and give the commission more time to weigh "the extraordinary amount of evidence" in GRCs.

CPUC staff, Southern California Edison, the state's second largest IOU, and The Utility Reform Network, a consumer advocacy group, objected to the move.

Staff expressed concerns about switching to a four-year cycle, citing potential problems such as increased uncertainty about forecasted expenditures in the additional fourth year.

SCE did not oppose a four-year cycle outright but said it worried the longer cycle would lead to shortfalls in authorized spending. It asked for "greater tolerance on the part of the commission and parties with respect to errors and variances in forecasting."

The new four-year cycle and other provisions incorporated into the order take effect June 30. A series of workshops to deal with implementing the changes and increasing efficiency in the GRC process will take place over the next year, the commission said. ■

California PUC Devoting $1.2B to Self-generation

Public Safety Power Shutoffs in Fire-prone Areas Drive Need

By Hudson Sangree

| Tesla

The California Public Utilities Commission on Thursday approved $830 million in incentives for self-generation with the goal of benefiting disadvantaged customers who live in fire-prone areas and have been subject to public safety power shutoffs (PSPS) by utilities trying to avoid starting wildfires.

When added to unspent funds from prior years, that brings the total for the CPUC's Self-Generation Incentive Program (SGIP) to $1.2 billion.

"Broadly, it shifts the focus of SGIP towards promoting resiliency," Commissioner Clifford Rechtschaffen said at the commission's Thursday meeting.

Ninety percent of the new funding will be available to utility customers in communities impacted by wildfires and the threat of wildfires, Rechtschaffen said. It "substantially expands the universe of customers" eligible for incentives to those whose electricity has been shut off at least twice in fire-prevention blackouts, he said.

The unanimous *decision* orders the state's largest investor-owned utilities — Pacific Gas and Electric, Southern California Edison and San Diego Gas & Electric — to collect a total of $166 million from ratepayers annually during each of the next five years. The changes were authorized by last year's Senate Bill 700.

The largest category of potential beneficiaries fall under the category of "equity resilience," Rechtschaffen said.

The efforts could provide full funding for home electricity storage systems for ratepayers in high fire-risk areas, such as the Sierra Nevada foothills and the state's coastal ranges. Of particular concern, the commission said, are customers with medical needs who are economically disadvantaged.

About $400 million of the funds will be available to nonresidential customers in disadvantaged communities that provide critical services such as police and fire. Large-scale storage and renewable generation projects can qualify.

Public safety power shutoffs have increased the need for self-generation, the CPUC said.

The utilities' PSPS, allowed under state law and CPUC regulations, have caused tremendous controversy in California since last fall, when PG&E instituted widespread blackouts to prevent the outbreak of wildfires during dry, windy conditions.

PG&E said the shutoffs worked, though it's trying to narrow the scope of the events going forward. The utility is in bankruptcy following two years of massive wildfires that killed nearly 100 people and destroyed at least 22,000 structures, according to the California Department of Forestry and Fire Protection.

Customers and lawmakers, however, were outraged by the size of the blackouts, which left roughly 2.4 million customers in the dark last October. (See *California Officials Hammer PG&E over Power Shutoffs*.) PG&E was widely accused of being ill prepared for the shutoffs, especially after the utility's websites crashed and the state had to step in to help on an emergency basis.

"Although the utilities are ultimately responsible for managing their electric systems, the CPUC cannot and should not stop demanding better ways to reduce the scope and impacts of power shutoffs without compromising public safety," commission President Marybel Batjer told lawmakers in November. "This cannot and should not be repeated." ■

CAISO/West News

California PUC to Examine Gas Safety, Reliability

By Hudson Sangree

The California Public Utilities Commission launched an examination Thursday of the state's natural gas infrastructure and the rules governing it for the first time in 16 years, citing accidents and declining demand as threats to the system's safety and reliability.

"California's energy system is undergoing a period of profound change," Commissioner Liane Randolph said. "We have committed to the goals of 100% clean energy, doubling of energy efficiency, widespread transportation electrification and a carbon neutral economy by 2045. Given these adopted objectives and policies we should anticipate and plan for the long-term changes in California's gas distribution system as well."

The dozen companies named as respondents by the CPUC include Pacific Gas and Electric, San Diego Gas & Electric and Southern California Gas.

"Since the commission's last decision in [January 2004], several events, such as greenhouse gas legislation, operational issues and constraints, and gas pipeline and storage safety-related incidents, require the commission to re-evaluate the policies, processes and rules that govern gas utilities," the commission said in its *order instituting rulemaking* (OIR).

It noted that PG&E was found responsible for the explosion of a 30-inch gas pipeline in 2010 that killed eight people in San Bruno, south of San Francisco. Afterward, the commission adopted a safety plan requiring operators to outline how they would replace or pressure test all intrastate gas pipelines that hadn't been tested recently at a cost of more than $2.3 billion.

Then in October 2015, SoCalGas identified a leak at its Aliso Canyon natural gas storage facility, which spilled 120,000 metric tons of methane before it was capped nearly four months later. Gov. Jerry Brown ordered a halt to gas injections at Aliso Canyon.

State regulators, including the CPUC, allowed limited injections to resume at Aliso Canyon in July 2017. The continuing limitations have constrained gas supply in Southern California, leading to higher wholesale electricity prices and reliability concerns. (See *CPUC OKs Temporary Increase in Aliso Canyon Injections*.)

Problems with interstate pipelines have also impacted supply. About 30% of the state's electric supply comes from gas-fired generators.

The Aliso Canyon natural gas storage facility experienced a massive leak in 2015. | *California Governor's Office of Emergency Services*

Meanwhile, the state has enacted stringent GHG emission laws and required decarbonization of the grid by midcentury. Cities, including Los Angeles and San Francisco, have introduced rules and incentives to eliminate gas heating and appliances from certain classes of buildings. (See *West Coast Pushes for Building Electrification*.)

Falling Demand, Rising Costs

The demand for natural gas is expected to decline significantly over the next 25 years, leaving those still dependent on gas to pay the costs, the commission said in its OIR.

"Ratepayers who remain on the system the longest will likely be customers who may not be able to afford to switch from gas to electric home heating and cooling systems; yet, these customers would be required to cover the revenue requirement of the remaining pipeline system at higher rates," it said.

In an October 2019 *report* titled "Natural Gas Distribution in California's Low-Carbon Future," the California Energy Commission discussed the "feedback effect" of building electrification and declining gas use.

"If demand for natural gas in California falls dramatically because of some combination of policy and economically driven electrification, the fixed costs to maintain and operate the gas system will be spread over a smaller number of gas sales and, ultimately, will increase costs for remaining gas customers," the commission said.

"This outcome raises the possibility of a feedback effect where rising gas rates caused by electrification spur additional electrification," it said. "Such a feedback effect would threaten the financial viability of the gas system, as well as raise substantial equity concerns over the costs that remaining gas system customers would face."

The CPUC said the goal of its OIR is to ensure reliable gas service to customers at just and reasonable rates going forward.

The "proceeding will examine how industry-related events that have occurred since the last OIR require the commission to change the rules, processes and regulations governing gas utilities, including, but not limited to, reliability standards, long-term contracting, regulatory accounting, reporting and tariff changes for operational flow orders," the commission said.

The OIR outlines a three-phased approach, starting immediately.

The first phase will examine reliability standards for the gas transmission system to determine if design changes are needed to account for a changing climate and the service capacity of current and future gas system infrastructure.

The second will consider proposals for mitigating the negative effects that "operational issues with gas transmission systems have on wholesale and local gas prices, and gas system and electric grid reliability."

Phase three will weigh regulatory solutions and strategies the commission should implement "to ensure that, as the demand for natural gas declines, gas utilities maintain safe and reliable gas systems at just and reasonable rates, and with minimal or no stranded costs," the CPUC said. ■

ERCOT News

Texas PUC Approves EPE's $4.3B Sale

J.P. Morgan's proposed $4.3 billion purchase of El Paso Electric cleared a major regulatory hurdle Thursday when the Texas Public Utility Commission approved a *modified stipulated settlement* (*49849*).

Commission staff suggested a revision to the order to ensure that no more than two disinterested directors — those board members without direct or indirect financial interest in the transaction — will have their terms expire in the same year as part of the PUC's ring-fencing measures.

Staff were to file the final order within the next few days.

"Congratulations," PUC Chair DeAnn Walker told the parties after the commission's approval.

J.P. Morgan's Infrastructure Investments Fund (IIF), Sun Jupiter Holdings and EPE reached an agreement in December with PUC staff, the Office of Public Utility Counsel, the city of El Paso, and various consumer and labor groups. (See *Parties to EPE Acquisition Reach Settlement Agreement*.)

The Rate 41 Group, a coalition of school districts and other public entities, *withdrew* an earlier motion for continuance on Jan. 3 and indicated it wouldn't oppose the settlement.

The transaction must still be approved by FERC, the Nuclear Regulatory Commission and the New Mexico Public Regulation Commission, which held a hearing Thursday on a settlement agreement between IIF, EPE and eight intervenors.

PRC Hearing Examiner Carolyn Glick will finalize her recommendations and forward them to the full commission for its final ruling, spokesman Deswood Tome said. "The hearing examiner did not specify a time of when her recommendation will be concluded," Tome said.

IIF's Lino Mendiola (left) agrees with Texas PUC Director of Customer Protection Stephen Journeay's proposed language on disinterested directors.

The PRC's website has been offline since a Jan. 9 ransomware attack. (See *Ransomware Attack Hits New Mexico Commission*.) ■

— Tom Kleckner

Texas Commission Oks LP&L Integration Project

The Texas Public Utility Commission last week *approved* modifications to proposed transmission lines necessary to integrate Lubbock Power & Light load into ERCOT (*48909*).

The approval came during the PUC's open meeting Thursday, following a quick *sidebar agreement* between Oncor and the city of Lubbock over the project's dividing point. The project will connect a 345-kV Oncor line with a 115-kV switchyard and line being built by LP&L.

Oncor's portion of the project could cost as much as $84 million and LP&L's portion $61.5 million. The municipality is on the hook for $30.2 million in switchyard costs.

The project is one of several needed to move 470 MW of Lubbock's load from SPP to ERCOT. (See "LP&L Lines for ERCOT Integration near Final Approval," *Texas PUC Briefs: Sept. 12, 2019*.)

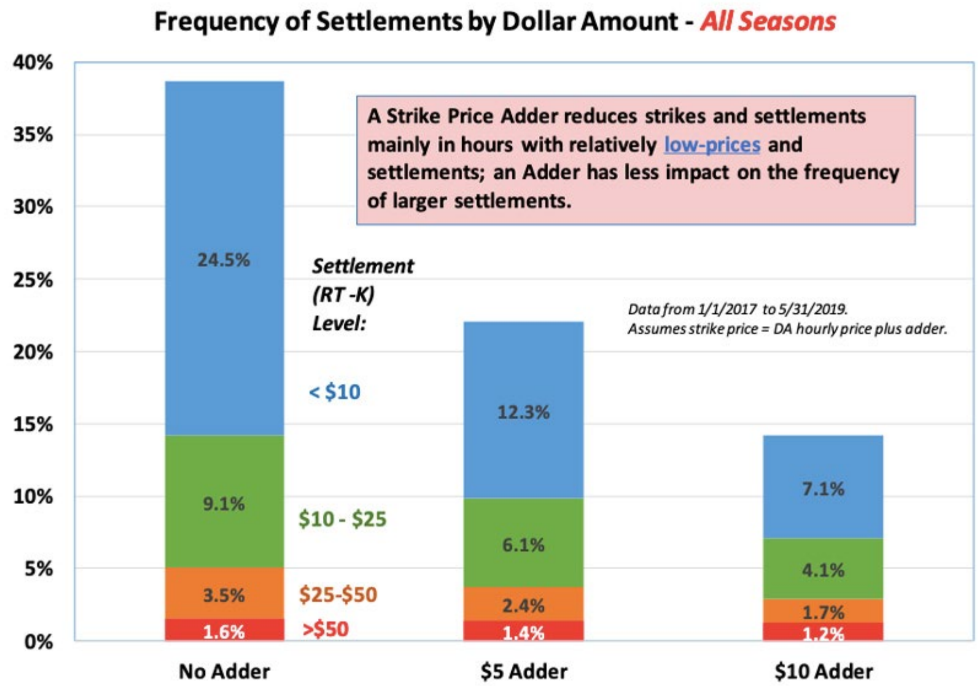
In other actions, the PUC:

- approved Entergy's request to amend its transmission cost recovery factor and recover $19.4 million (*49874*).
- was notified by Commissioner Arthur D'Andrea that he has directed outside counsel to intervene in a MISO docket at FERC related to the treatment of energy storage facilities as transmission assets (*ER20-588*). (See *Despite Pushback, MISO Pursuing TO-only SATA*.) ■

— Tom Kleckner

ISO-NE News

NEPOOL Markets Committee Briefs



Of the hours for which the $5 or $10 adder prevents the option from being exercised, 83% of these hours occurred in the non-winter months. | *NESCOE*

ESI Lurches Toward Deadline

WESTBOROUGH, Mass. — ISO-NE's Energy Security Improvements (ESI) proposal neared the finish line last week as study refinements showed a reduced level of total customer payments compared with preliminary results reported in December.

Stakeholders questioned the RTO's methodology and timing.

Todd Schatzki of Analysis Group *presented* new impacts analysis to the New England Power Pool Markets Committee on Wednesday that included updated results for the winter month central case and selected other winter scenarios.

The results for the central case of a representative winter month showed total customer payments increasing in two out of three scenarios, compared to all three in the results shared at the December MC meeting. But total customer payments are lower across all cases in the latest analysis compared with the December results. (See *NEPOOL Markets Committee Briefs: Dec. 10-11, 2019*.)

The RTO has less than three months to meet an April 15 deadline to file a long-term fuel security mechanism with FERC (*EL18-182*). The Participants Committee likely will vote on the new market construct at its April 2 meeting. The program would use financial incentives in day-ahead options and forecast energy requirement (FER) payments to persuade generators to buy fuel in advance to avoid shortages during periods of extreme cold.

The new results from Analysis Group reflected ESI shortage prices above those currently proposed by ISO-NE and adjusted solar and wind's participation in the day-ahead market.

The new analysis showed that in the "frequent" stressed conditions scenario, total payments by load would increase 3.7% to $4.27 billion, with $257 million in FER payments and $222 million in day-ahead option payments partially offset by a $174 million reduction in payments for energy and real-time operating reserves.

Under the "extended" stressed conditions case — based on 2017/18, with its one long cold snap — load costs would decrease $63 million (-2.3%) to $2.66 billion.

The "infrequent" stressed conditions case, based on 2016/17, showed $1.8 billion in load costs, a $48 million (2.8%) increase.

The other scenarios studied produced a wide range of outcomes in customer costs, from a reduction of $316 million (increasing load by 5%) to an increase of $407 million (the "no incremental oil" scenario). Schatzki said the results reflected factors including changes in market tightness, risk premiums and replacement energy reserve (RER) quantities.

Fixed Strike Price Adder

New England States Committee of Electricity (NESCOE) Director of Analysis Jeff Bentz presented a *proposal* for a $10 adder on the strike price, saying, "We really do remain concerned

Average Day-Ahead and Real-Time LMPs by Case ($ per MWh)

	CMR		ESI		Difference	
Severity	Day-Ahead [A]	Real-Time [B]	Day-Ahead [C]	Real-Time [D]	Day-Ahead [E] = [C] - [A]	Real-Time [F] = [D] - [B]
Frequent Stressed Conditions	$125.61	$124.28	$120.38	$119.86	($5.23)	($4.42)
Extended Stressed Conditions	$81.60	$79.02	$75.51	$76.33	($6.09)	($2.69)
Infrequent Stressed Conditions	$53.88	$54.61	$52.66	$54.40	($1.22)	($0.21)

Note: [1] Prices are the unweighted average across hours.

Projected LMPs under ESI central case versus current market rules (CMR) | *Analysis Group*

ISO-NE News

that consumers could be left on the hook for costs."

[Note: Although NEPOOL rules prohibit quoting speakers at meetings, those quoted in this article approved their remarks afterward to amplify their presentations.]

Increasing the strike price by $10/MWh in all hours, as ISO-NE proposes, reduces the frequency of option striking and should lower costs, according to NESCOE. The fixed-price adder has a minor effect on incentives to cover the call and deliver energy, which translates into a minor effect on energy security. It could also increase participation under the ESI proposal, which increases the likelihood of the design being successful.

"The fixed dollar amount adder diminishes the 'noise' of uncertainty ... and we don't think this materially affects the incentive," Bentz said. "It's all about cost and benefits."

NESCOE believes the $10 adder will reduce the cost and risk of the option for sellers, which should reduce the clearing prices and cost to consumers while maintaining strong incentives.

As part of a broader market power mitigation package under the amendment, resources with a capacity supply obligation would be subject to a must-offer requirement.

As recommended by Connecticut regulators, NESCOE wants regular assessments of the competitiveness of ESI and the call option offers.

ESI Methodology in Question

Christina Belew of the Massachusetts attorney general's office *presented* two amendments: one to eliminate RER from the ESI design, and the second to add a look-back provision to the ESI program to enable evaluation of its efficacy.

The look-back would take place after ESI has been in effect three years and would use evaluation criteria vetted through the NEPOOL stakeholder process. "We chose a three-year period before reporting because we felt that was adequate to acquire indicative performance data," Belew said.

On the proposed amendment to eliminate RER, her colleague Ben Griffiths, an energy analyst for regional and federal affairs, questioned the cost-effectiveness of the product and the RTO's rationale that RER ensures the day-ahead market will award sufficient "replacement energy" options to restore operating reserves consistent with NERC/Northeast Power Coordinating Council restoration time standards.

In addition, RER is intended to account for load forecast error, but the RTO does not define the methodology to be used.

"Unlike the more formulaic requirements of generator contingency reserves [GCR] and energy imbalance reserves [EIR], this open-ended load forecast error makes me uncomfortable," Griffiths said. Increasing RER requirements leads to "modest impacts on fuel security but could entail large impacts on costs, which doesn't strike me as prudent."

"I'm still struggling with a lack of value, a lack of design," Griffiths said. "From what we've done so far, I feel we should proceed with parts that we have a better understanding of, especially because the results don't show any fuel security benefit, even though our mandate in this docket was narrowly tailored to addressing fuel security."

The RTO's lead analyst for market development, Ben Ewing, *presented* the following day and concluded that RER is a conceptual extension of GCR, and that both awards "cascade down" and their respective clearing prices "cascade up" while ensuring the RTO's ability to meet reliability standards.

LNG Contracts

Karen Iampen of Repsol, which operates the Canaport LNG terminal in New Brunswick, Canada, said that ISO-NE is misrepresenting or misunderstands how LNG contracting works, and that because LNG contracts require market commitment prior to being procured and scheduled weeks in advance, developing financial options around a day-ahead price does not ensure fuel security.

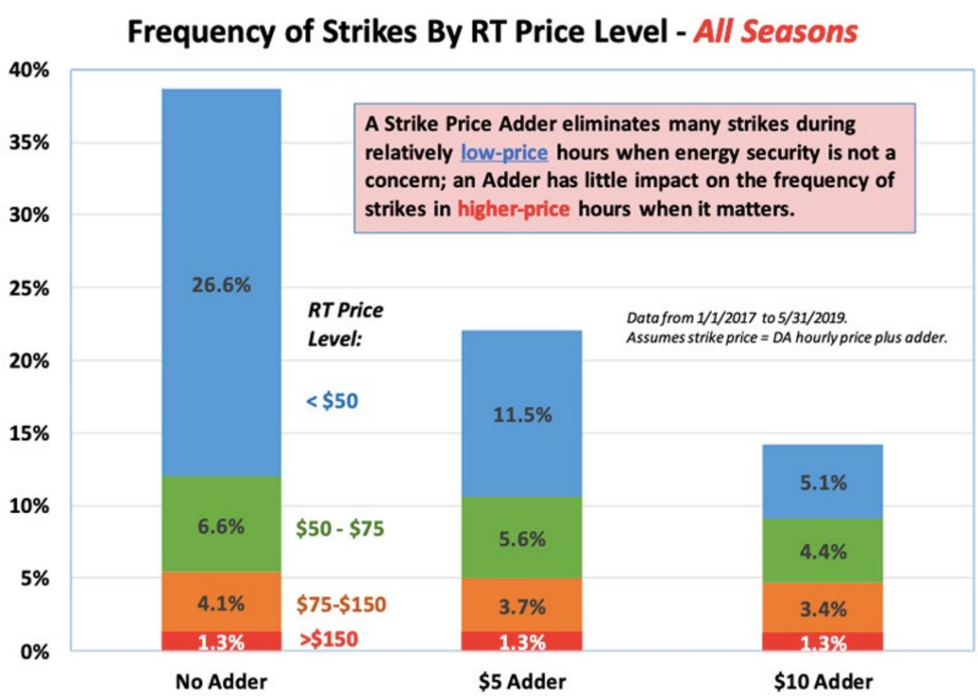
"Revenue certainty is the only thing that will persuade generators to stock up on LNG or natural gas," Iampen said.

In his presentation, Schatzki said LNG contract structure is not a "key determinant" in the model's estimates. He admitted that "the model's 'full supply' assumption may overstate available LNG in some cases" but said a scenario with less LNG available produced ESI impacts similar to the central cases.

Gary Ritter of Excelerate Energy, which runs the Northeast Gateway Deepwater Port for LNG, situated 13 miles offshore Boston, said his company shares many concerns with Repsol.

"Right now, in the middle of January, we are not present here with a [floating storage and regasification unit]," Ritter said. "We don't have a dedicated ship for New England, not to say we're not committed to the region. We just need an appropriate commitment." ■

— Michael Kuser



A strike price adder eliminates many intervals where the option is exercised (RT LMP > K) in low-price hours when energy security is not a concern; it has much less impact on the frequency with which options are exercised in higher price hours.| *NESCOE*

ISO-NE News

Deposit Rule OK'd for New ISO-NE Capacity

By Rich Heidorn Jr.

ISO-NE will apply different deposit rules on new capacity resources for Forward Capacity Auction 14 under a proposal approved by FERC last week (*ER20-395*).

The RTO will calculate financial assurance for noncommercial resources — those that have cleared an FCA but have not yet achieved commercial operation — based on the net cost of new entry rather than the FCA's starting and clearing prices.

The financial assurance policy is intended to ensure that resources achieve commercial operation by the time their capacity commitment period begins.

Under the previous rules, noncommercial resources had to submit a deposit before the auction equal to its qualified capacity multiplied by the FCA starting price. If the resource obtained a capacity supply obligation (CSO), the deposit would be recalculated to equal the product of the CSO awarded, the clearing price from the first round in which the CSO was awarded and a multiplier.

Under the new rules, effective Jan. 15, the deposit will be based on net CONE before and after the FCA. ISO-NE said that will reduce uncertainty, meaning market participants will no longer need to speculate as to the eventual deposit.

The change was prompted by concerns that the previous rules could allow noncommercial resources to benefit financially from their CSOs, even when they fail to achieve commercial operation in time to honor them.


NTE Energy's 650-MW natural gas-fired Killingly Energy Center in Killingly, Conn., is expected to go into operation in 2022. | *NTE Energy*

The proposal faced no protests, although the New England Power Generators Association contended it discriminated against resources that first clear in FCA 14 because those that cleared in earlier auctions are not affected by the change.

But the commission said resources that clear for the first time in FCA 14 and future FCAs are not "similarly situated" to those that cleared earlier.

"This existing noncommercial capacity has already been subject to the previous financial assurance requirements and enters FCA 14 with settled expectations as to its financial assurance responsibilities. As a result, this existing capacity would have secured financing and/or made arrangements in anticipation of, and contingent upon, the incumbent financial assurance requirements," the commission said. "By contrast, new noncommercial resources will enter FCA 14 without regard to previous financial assurance requirements and unbeholden to any commitments based on anticipated financial assurance responsibilities."

FCA 14, for capacity commitment period 2023/24, begins at 8 a.m. on Feb. 3. ■

MISO News

MWEX Study Could Elicit New Tx Planning for MISO

By Amanda Durish Cook

CARMEL, Ind. — MISO's special analysis into the Minnesota-Wisconsin export interface constraint could inspire similar studies to solve non-thermal operating limits in other parts of its system.

Neil Shah, MISO | *© RTO Insider*

"We are expecting several non-thermal constraints in the future, including voltage issues [and] stability issues that will limit the delivery of energy from high renewable energy penetration to load centers," MISO Resource Interconnection Planning Manager Neil Shah told stakeholders at the Planning Advisory Committee's Wednesday meeting.

The constraint, known as MWEX, is the subject of a special study this year as part of the 2020 MISO Transmission Expansion Plan (MTEP 20), dubbed the North Region Economic Transfer Study. (See "MTEP 20 Gains Unique Study," *MTEP 19 Advances to MISO Board Committee*.)

MISO said the study will evaluate non-thermal constraints between high renewable areas in the northwestern portion of its footprint and load centers. The RTO *said* it's especially expecting "bottlenecks" in its North Region, which already contains high wind penetration.

Shah said the RTO will project the area's transmission needs 15 years into the future. The study may identify transmission solutions that would be subject to further studies.

He said MWEX has a "long history" in MISO.

"It's not only being monitored in real time but in other planning studies," Shah said. "It appears very often in interconnection [studies], especially in MISO North and West."

Some stakeholders have expressed doubt that an actual project to assist the area will materialize, pointing out that MWEX's transfer limits are hard-coded as constraints in MISO economic planning models.

Entergy's Yarrow Etheredge said transmission owners support the study because typical economic studies don't consider non-thermal operational limits.

Shah said the study would serve as an introduction to MISO evaluating the impact of expected non-thermal system operation limits in other areas of the grid.

"How do we go from informational [study] to project approval?" Clean Grid Alliance's Natalie McIntire asked, with others echoing the question.

"We're going to keep our options and use this information in any planning studies open next year or later this year," Shah said of study results, adding that they may also "feed into" MTEP 21 efforts.

MISO plans to reveal a final study *scope* by the Feb. 12 PAC meeting. It expects to wrap up the study and announce potential recommendations in September. ■

MISO News

MISO Gauging Aftershocks of TO Self-fund Order

Renewable Advocates Warn of Increased Costs for New Generation

Continued from page 1

ion facility service agreements" to work out refunds to interconnection customers on network upgrades that are already being constructed.

Those agreements would vary based on how far along construction is, Blackwell said. "We are working to determine the full breadth of filings that will need to be made."

MISO's renewable generation proponents remain unhappy with FERC's decision, with some arguing that the ability of TOs' to both bill for the cost of upgrades and charge rates to use them stands to increase costs for interconnection customers, as TOs will essentially issue them loans with interest for the network upgrades. Some fear that the prospect of accruing interest could add millions to the cost of new generation, making agreement amendments attractive to TOs.

Clean Grid Alliance's Rhonda Peters asked how MISO would guarantee its responsibility under its Tariff to provide the least-cost solution to solving transmission constraints.

"There may be multiple approaches to solving a constraint," Peters warned at the IPWG, suggesting that MISO may need to supervise TOs' construction decisions.

Repeat Protests Under Facilities Service Agreement

The RTO also continues work on developing a standardized pro forma facilities service agreement (FSA) to reflect the self-fund option, recently the subject of a deficiency notice at FERC.

MISO filed separately in November to standardize the TO self-fund option with a new pro forma FSA that establishes interconnection customers' terms of repayment (*ER20-359*). In late December, the commission *said* the agreement needed more specifics on, among other things, how MISO would calculate tax benefits TOs receive on network upgrades, whether TOs would use projected or actual formula rates in their monthly revenue requirement for the network upgrade, and why the RTO included expanded liability provisions not included in its generator interconnection agreement.

The American Wind Energy Association, CGA and the Solar Council — an ad hoc group of companies that are members of AWEA's *RTO Advisory Council* — used the issue to again register displeasure with the reinstatement of TO self-funding, arguing that interconnection customers bear a lopsided amount of risk in funding network upgrades versus TOs.

"Under MISO's proposal, the [interconnection customer] must take on 100% of the risk, in addition to paying the full cost and rate of return for any network upgrade. If a TO elects to self-fund the upgrade, and seeks to earn a rate of return on its investment, then it is appropriate that the TO should also bear the risks and costs associated with the upgrade. However, under MISO's proposal, the TO bears no risk whatsoever," the three groups wrote in a December *protest* of the new FSA.

"In contrast, the [interconnection customer] is required to post security that is reduced over the payment term of the network upgrade charge, effectively requiring the [interconnection customer] to tie up its own capital for upgrades that will ultimately belong to the TO, and which the TO receives a rate of return on."

MISO officials maintain the protests are misplaced under the FSA proceeding. FERC has already made its decision, they said, and it likely won't permit relitigating under a filing that merely serves to streamline a process for what's already been decided.

"They should not be considered by the commission," Blackwell said of arguments in an interview with *RTO Insider*. He added that MISO is drafting a response to the deficiency letter.

Moreover, Blackwell emphasized, TOs' option to self-fund has been a reality in MISO since Aug. 31, 2018. Based on TOs' current rates of exercising the self-fund option, he said he anticipates only a "small fraction" of the 2015-2018 agreements will need revisions.

Blackwell said he realized TOs' scant participation in self-funding seems counterintuitive considering the prospect of earning a rate of return.

"You would think everyone would elect to self-fund," but they don't, he said.

MISO officials declined to speculate further on how many interconnection agreements might need amendments.

AWEA, CGA and the Solar Council have also protested the FSA's proposed term of 20 years' repayment for self-funded network

| MISO

upgrades, arguing that MISO also provide interconnection customers the options of upfront repayment and the more standard 10-year repayment term.

Deadline to Declare TO Self-fund

MISO is simultaneously considering imposing deadlines on TOs' decisions to self-fund upgrades, possibly requiring them to definitively elect to self-fund "at some point in time" in the definitive planning phase process of the interconnection queue, Blackwell said. The proposal is the RTO's own and not a result of a FERC directive.

The RTO is so far considering a requirement that TOs make a "general indication" of their intent to self-fund network upgrades, Blackwell said. However, that commitment would be "nonbinding and subject to change," he added.

MISO is also contemplating making TOs declare their intention to self-fund before it publishes the results of its system impact studies.

Some stakeholders urged MISO to make sure it has an answer from TOs on self-funding before it begins system impact studies.

"I feel very concerned about the looseness of this proposal," CGA's Peters said.

Stakeholders also asked if creating deadlines might be discriminatory to TOs.

Blackwell said he didn't think deadlines would impede a TO's ability to decide to self-fund, pointing out that it could elect to fund one network upgrade and decline to fund another. He reiterated that the proposal was merely a first draft.

"We will definitely work to find a balance," he told stakeholders. "We invite feedback from all stakeholders on the design … and how the deadline should be structured."

He said MISO would likely file this year to implement a self-fund deadline. ■

MISO News

MISO Seeks Ideas for Streamlined Tx Planning

Alignment of MTEP Process, Interconnection Planning Could Spell More Projects

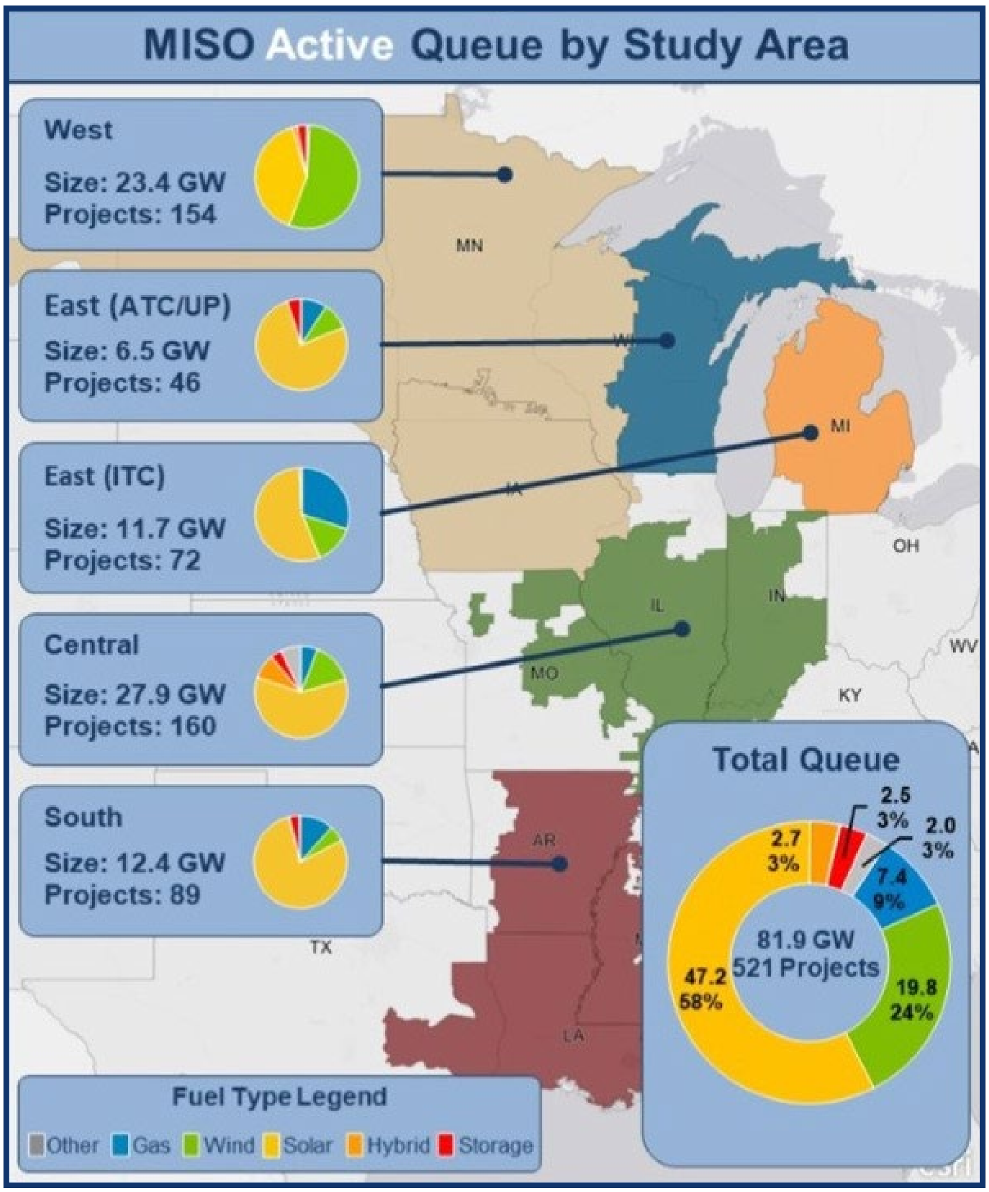
By Amanda Durish Cook

CARMEL, Ind. — A special task team convened to examine the cause of an apparent shortfall in MISO transmission capacity is seeking stakeholder input on what measures the RTO could undertake to support renewable generation.

During a Coordinated Planning Process Task Team meeting Thursday, MISO Senior Manager of Economic Planning Neil Shah said the RTO is compiling a list of ways to increase consistency between its generator interconnection and annual Transmission Expansion Plan (MTEP) planning processes. (See *MISO Mulls Linking Interconnection, MTEP Planning*.)

Stakeholders have *suggested* MISO better align the timelines of interconnection, MTEP and reliability planning and ensure the studies draw on more similar data, including dispatch assumptions.

The list will go before MISO's Planning Advisory Committee for further consideration in March. The PAC could assign the issue to one of its subgroups, such as the Planning Subcommittee or Interconnection Process Working Group, for solution development.



MISO interconnection queue as of January | *MISO*

Stakeholders — especially renewable proponents and state regulators — have repeatedly said MISO is unfairly relying on interconnection customers to finance new transmission capacity under the pretext of network upgrades. They contend the RTO may be neglecting a responsibility to get major transmission projects approved.

Many stakeholders have questioned why interconnection studies show the need for expensive transmission upgrades when MTEP studies do not. (See *Renewables Group Calls for MISO West Tx Construction*.)

"Under the current process, MISO economic planning assumes significant expansion of renewable generation but does not necessarily include projects likely to be required to accommodate the interconnection of such generation," WPPI Energy said in *comments* to the RTO.

Transmission owners also recently asked the RTO to address the disparity between its generation interconnection and MTEP planning processes.

Clean Grid Alliance's Rhonda Peters has characterized the situation as a "stalemate" where generation developers are saddled with major transmission upgrades they can't afford, while MISO has not initiated another multi-value project portfolio since its first one in 2011. The 17-project, $6.7 billion multi-value transmission expansion in northern and central states is nearly complete. MISO has *estimated* that the portfolio can enable about 26 GW of new wind generation by 2031.

In early January, Ameren Transmission Company of Illinois *reported* it energized the $267 million, 96-mile Mark Twain 345 kV transmission project in northeast Missouri. The development leaves the 100-mile Cardinal-Hickory Creek line across southwest Wisconsin to Iowa the last of the MVPs in line for a groundbreaking ceremony.

During the task team meeting, ITC Holdings' David Grover asked if market efficiency projects and generator interconnections could be examined in unison so projects with multiple benefits can be put forward.

"I think that one thing that we're hearing that's clear … is our different planning processes are

MISO News

siloed," MISO Director of Planning Jeff Webb said.

Reducing the Delay

The 521 projects in MISO's current interconnection *queue* represent nearly 82 GW of capacity. The Central region (parts of Missouri, Illinois and Indiana) contains the most capacity at nearly 28 GW spread over 160 projects, while MISO West (Minnesota, Iowa, parts of the Dakotas and western Wisconsin) contains 23.4 GW at 154 projects. The RTO processed about 70 generation interconnection agreements in 2019.

Renewable energy developers and advocates have argued that it's MISO West that could use fresh transmission capacity to facilitate new wind generation. Possible regional projects, including those categorized under reliability, interconnection and MTEP, will be the subject of a *West subregional planning meeting* this Thursday.

MISO is currently experiencing about a four-month delay in its affected-system studies with SPP, affecting the West region. Staff said they were looking into hiring outside consultants to speed up the process.

"We're trying to lessen this delay in any way we can," Resource Utilization Project Manager Jesse Phillips said at the Interconnection Process Working Group's meeting Jan. 14.

In responding to criticisms at stakeholder meetings, MISO officials have repeatedly pointed out that historically, only about 20% of generation projects clear the interconnection queue.

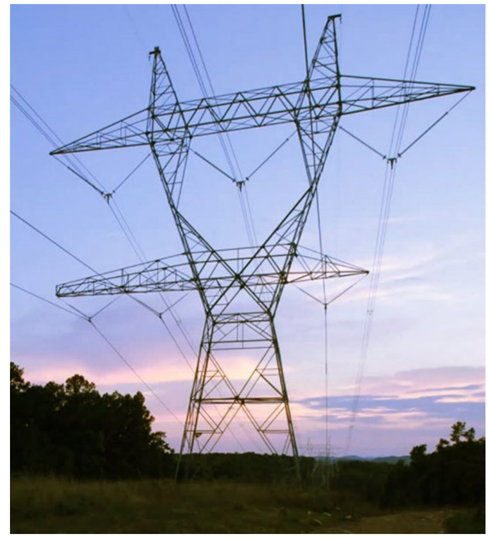
Last year, a possible market efficiency project that could have paved the way for more wind to flourish in the Upper Midwest was removed from the yearly transmission package.

MTEP 19 excluded the Helena-to-Hampton Corners 345-kV second-circuit *project* that could have alleviated congestion in southern Minnesota, at an initial 4.22:1 benefit-to-cost ratio based on MISO estimates. However, MISO's study process assumed that yet-to-be-built network upgrades would alleviate the congestion. Additionally, once the RTO removed forecasted wind generation from robustness testing, the project lost value.

EDF Renewable Energy's Alex Borden said MISO's MTEP 33 modeling significantly underestimated wind expansion. He questioned why wind siting was included in the front end of MTEP 19 modeling, then "effectively discarded in the robustness test scenarios."

"If nothing else, MISO should open the robustness testing to a more vetted process and discussion," he wrote in August, as more wind generation developers *withdrew* projects from the queue.

MISO planning staff have said the development of new 15-year MTEP futures featuring more aggressive renewable predictions —



| *MISO*

paired with its proposal to lower the cost allocation threshold on market efficiency projects from 345 kV to 230 kV — should give rise to approval of more major lines in the footprint.

The RTO will host another retooling session on the futures *Feb. 13*.

Meanwhile, the 10 utilities reunited for CapX2050 will next month release first results from a study examining Minnesota, eastern North Dakota and South Dakota, and western Wisconsin. The study may result in some transmission projects being built in the area. (See *Minnesota Utilities Reunite for CapX2050 Study*.) ■

MISO News

OMS, RSC Chart Course on Interregional Study

By Amanda Durish Cook

Utility regulators in MISO and SPP states are looking to better define their inquiry into the RTOs' inability to develop interregional projects intended to relieve costly congestion across their seams despite repeated attempts to do so.

The effort between the Organization of MISO States (OMS) and SPP's Regional State Committee (RSC) arose last year after the groups decided to perform their own analysis of seams coordination issues, supplementing work already underway by the RTOs' two market monitors. (See ***MISO, SPP States Ponder Look at Interregional Planning***.)

Missouri Public Service Commission economist Adam McKinnie | © *RTO Insider*

Speaking during a Jan. 13 conference call of the OMS-RSC Seams Liaison Committee, Missouri Public Service Commission economist Adam McKinnie laid out two options for the effort: re-examine the RTOs' past analyses of proposed interregional projects, or embark on a series of smaller studies on congested flowgates that could produce entirely new project proposals.

McKinnie said the committee could begin pursuing either option by identifying MISO-SPP flowgates with the highest market-to-market payments over the past three years.

From there, the committee could either elect to re-examine the value of projects considered but not approved in the 2017, 2018 and 2019 coordinated system plans (CSPs), or OMS and SPP could undertake their own series of "quick-hit" studies on the most expensive flowgates and produce some new project proposals for the RTOs, including some smaller projects that might resemble PJM and MISO's targeted market efficiency projects.

"It would require a lot of stakeholder effort," McKinnie warned of the latter proposal, adding that it would be on stakeholders to propose project solutions.

Kansas Corporation Commissioner Shari Feist Albrecht asked if the study options might duplicate work that MISO and SPP may already have planned.

McKinnie said the RTOs have scheduled an annual review of seams issues during a March 10 Interregional Planning Stakeholder Advisory Committee meeting, where they will collect ideas on target areas for this year's CSP. OMS and RSC members will know more then, he said.

"Some of the work we might be asking the staffs of MISO and SPP to do," McKinnie said of the possible studies. He said he would get a work estimate from the RTOs to examine past CSPs.

North Dakota Public Service Commissioner Julie Fedorchak suggested that MISO and SPP regulators could blend the two approaches by first reviewing past projects identified in CSPs, then deciding whether to branch out to explore new projects.

McKinnie said OMS and the RSC could discuss options through February and vote on a direction in early spring.

The Liaison Committee will meet next in D.C. during the Feb. 9-12 National Association of Regulatory Utility Commissioners' Winter Policy Summit.

For that meeting, McKinnie said both MISO and SPP staff members have expressed a "readiness and willingness" to give presentations to the regulators on how they coordinate reliability across seams in both real time and in transmission planning. ■

NYISO News

NYPSC Expands Energy Efficiency, Indexes RECs

By Michael Kuser

The New York Public Service Commission on Thursday performed some heavy regulatory lifting intended to help the state achieve its ambitious clean energy goals, committing an additional $2 billion to energy efficiency and building-electrification programs. It also created an index renewable energy credit that pays for the environmental attributes of a solar or wind farm (*18-M-0084*, *15-E-0302*).

Chair John B. Rhodes

The energy efficiency *order* "puts us on a path as a state to save at meaningful levels, and saving is the way of going after the resource we don't use, which is always the best resource," PSC Chair John B. Rhodes said. "It leans into the [Climate Leadership and Community Protection Act], taking action now at high levels of achievement, at high levels of distributing that achievement equitably."

Among other targets, the CLCPA (*A8429*) signed into law last July aims to raise the state's energy efficiency savings to 185 trillion BTU by 2025 and greenhouse gas emission reductions by 85% by 2050. (See *Cuomo Sets New York's Green Goals for 2020*.)

Various state agencies will coordinate the investments to achieve the new energy efficiency and electric heat pump targets for investor-owned utilities, investments estimated at $6.8 billion from now through 2025.

Commissioner Diane Burman

Commissioner Diane Burman stood alone on the five-member commission in voting against the energy efficiency measure. She urged fiscal and fiduciary prudence and recalled that at the PSC's November 2019 session, she voted against reallocating uncommitted funds to the New York State Energy Research and Development Authority to administer clean energy programs. (See "CES Budget for 2020," *NYPSC OKs Rebuilding Upstate Tx Lines*.)

"I have been a consistent 'no' when we are looking to repurpose and reallocate uncommitted funds," Burman said. "It really begs the question to me: Why not reduce those surcharges or at least be more mindful of those programs in total from the beginning?"

A wide coalition of environmental groups endorsed the move, led by the Natural Resources Defense Council.

"Speed is of the essence when it comes to bending the curve on climate pollution," Samantha Wilt, NRDC senior policy analyst for climate and clean energy, said in a *statement*. "There is no cheaper or faster way to do that than investing in energy efficiency. This order also has massive job-creating potential and will improve New Yorkers' homes and businesses, making them more comfortable, healthier and less polluting."

Enhancing Tier I RECs

In its *order* modifying Tier 1 renewable procurements, the commission directed NYSERDA to include an additional option for bidders to offer an indexed REC price in future Renewable Energy Standard (RES) solicitations, beginning with this year's.

The American Wind Energy Association and the Alliance for Clean Energy New York last March filed a *petition* asserting that an indexed REC — based on a reference market index that will change monthly over the life of a RES contract — would serve as a hedge against market volatility, lower the financing costs for renewable generators, and provide lower costs and less volatile prices for ratepayers.

"Our decision today will benefit renewable energy developers by reducing their risks while also lowering customer costs," Rhodes said.

The commission noted that adopting an indexed REC structure will require changes to the RES program, including revisions to the methodology for calculation of its annual Tier 1 REC price associated with sales to load-serving entities for both fixed-price and indexed REC payments.

The order directs NYSERDA and Department of Public Service staff to file an implementation plan within 90 days but notes that approval of the plan is not required prior to issuance of an index REC solicitation.

The Advanced Energy Economy (AEE) Institute *commented* that an indexed REC could cause more volatility in computing the environmental value because the calculation method is tied to the Tier 1 REC price. It suggested that environmental value might vary by zone and

The NYPSC sits for its regular monthly session in Albany on Jan. 16.

that the social cost of carbon could factor into setting the environmental value if the state implements the NYISO carbon pricing proposal.

The commission found "appropriate" AEE's suggestion to hold a stakeholder process within the Value of Distributed Energy Resources proceeding to consider the issues (*17-01277*). (See *NYPSC Refines Value Stack, Boosts Community DG*.)

Burman, again the only commissioner in opposition, said she voted against the measure "because we already have had experience in these solicitations, in 2018 and 2019, that were robust. We got a lot, we were oversubscribed, so I don't fear that somehow we need to do this to make the developers be a part of the solicitation.

"My biggest fear is, when I look to NYSERDA, I don't see enough analysis, and I'm persuaded by New York City's *comments* that there should be more substantive, quantitative analysis done to ensure that we are carefully evaluating the risk."

Susanne DesRoches, of the New York City Mayor's Office of Recovery and Resiliency, argued in an Oct. 2, 2019, filing that it "is essential to ensure that the potential benefits of lower REC prices are substantial enough to mitigate the added risks to customers that result from moving to an indexed pricing procurement mechanism which shifts project risk away from the developer and onto customers."

"Given that there are nearly half a million low-income families in New York City who are over the state's target for spending on energy bills today, it is imperative that customers do not become even more energy cost-burdened as a result of a switch in REC procurement methodologies," DesRoches said. ■

NYISO News

NYISO Prepares Hybrid Storage Market Rules

By Michael Kuser

RENSSELAER, N.Y. — NYISO last week kicked off an effort to develop a model for allowing large front-of-the-meter energy storage resources (ESRs) paired with generation to participate in its markets.

The Hybrid Storage Model project will evaluate the possibility of enabling co-located storage resources to receive a single dispatch schedule, Amanda Myott, NYISO capacity market design specialist, *told* the Installed Capacity/Market Issues Working Group (ICAP-MIWG).

NYISO sees developers increasingly coupling generation resources with storage resources, but its market rules do not include a participation model for such resources. Co-located resources are currently required to be separately metered and have their own point identifier, Myott said.

The ISO has filed related market rules for co-located distributed energy resources and ESRs with FERC (ER19-2276). The commission in December partially accepted the ISO's plan to comply with a mandate to develop rules to provide energy ESRs full access to their wholesale markets. (See *FERC Partially Accepts NYISO Storage Compliance*.)

Project Details

Asked where the hybrid model would fit in the ISO's market structure, Myott said, "We imagine where DER caps at 20 MW, hybrid storage could fit in above that."

Zachary Smith, the ISO's manager for capacity market design, stepped in to answer whether hybrid storage would be eligible to withdraw electricity from the grid to alleviate excess supply.

"We would consider a hybrid storage resource to be similar to a DER aggregation, and any DER aggregation that contains storage is eligible to bid withdrawal," Smith said.

Mark Younger, of Hudson Energy Economics, wanted the ISO to clarify what it meant by co-located: "Two resources connecting into the same interconnection node, whether 345 kV or 115 kV — is that what same location means at its most basic?"

"Yes, that was our initial thinking for resources at the same physical location," said Mike DeSocio, the ISO's director of market design.

Myott said the market design could be multifaceted, with some elements of the design being advanced faster than others. The elements include participation in NYISO's energy, ancillary services and installed capacity markets; a settlement process; modeling for interconnection, planning and operations; and metering requirements.

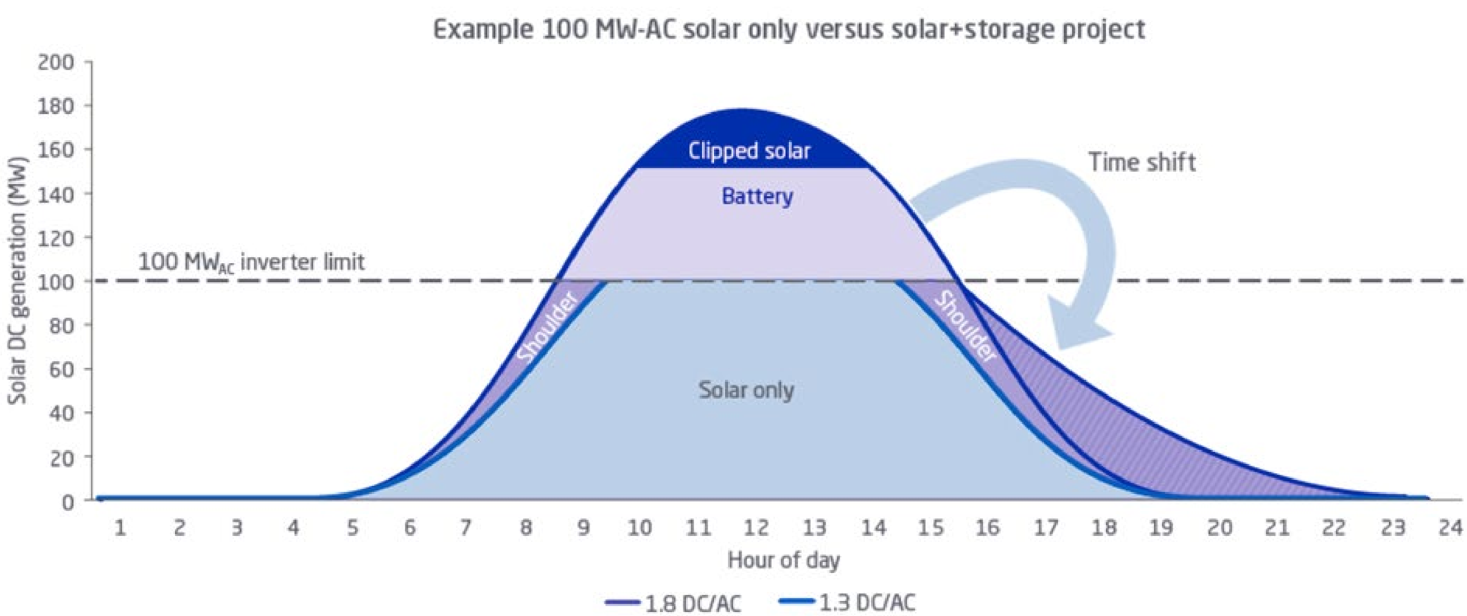
Hybrid Resources as Power Plants

Explosive growth in solar-plus-storage projects — both co-located and full hybrid designs — is driving the market, *said* Mark Ahlstrom, vice president of renewable energy policy at NextEra Energy Resources and president of nonprofit Energy Systems Integration Group, who presented on hybrid resources being offered into the market as conventional generators.

He gave an example from NextEra showing that more than half of the company's planned PV projects will include storage — and that all planned storage would be combined with PV, with no standalone storage projects in the works.

"A hybrid is a different beast; it's no longer just a PV plant," Ahlstrom said.

"All that I'm showing you has been shared industry-wide at [the Energy Systems Integration Group], NERC and other meetings, because we all know we have to work it out together," he said, showing similar examples from other companies. "And all this is fresh, from the last 12 months. California is perhaps the furthest along, now taking comments on their



Maximizing solar with DC-coupled energy storage | *Fluence*

NYISO News

second straw proposal for hybrid resources, such as solar PV plus lithium-ion storage.

"AC coupling of PV and storage as the same point of interconnection is what you think of first, and that can work. But DC-coupled designs have a number of attractive features that can increase efficiency and make them more cost effective. For example, AC inverters have to get up to a minimum DC voltage level before they can convert the DC power from the PV panels to AC power, but a DC-to-DC converter can work at lower voltage levels to move energy into the batteries, say, when the sun is just coming up," he said.

Oversizing the PV panels on the DC side allows access to "a lot of capability sitting there ... energy that would otherwise be thrown away, unable to be put on the grid, but can now be used to charge the batteries and later provide many services to the grid," Ahlstrom said. "And it doesn't have to be renewables; it could be gas plus storage."

He advocated an "intelligent agent" approach based on analytics whereby the hybrid operator internalizes the characteristics of the components of the hybrid resource behind the point of interconnection (POI) and offers energy or ancillary services at the POI in the same way as a conventional resource, but with more flexibility and fewer constraints.

"We expect it to be treated like a conventional resource, not like a renewable resource," Ahlstrom said. "You manage the state of charge through your offers."

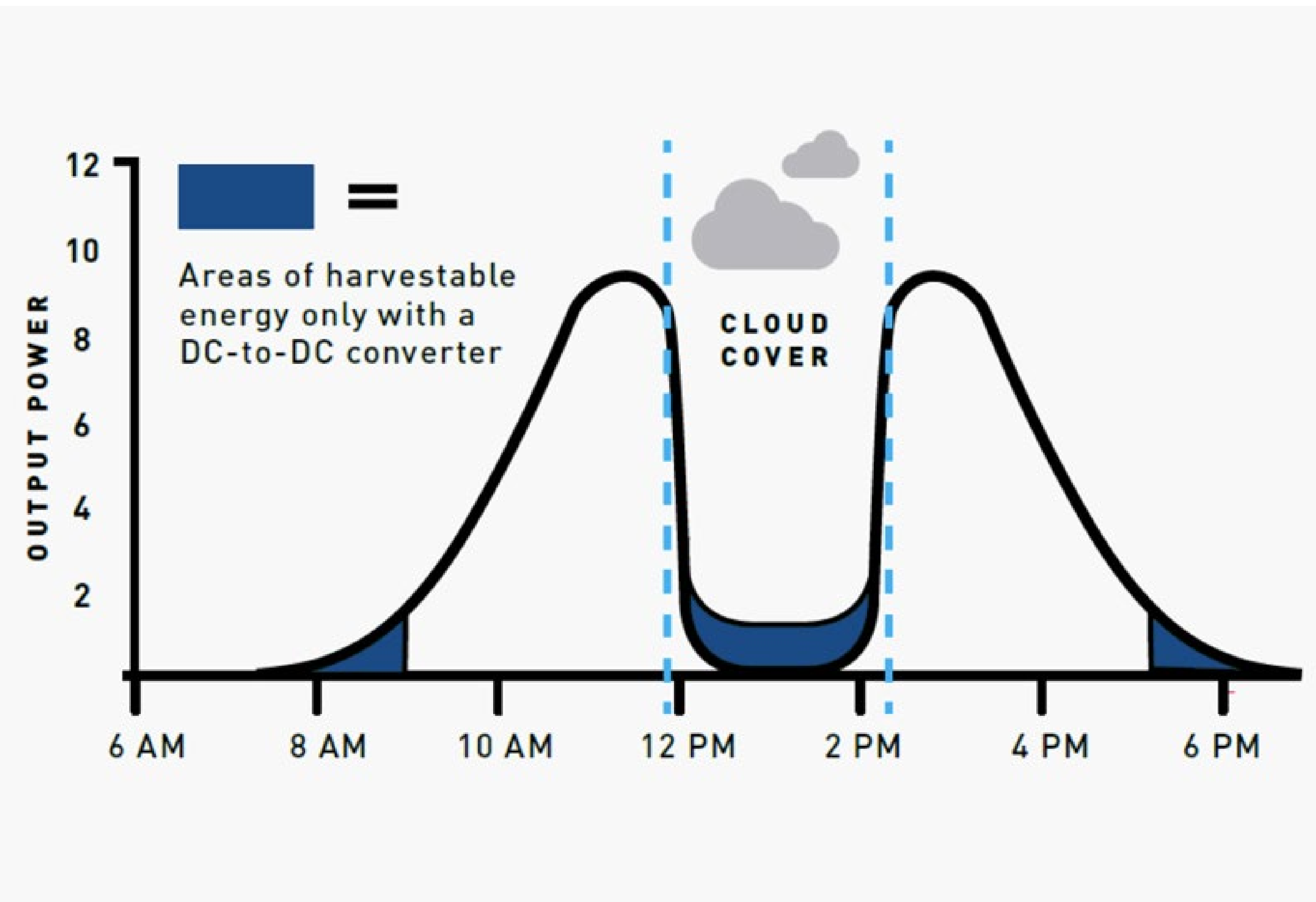
In describing the benefits to system or market operators, Ahlstrom said the "big breakthrough for me about a year ago" was when he saw how hybrid resources do not need to curtail renewable output for the headroom required to provide other services (such as frequency response), which is instead a function of the battery's state of charge. "Battery flexibility is what drives all of this," he said.

Ahlstrom asserted that operated as a single resource, hybrid resources will eventually change market products, market design and market participation.

With no advance commitment, start-up costs, minimum generation levels or other constraints, Ahlstrom asked, "Will we build standalone storage, or mostly just hybrid resources?"

He closed by posing more questions: "Which is better: a highly flexible generator or a battery storage resource? What, exactly, is the difference? How does it affect planning, markets and operations?"

NYISO plans to complete the Hybrid Storage Model proposal this fall. ■



PV inverters harvest DC input when the array or string voltage is above a certain threshold. This impacts generation at beginning of day, end of day and in heavy cloud cover. | *DynaPower*

NYISO Stakeholders OK Moving IESO Proxy Bus

By Rich Heidorn Jr.

NYISO stakeholders Wednesday approved moving the proxy bus for pricing transactions with Ontario's Independent Electric System Operator (IESO) from the Bruce station to the Beck station to reflect power-flow changes resulting from the implementation of the Ontario-Michigan phase-angle regulators.

The proxy bus, intended to represent a typical bus in an adjacent control area, is where locational-based marginal prices are calculated.

NYISO Operations Analysis and Services Supervisor Tolu Dina told the Business Issues Committee that the implementation of the Ontario-Michigan PARs in July 2012 has resulted in 85 to 95% of IESO-NY interchange being delivered directly to New York rather than looping counterclockwise around Lake Erie as before the PARs.

Dina said the power flow of four free flow ties — the 345-kV Beck-Niagara (PA301) and Beck-Niagara (PA302), and the 230-kV Beck-Niagara (PA27) and Beck-Packard (BP76) — is affected by the external proxy bus location.

The current market model using the Bruce proxy assumes only 73% of the flow over the IESO-NY interface. The new model using the Beck bus will increase the model's assumption to about 87% of the total.

Making the change is contingent on the *replacement* of NYISO's energy management system (EMS) and business management system (BMS). The ISO is targeting April for updating its model to reflect the switch from Bruce to Beck.

As a transition, the spring 2020 transmission congestion contract (TCC) auction — expected to begin Feb. 7 and end April 9 — will only allow bids at the IESO bus for the six-month auction. No bids will be permitted at the bus for the one- and two-year rounds.

The BIC approved the change with no opposition.

2021-2025 ICAP Demand Curve Reset

The BIC also approved NYISO's proposed Tariff change to modify how it calculates gross cost of new entry (CONE) escalation factor as part of the annual updates of the installed capacity demand curves.

The gross CONE escalation factor includes four components: changes in construction material costs, turbine generator costs, labor costs and general costs of goods and services.

The proposal would switch from the current methodology, which measures changes on a year-to-year basis, to one that measures changes over the term of each reset period using the first year as a baseline.

It is intended to address the New York Transmission Owners' concerns that the current year-to-year determination could be misleading if past index values that are subsequently reutilized are updated by an index publisher or if the relative change in the cost components change at materially different rates over time, the ISO said.

If approved by the Management Committee tomorrow and the Board of Directors in February, the changes will be filed with FERC in February or March. ■

IESO's import/export trading paths | *Independent Electric System Operator*

PJM MRC/MC Preview

Below is a summary of the issues scheduled to be brought to a vote at the PJM Markets and Reliability and Members committee meetings Thursday. Each item is listed by agenda number, description and projected time of discussion, followed by a summary of the issue and links to prior coverage in *RTO Insider*.

RTO Insider will be in Valley Forge, Pa., covering the discussions and votes. See next Tuesday's newsletter for a full report.

Markets and Reliability Committee

Consent Agenda (9:10-9:15)

B. Manual 38: Operations Planning — *updates* from the periodic cover-to-cover review and updated procedures.

1. Modeling Generation Senior Task Force (9:15-9:30)

After deferring on the issue in December, the MRC will consider a rule change that would implement "soak time" modeling of resources. (See "Modeling Generation Senior Task Force Recommendations," *PJM MRC Briefs: Dec. 19, 2019*.)

The MRC endorsed *recommendations* from the task force last month that can be implemented in the near term while PJM focuses on completion of its next generation energy market (nGEM). But stakeholders requested more time to investigate the soak time recommendation after expressing concerns about the time and energy it would require.

Soak time refers to the minimum period a unit must run from the generator breaker closure until it is dispatchable.

The Modeling Generation Senior Task Force (MGSTF), assembled in 2017, developed the solutions to improve resource modeling for "complex resources" in PJM's market clearing engines, including combined cycle units, coal units with multiple mills and pumped hydro.

2. Primary Frequency Response Task Force Update (9:30-9:40)

The committee will *decide* whether to keep the Primary Frequency Response Task Force on hiatus through the first half of 2020.

Primary frequency response (PFR) is the ability of generators to automatically change their output in five to 15 seconds when the grid's frequency strays above or below 60 Hz. As more renewables enter the resource mix and coal plants retire, the grid can become more susceptible to these frequency swings, threatening system reliability.

In October, PJM said 583 units with capacities of 50 MW or greater were evaluated for PFR across 10 events between March and September. The selected events for analysis met one of three qualifications: frequency goes outside the +/- 40-MHz deadband, frequency stays outside the +/- 40-MHz deadband for 60 continuous seconds or minimum/maximum frequency reaches +/- 53 MHz.

No more than 28 units provided PFR during any of the selected events. In some cases, no units responded. PJM said most critical load and black start units evaluated did not provide PFR because many were offline, operating at maximum capacity or had inconclusive results.

The task force would continue to update the Operating Committee on a quarterly basis of PFR results across the RTO.

Members Committee

Consent Agenda (11:05-11:10)

The MC will be asked to endorse:

B. *revisions* to the Operating Agreement endorsed by the Financial Risk Mitigation Senior Task Force and MRC to hold five long-term financial transmission rights auctions a year, instead of three, to increase oversight and visibility into portfolio conditions so that more collateral can be collected if necessary. The revisions also would alter the structure of Balancing of Planning Period auctions so that participants can buy and sell in any month of the year, rather than being limited to a specific quarter. (See "FTR Credit Rules Endorsed," *PJM MRC Briefs: Dec. 19, 2019*.)

C. *revisions* to the OA to implement changes to the competitive transmission proposal fee structure. PJM will charge a $5,000 nonrefundable flat fee to all developers who submit competitive proposals. Itemized study costs will be added as necessary. RTO officials said the current tiered approach doesn't account for the increased cost of the new comparison framework that involves an independent consultant's review and legal and financial analyses. (See "Competitive Transmission Proposal Fee," *PJM MRC Briefs: Dec. 19, 2019*.)

D. *revisions* to the Tariff and OA related to the hourly differentiated ramp rate changes originating from the MGSTF. The changes will increase the number of segments on the energy offer curve (2020); introduce hourly differentiated segmented ramp rates (late 2020) and implement the soak time parameter referenced in MRC item 1 above (2022).

E. *revisions* to the Tariff and OA to align them with PJM's actual implementation of market-based parameter-limited schedules. (See "Parameter-limited Scheduling Fix," *PJM MRC Briefs: Dec. 19, 2019*.)

F. *revisions* to the OA clarifying the requirements for sharing forecasted unit commitment data to transmission owners for reliability studies, to ensure consistency with NERC standards and PJM manuals.

1. Members Committee Resolution (11:10-11:35)

The MC could approve an *advisory* against TOs' proposal for a new Tariff Attachment M creating a new, confidential process for projects to address NERC critical infrastructure protection standard CIP-014.

LS Power drafted the document and presented it at the Dec. 5 MC meeting as tensions over the TO proposal grow increasingly fraught. (See "Critical Infrastructure Resolution," *PJM MRC/MC Briefs: Dec. 5, 2019*.)

The company said the attachment conflicts with the OA because it will move forward without any vetting from the MC. At the heart of company's argument is a belief that incumbent TOs don't get exclusive rights to handling critical infrastructure on NERC's CIP-014 list. Because the projects could carry significant regional implications, LS Power believes PJM should plan their mitigation. (See *PJM TO Filing Stirs Up Transparency Concerns*.)

Incumbent TOs argue that NERC's confidentiality standards — and their rights under PJM's Attachment M-4 process — support their intention to file the mitigation plan at FERC without input from other sectors.

PJM maintained its neutrality in the debate and urged all stakeholders agree about mitigating critical assets so they are no longer vulnerable to attack. (See *PJM Remains Neutral in CIP-014 Debate*.)

— Christen Smith

SPP News

SPP Board Taps Barbara Sugg as New CEO

Continued from page 1

the board's decision to the SPC.

"One of the big issues for the board was the issue of whether to go external or internal. Clearly, some of the external candidates brought to the table a broader set of CEO experience than the internal candidates," he said. "About half of the board members related to a situation in their career where someone had faith in them and gave them a position of higher authority. I'm absolutely convinced of the potential Barbara has."

Sugg said she stressed her leadership skills and experience during her interview. "I focused largely on the type of leader I'd be," she said. "Not that I didn't have a good idea [of my chances] coming out [of the interview]."

"The board believes Barbara is well-suited to continue to strengthen SPP's foundational attributes while recognizing the need and opportunity to improve our efficiency and effectiveness," Altenbaumer said in a ***statement***. "She is equipped to develop, build and strengthen the relationships that are increasingly critical to the sustained success of our organization, and particularly those with our members and regulators.

"We look forward to seeing Barbara lead the organization in establishing itself as the premier RTO in providing comprehensive value in a rapidly changing and increasingly uncertain industry landscape," he said.

The board will work with Sugg and Brown to develop a specific transition plan.

Sugg will be the only woman leading a U.S. grid operator. ***Audrey Zibelman***, once PJM's COO, has run the Australian Energy Market Operator since 2017. PJM Board Member Susan Riley served as that RTO's acting CEO for six months last year after the retirement of Andy Ott.

Barbara Sugg reacts as Board Chair Larry Altenbaumer (r) announced the directors' decision to the Strategic Planning Committee. | *© RTO Insider*

SPP's communication staff, with little advance warning of the closely held decision, is working to determine whether Sugg is the first female CEO at a North American RTO or ISO. Asked whether he was aware of a woman preceding Sugg in her role, Brown said, "None that I'm aware of, and I've been around a long time."

Members greeted the news enthusiastically.

Longtime SPP stakeholder Mike Wise, senior vice president of regulatory and market strategy with Golden Spread Electric Cooperative, called the board's decision a "great choice" and one he could support "110%."

"I have had the privilege of working with Barbara on SPP issues for more than a decade," Wise said. "She tackles the hard issues and understands quite well the value proposition of members in SPP."

Noman Williams, another veteran SPP stakeholder and senior vice president of operations for GridLiance, said he has known Sugg since she joined SPP in 1997.

"She brings great relationships across the SPP stakeholder groups and fantastic leadership skills to help move to the next level," Williams said.

"I'm excited to see the SPP board select someone with such a rich history within SPP. Barbara has been an integral part of SPP's growth prior to the formation of the RTO," said Brett Hooton, president of GridLiance High Plains and a former SPP staffer. "I am optimistic about SPP's future under Barbara's leadership and hope and believe that SPP will continue to be an RTO that strives to treat all transmission customers comparably and ensures fair, equitable and competitive rules within its marketplace."

Sugg joined SPP as a senior IT specialist and became a member of the management team two years later. She was named vice president of IT in 2010.

She earned a bachelor's degree in computer science from the University of Louisiana at Lafayette in 1986 and completed the Advanced Management Program at Harvard Business School in 2013.

Sugg participates in numerous industry and non-industry committees, as well as community and philanthropic boards. In 2018 she founded the ***Leadership Foundation for Women***, a nonprofit that provides professional development and education for women. ■

SPP Members Delay Decision on 2021 Tx Assessment

By Tom Kleckner

SANTA FE, N.M. — SPP stakeholders last week delayed a decision over the weighting of futures and the use of economic must-run modeling in the RTO's 2021 transmission planning assessment.

Staff and the Economic Studies Working Group committed to providing additional information to the Markets and Operations Policy Committee during its April meeting in Little Rock, Ark.

The ESWG last month agreed on a 60-40 weighting split between Future 1 — the "business-as-usual" case that reflects current trends — and Future 2, which is driven by assumptions that distributed generation, demand response, energy efficiency and energy storage will have a major effect on load and energy growth rates. The ratio passed both the ESWG and Transmission Working Group with a single abstention each.

Renewable interests favored a more aggressive forecast that incorporates additional energy growth. Others, wary of increasing transmission costs, favored a more conservative approach. Future 1 projects about 32 GW of wind installations by 2031, while Future 2 foresees about 37 GW.

Casey Cathey, SPP's manager of reliability planning and seams, said that a similar 60-40 split in the 2019 Integrated Transmission Planning assessment would not have changed its final results for identifying transmission needs.

"Some people think there should have been more wind assumptions," Cathey said. "In the end, after all that debate, it would not have budged our 2019 portfolio." (See "MOPC Approves $336 ITP Portfolio," *SPP MOPC Briefs: Oct. 15-16, 2019*.)

SPP Senior Vice President of Engineering Lanny Nickell suggested identifying reasonable outcomes and assigning them probabilities.

"Once you do that and you're confident you considered the outcomes, you're going to make the best quality decision at that time," he said, noting no one had mentioned the implications of extended tax credits for wind energy.

"It feels like whether you want chocolate or vanilla ice cream. There's no scientific basis," SPP Board Chair Larry Altenbaumer said during the Strategic Planning Committee's meeting Wednesday. "Some prefer one; some prefer the other. That feels lacking to me. It doesn't seem a very good way to get to where we need to be."

Must-run Review

Also drawing considerable stakeholder discussion was the ESWG's plan to assign economic must-run designations to cogeneration, nuclear and hydro units. Exceptions would have to be requested during the generation review and approved by the working group.

However, a *list* shared with stakeholders included several coal-fired units previously granted exceptions, including Sunflower Electric Power's 349-MW Holcomb 1. The 37-year-old unit in western Kansas has been often criticized for causing congestion in the area and creating the need for additional transmission investment.

Al Tamimi, Sunflower's vice president of transmission planning and policy, told *RTO Insider* that the utility is contractually obligated to a coal delivery contract, executed in 2004 before it became an SPP member, that does not expire until 2034.

Tamimi said no studies completed through the planning-study processes confirm the assertion that congestion will be reduced by removing Holcomb from the list of economic must-run units. Energy exported from Sunflower's transmission zone far outpaces Holcomb's production during periods of high wind and also increases congestion, he said.

"As a must-run unit, [Holcomb] … will be dispatched down during high-wind periods … and dispatched up during periods when wind output is lower, which will help alleviate congestion on the byway lines around the unit," Tamimi said. "Removing coal units like Holcomb from the economic must-run list will most likely drive new economic transmission capital projects to Sunflower's [transmission] zone. If the new transmission is byway-funded, the Sunflower zone pays almost 70% of its cost and receives negative benefit from it."

Greg McAuley, Oklahoma Gas & Electric's director of RTO policy and development, said his concerns about including Holcomb on the economic must-run list centered around the potential effect of a unilateral decision to self-commit a unit out-of-merit on transmission planning.

"We simply want to ensure that we're all being treated fairly, and that our customers are not being asked to pay for unilateral decisions made by other entities," McAuley said.

Coincidentally, while the MOPC meeting was taking place, Sunflower *announced* it would let its air permit for a proposed second Holcomb unit expire in March. Colorado-based Tri-State Generation & Transmission's decision to pull out of the $2.2 billion, 895-MW project was the final straw for a project first proposed in 2005 during former Kansas Gov. Kathleen Sebelius' administration (see Company Briefs, *page 26*)

ESWG Chair Alan Myers, with ITC Holdings, was able to secure approval of leveraging existing processes to model member-submitted loads from the Bakken shale play in the upper Midwest area; to begin developing approaches that address winter-peaking and cold-weather-driven reliability issues for incorporation in SPP's normal planning processes; and obtain a waiver of the ITP manual's requirement to use resource planning software in the 2021 assessment.

Members also approved an ESWG revision request (*RR395*) that creates a hybrid methodology for gas price forecasts by averaging multiple sources. ■

ESWG Chair Alan Myers (standing) huddles with SPP's Casey Cathey. | © *RTO Insider*

SPP News

SPP MOPC Briefs

Staff Seek to Educate on Conservative Ops

SANTA FE, N.M. — SPP staff are expected to return to the Markets and Operating Policy Committee in April with a proposal for either a small task force or something more expansive in developing a "strategic survey" following numerous occurrences of conservative operations last summer.

Senior Vice President of Operations Bruce Rew said the survey would be used to educate staff and stakeholders on possible issues with a summary report given to the MOPC in October. (See *SPP Shortfall Leads to Scarcity Pricing Calls*.)

The report generated significant discussion among stakeholders, including calls for scarcity pricing, and a request for additional member feedback from MOPC Chair Holly Carias.

Rew summarized that feedback as being in four subject areas: supply adequacy, pricing, reliability and task force. He said respondents indicated continued support for scarcity pricing and the continued development of market products. That feedback has been turned over to the Market Working Group (MWG).

Members also expressed support to adopt best practices from other RTOs and ISOs in coordinating outages, he said.

Golden Spread's Mike Wise listens to the discussion. | © RTO Insider

"Maybe we need to have this discussion," Golden Spread Electric Cooperative's Mike Wise said, complaining about his staff's recent difficulty in getting generator maintenance outage requests approved. "If you don't allow these units to go into outages to get this maintenance, that will be trouble for us. I think it's apparent something has shifted in your staff about not wanting to approve outages."

Rew said staff have taken a more conservative approach to approving outages.

"When you're looking at generation outages in the future, what do you consider the load to be at the time? What do you consider for wind?" he said. "We want to ensure we don't take too many outages. One of the criticisms we got was that we were approving too many outages."

Staff are evaluating and may revise their practices, Rew said. Currently, staff deny an outage request when they find the unit will be necessary for even just one day during the outage period, he said.

"If you can't do maintenance, you're going to have forced outages anyway," Southwestern Public Service's Bill Grant said. "Your solution is not acceptable."

"I agree," Rew responded. "We need to improve that. We're moving that needle back to more in the middle."

Generation shortfalls and sudden drops in wind energy last summer led to SPP calling its first energy emergency alert since becoming a consolidated balancing authority in 2014. The RTO also operated under conservative operations seven times during the summer.

Western RC Services, Market on Track

In what he promised would be his last presentation on SPP's reliability coordinator services in the Western Interconnection, Rew said the transition from Peak Reliability to SPP has gone well with "no specific concerns."

The RTO's RC function went live on Dec. 3 for 16 entities with 100 GW of net energy for load. (See *Westward Ho: SPP Now a Western RC Provider*.)

SPP is also building its Western Energy Imbalance Service (WEIS) market, scheduled to go live in February 2021. The RTO has executed joint dispatch agreements with WEIS' seven participants, and an executive committee has approved an operating tariff for the market. SPP's Board of Directors will take up the tariff for consideration Jan. 28 before it's sent on to FERC for final approval.

MOPC Nixes Response to FERC Z2 Remand

The committee rejected the Regional Tariff Working Group's (RTWG) proposed *RR376* that allows FERC to reopen transmission customer invoices as part of the commission's 2019 remand order for Attachment Z2 credit payment obligations. (See *FERC Reverses Waiver on SPP's Z2 Obligations*.)

In the order, FERC noted that the SPP Tariff did not contain language that allows the commission to order the reopening of an invoice after it is considered finalized. The RTWG addressed the agency's concerns with language patterned after the NYISO Tariff referenced in the Z2 remand order. RR376 would have allowed reopening of invoices if there were "extraordinary circumstances" and that "significant injustice would result in the absence of commission action."

American Electric Power, OG&E and SPS all abstained from the vote.

Members did endorse without discussion the RTWG's *RR393*, which establishes a procedure to expedite requests for replacement generating facilities. The change would allow existing facilities to be replaced with new ones without going through the full generator-interconnection study process.

Stakeholder Group Consolidation Waits on Analysis

Nickell, the MOPC's staff secretary, said the consolidation of stakeholder groups continues, but that SPP still needs a cost-benefit analysis to further support an organizational structure based on functional responsibilities. (See "SPP Stakeholders React to Proposed Working Group Consolidation," *MOPC Briefs: July 16-17, 2019*.)

"We need to ensure the groups don't just have technical and policy backgrounds, but the talent, expertise and skill sets to develop business practices, Tariff language or criteria language," Nickell said.

"The costs associated with working groups is pennies, compared to the other costs of SPP participation," Lincoln Electric System's Dennis Florom said. "I would be more concerned about losing stakeholder participation in the process. We've built up a member-driven organization, and that's what sets us apart."

The Balancing Authority Operating Committee and Operating Reliability Working Group are already well underway with their consolidation into a single group. The MOPC's approval of the consent agenda endorsed *RTWG RR386*, which facilitates their merger by eliminating the requirement for alternate members.

Members Pass 12 Revision Requests

The MOPC unanimously approved an MWG revision request (*RR 382*) intended to minimize potential gaming opportunities identified by the Market Monitoring Unit. The change allows market-committed resources that have a minimum run time extending beyond initial

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reliability unit commitment or day-ahead commitment periods to be eligible for make-whole payments after their initial commitment period.

RR382 replaces *RR306*, which was passed in 2018 by both the MOPC and the board. However, when SPP's legal department drafted the FERC filing, it found that the Tariff conflicted with RR306, requiring a redo of some of the change's sections.

The MOPC approved the withdrawal of RR306, which was on the consent agenda.

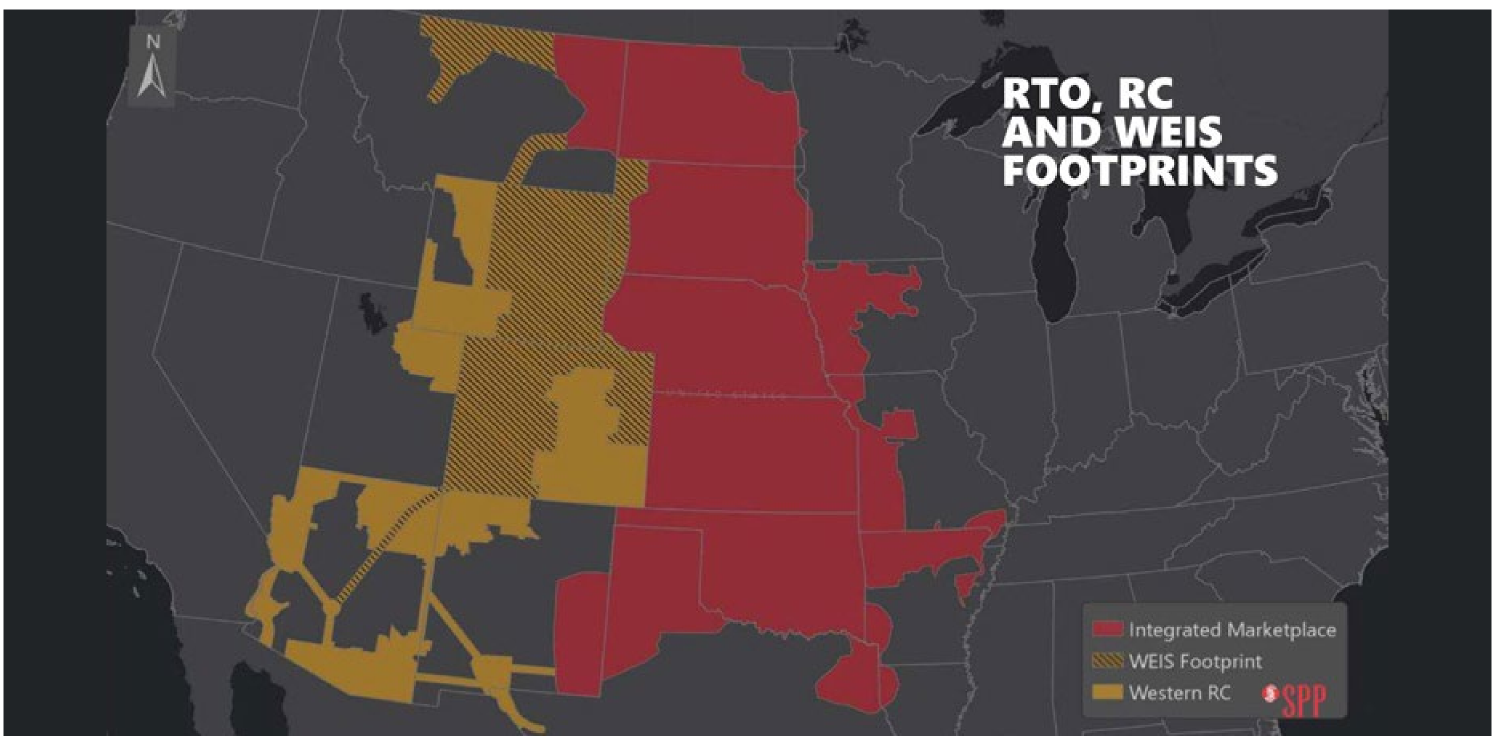
Members also unanimously approved the Supply Adequacy Working Group's recommendation to provide a testing exception for derated generating units (*RR389*). Resources that were out of service or derated because of a forced outage during the preceding peak season can satisfy an operational test requirement after repairs are complete.

The consent agenda included 10 RRs and a sponsored upgrade for a 115-kV project in southern Kansas. EDF Renewable Energy proposed the re-conductor and rebuild of the transmission lines, which staff's study estimated will be in service by 2023 at a cost of $12 million.

The approved RRs were:

- *BPWG RR369*: Updates the notification-to-construct (NTC) business practice's (BP 7060) guidance to allow all future cost-allocated upgrades greater than 100 kV, and with estimates of $20 million or more, to be reviewed using the same methodology and decision structure as those currently defined as "applicable," whether or not SPP issues an NTC. "Applicable" projects currently include any SPP-directed legacy construction projects meeting those voltage and cost thresholds.
- *ESWG RR388*: Sets up specific modeling criteria for modeling internal and external resources plans and phase-shifting transformers. Also standardizes items for Integrated Transmission Planning (ITP) scope items consistent over multiple studies.
- *ESWG RR396*: Removes certain sensitivity analyses during the ITP assessment of the recommended portfolio, providing more time to perform more informative sensitivities relevant to futures assumptions.
- *MWG RR380*: Allows for a more appropriate and accurate calculation of the out-of-merit energy (OOME) instruction's financial impact for a resource by adding logic to ensure evaluation of both the OOME basepoint and the resource's response.
- *MWG RR387*: Modifies protocol and Tariff language to allow flexibility in the real-time balancing market's execution and modifies intra-day reliability unit commitment language for planned and unplanned outages.
- *MWG RR397*: Corrects bill determinant names identified within the calculations for *RR266*, which proposes to allow any resource to elect to be a "combined ownership resource" through a modeling option.
- *MWG RR398*: Corrects the contingency reserve deployment test flag to ensure it is only applied to specific intervals instead of the entire commitment.
- *RTWG RR386*: Facilitates the consolidation of the Balancing Authority Operating Committee with the Operating Reliability Working Group by eliminating the requirement for alternate members.
- *RTWG RR394*: Separates Attachment AO of the Tariff into two separate agreements: (1) for pseudo-ties between SPP and an external BA when there is a joint operating agreement or another agreement with provisions for pseudo-tie coordination; and (2) an agreement for pseudo-ties between SPP and an external BA when there are no provisions for pseudo-tie coordination.
- *TWG RR392*: Provides clarity and adds additional language to support NERC compliance related to *TPL-001-4* (Transmission System Planning Performance Requirements) and *MOD-032-1* (Data for Power System Modeling and Analysis) standards. ■

— Tom Kleckner



SPP's western RC, market footprints | *SPP*

Company Briefs

Blockchain to Help JPMorgan Reach 100% Renewable Goal

JPMorgan Chase last week said it plans to use blockchain to help it achieve 100% renewable energy consumption by the end of 2020.

The company has partnered with swytchX, a company using technology including blockchain to facilitate a global transition toward renewable energy, on a project that will track the bank's energy output, usage and environmental indicators along with other metrics.

SwytchX's energy-origin tracking confirms that electrons being used at a given location are coming from renewable sources and incorporates business logic for energy efficiency credits. The system also automates much of the compliance reporting for New York City Local Law 97, which requires building owners to prove carbon dioxide emission reductions combined with renewable energy production by 2025.

More: *S&P Global Platts*

Brookfield Renewable Bids on Remaining Stake in TerraForm

Brookfield Renewable Partners last week offered to buy out the remaining shares of yieldco TerraForm Power that it does not already own for $17.31/share. Brookfield is already the majority owner of TerraForm, as it acquired a 51% stake in 2017 in the wake of SunEdison's bankruptcy.

Brookfield's bid is the equivalent of an 11% premium to TerraForm's closing price last Friday.

More: *GreenTech Media*

4th Person Pleads Guilty in $1B Solar Energy Scam

Ryan Guidry, the vice president of operations for defunct solar company DC Solar, last week became the fourth person to plead guilty to participating in what prosecutors say was a massive Ponzi scheme that defrauded investors of $1 billion. He could face up to 15 years in prison.

Authorities said investors were supposed to be paid with profits from mobile solar generators, but the generators never provided much income. Instead, early investors were paid with funds from later investors. Prosecutors alleged the company engaged in $2.5 billion in investment transactions between 2011 and 2018 and cost investors $1 billion.

More: *Market Watch*

Microsoft Aims to be 'Carbon-negative' by 2030

Microsoft last week pledged to become 100% "carbon-negative" by 2030 by removing more carbon from the environment than it emits.

The company had previously set a goal of operating on 70% renewable energy by 2023, but now says it will hit 100% renewable for all its data centers and buildings by 2025. After reaching its 2030 goal, it will remove by 2050 all its historical emissions in the environment since the company was founded in 1975, the company pledged.

Microsoft is responsible for roughly 16 million metric tons of emissions per year, according to President and Chief Legal Officer Brad Smith.

More: *The Associated Press*

Sunflower Electric Power Abandons Plans for Coal Plant

Sunflower Electric Power last week announced it will let its air permit for a proposed $2.2 billion coal-fired plant in Holcomb, Kan., expire in March and end the company's plans to build the plant. It would have been the first coal plant to come online in the U.S. since 2015.

Sunflower told state regulators in November that it had "significant interest" in building the plant and filed for an 18-month extension on its air permit, which is set to expire on March 27. The Department of Health and Environment said the permit would lapse at that time if construction had not started. In requesting the extension, the company conceded that it no longer needed the electricity that would be produced by a new plant and had been looking for others to purchase power from the plant since 2017. No other utilities were interested.

More: *The Wichita Eagle*

Tri-State Vows to be 50% Renewable by 2024

Tri-State Generation and Transmission Association last week released a "Responsible Energy Plan" to boost its renewable energy sources to 50% by 2024 and cut greenhouse gas emissions by 90% by 2030 at its Colorado facilities.

The company announced two weeks ago that it plans to close its coal-fired plants in New Mexico and Colorado by 2020 and 2030, respectively, in a move that will eliminate its coal emissions in both states. (See *Tri-State to Retire 2 Coal Plants, Mine*.) To help replace the power produced by those plants, the company plans to build eight new solar and wind projects by 2024 that will increase the percentage of renewable power consumed by customers from 33% to 50%. Colorado projects include a 120-MW solar array in La Plata County and a 110-MW array in Dolores County.

More: *The Denver Post*; *The Durango Herald*

Visa Taps Solar and Wind to Reach 100% Renewable Goal

Visa last week said it has met its goal of 100% renewable energy by 2020 across its 131 offices in 76 countries.

Visa made local renewable investments in markets where the company has major facilities, including four locations in the U.S. and the U.K. that account for 80% of its global electricity use. By purchasing 100% renewable energy, Visa said it reduced its operational emissions by almost 90% versus the company's 2014 baseline.

More: *Market Watch*

Federal Briefs

15 States Oppose Trump's Plan to Allow LNG Shipments by Rail

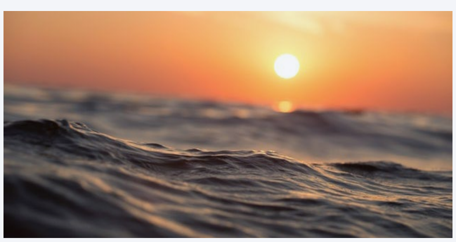
The attorneys general of 15 states last week said they oppose a Trump administration proposal to allow rail shipments of LNG, arguing the trains will share tracks with passenger trains and travel through congested areas.

The states argue that the administration's proposed rule would put residents, first responders and the environment at greater risk of catastrophic accidents, and that the administration failed to adequately analyze those risks and consider the environmental and climate effects.

In December, the administration issued a special permit to a New Fortress Energy subsidiary to ship LNG by rail from northern Pennsylvania to a yet-to-be-built storage terminal at a plant in New Jersey. The states have asked the Pipeline and Hazardous Materials Safety Administration to withdraw the proposed rule pending the completion of more safety studies and the development of an environmental impact statement.

More: *The Associated Press*

2019 a Record Year for Ocean Temperatures



Last year was the warmest year on record for the planet's oceans and saw the largest single-year increase since the early 2000s, according to a study published in *Advances in Atmospheric Sciences* last week.

The past 10 years have been the warmest on record for global ocean temperatures. Since the 1950s, the oceans have absorbed roughly 93% of the excess heat caused by greenhouse gases.

More: *The New York Times*

BNEF Report: Clean Energy Investment Hits New Record

Clean energy investment in the U.S. surged to a record of $55.5 billion last year, despite the government's attempts to roll back supportive policies, according to a report by Bloomberg New Energy Finance released last week.

As renewable energy costs have plunged, and onshore wind and solar developers rushed to qualify for tax credits before they are scaled back this year, investment surged 28% from a year earlier, according to the report.

This, along with a bigger jump in financing for offshore wind, helped to offset a decline in investment in the world's biggest market, China. Global renewable energy capacity investment inched up by 1% to $282.2 billion last year.

More: *Reuters*

China to Buy More US Energy as Part of Trade Deal

China agreed to buy $200 billion in U.S. goods over a two-year period, including $50 billion worth of energy, as part of an agreement signed by the two countries at the White House last week.

Sectors of the energy industry expressed cautious optimism, saying the "phase one" deal was a good first step toward ending the trade war. The agreement preserves the bulk of the tariffs that President Trump has placed on $360 billion worth of Chinese goods, and it maintains the threat of additional punishment if China does not live up to the terms of the deal. China will also maintain its tariffs on U.S. goods, including 25% on LNG imports.

"De-escalation of trade tensions is welcome news," said Mike Sommers, president of the American Petroleum Institute. "We encourage the administration to stay at the negotiating table until the U.S.-China marketplace for energy trade is fully restored and all remaining tariffs are lifted."

Among the goods China is required to purchase is polysilicon, which the Solar Energy Industries Association applauded. "While this trade deal won't do anything to relax the solar tariffs, it is a positive development for the U.S. solar industry," said John Smirnow, SEIA vice president of market strategy. "Polysilicon is the building block of most solar cells on the market, and these changes are a great development for American manufacturers who have been hit hard with Chinese duties on their products."

The U.S. also agreed to lower the tariff on lithium-ion battery imports from 15% to 7.5%, effective Feb. 14. "This will help to ease the tariffs' adverse economic effects on grid energy storage deployments in America," Energy Storage Association CEO Kelly Speakes-Backman said. "This week's action demonstrates movement in the right direction; however, ESA looks forward to the timely and full revocation of the tariffs."

More: *The New York Times*; *Solar Energy Industries Association*; *Energy Storage Association*

EIA Says 3/4 of New US Generating Capacity in 2020 Will be Renewable

Wind and solar will make up 32 of the 42 GW of new capacity additions expected to start commercial operation in 2020, greatly surpassing the 9.3 GW of natural gas-fired plants to come online this year, according to data the Energy Information Administration released last week.

The 18.5 GW of wind capacity set to come online this year surpasses 2012's record of 13.2 GW and pushes total U.S. production well past the 100-GW milestone set in the third quarter of last year. Meanwhile, the administration's forecast of 13.5 GW of utility-scale solar would break 2016's record of 8 GW.

The data also show coal's steady decline, with coal-fired plants making up more than half (5.8 of 11 GW) of capacity retirements scheduled for 2020. Older gas-fired plants in California will account for most of the 3.7 GW of gas plant retirements projected for the year.

More: *GreenTech Media*

Emails Reveal DOJ Working with Oil Industry to Oppose Climate Lawsuits

More than 170 pages of emails exchanged between the Department of Justice and oil industry companies between February and May 2018 show them working together to oppose cities' climate change lawsuits. The emails were obtained by the Natural Resources Defense Council under a Freedom of Information Act request.

Although the emails do not reveal the substance of discussions that took place during the meetings between department and company lawyers, they suggest a close relationship between the Trump administration and the oil industry. They also provide a window into the coordinated efforts to block the climate lawsuits. Legal experts say the conversations raise questions about the government's objectivity and whether the department was acting in the best interest of the people. However, because the emails do not reflect the substance of the meetings, it is difficult to say whether ethical lines were crossed.

"If these meetings discussed the logistics of a DOJ amicus filing but not the substance of what the DOJ would file, it may be reason to raise an eyebrow but not a red flag," said Justin Levitt, a law professor at Loyola Law School in Los Angeles.

More: *InsideClimate News*

Energy Department to Release Ukraine-related Records

The Energy Department last week agreed to begin releasing a collection of Ukraine-related records on Jan. 28, including former Secretary Rick Perry's communications with high-level Ukrainian officials, according to a joint status report filed in the D.C. District Court.

The agreement is a response to a Freedom of Information Act lawsuit filed by American Oversight, an ethics watchdog group. In October, the group sued the department in an attempt to gain access to documents relating to Perry's communications with key Trump administration and Ukrainian officials. A second package of documents is scheduled to be released on Feb. 4, while a third cache of documents is set to be released by March 16.

More: *The Hill*

Entergy Sues Feds for not Disposing of Nuclear Waste

Entergy Louisiana last week filed a suit in the U.S. Court of Federal Claims against the Department of Energy, asking for $35 million for failing to honor a contract that obliges the department to dispose of nuclear waste produced at Entergy's River Bend nuclear power plant.

The contract, along with federal law, dictated that the waste was to be disposed of by Jan. 31, 1998, and so far, Entergy has paid more than $179 million for that contracted removal of waste. The utility was awarded more than $47 million in 2016 for damages incurred up through December 2010 and $19 million more for damages incurred from January 2011 through 2016.

More: *Greater Baton Rouge Business Report*

Parnas Says Giuliani told Perry to Pressure Ukraine

Lev Parnas told MSNBC's Rachel Maddow that former Energy Secretary Rick Perry was brought in by President Trump's personal lawyer, Rudy Giuliani, to lean on Ukrainian President Volodymyr Zelenskiy to publicly announce an investigation into former Vice President Joe Biden and his son, Hunter.

After attending Zelenskiy's inauguration, Parnas asserted, Perry called Giuliani and told him that he got the new president to agree to announce the investigation. While Zelenskiy did make an announcement about looking into corruption, the Ukrainian leader never mentioned Biden. Parnas told Maddow that Giuliani "blew his lid" when this happened.

More: *The Hill*

TVA Names New Head of External Relations

The Tennessee Valley Authority last week named former Maryland utility manager and regulator **Jeannette Mills** as the company's newest executive vice president and chief external relations officer.

Effective Feb. 3, Mills will join TVA's executive management team and fill the vacancy created by the retirement Van Wardlaw. Mills is a former Maryland Public Service Commissioner and most recently served as senior vice president of safety, health, environmental and assurance for the U.S. region at National Grid Group.

More: *Chattanooga Times Free Press*

US Coal-fired Plants Closing at 2nd Fastest Rate

Power companies retired or converted about 15.1 GW of coal-fired generation in 2019, the second-fastest pace on record, according to data from the Energy Information Administration and Reuters. It is second to the 19.3 GW closed in 2015.

With the 2019 closures, U.S. emissions linked to climate change fell 2.1% as coal-fired output dropped 18% to the lowest level since 1975, according to an estimate by the Rhodium Group. An estimated 39 GW of coal-fired capacity has shut since 2017.

More: *Reuters*

State Briefs

ARIZONA

New APS Chief Says Utility Won't Spend to Influence ACC Elections

Jeff Guldner, the new CEO of Arizona Public Service, last week said the company will no longer spend money to influence elections for the regulators on the Corporation Commission.

In 2014, APS secretly spent more than $3 million to support its favored candidates for the commission. The utility then spent more than $4 million on commission races in 2016 and nearly $40 million to defeat a 2018 citizens' initiative that would have required it get more of its power from renewable sources. In 2017, with a majority of the commission elected with the help of APS funding, commissioners approved a rate increase.

"Under my leadership, Pinnacle West and APS and any of our affiliates will neither directly nor indirectly participate in any election of any corporation commissioner through either financial or in-kind support," Guldner said.

More: *The Associated Press*

CALIFORNIA

Lighting Industry Withdraws Challenge to New Efficiency Standards

The National Electrical Manufacturers

Association and the American Lighting Association last week filed dismissal requests of their challenge to the state's new efficiency standards for lightbulbs. U.S. District Judge Kimberly Mueller late last month rejected the associations' attempt to block the new standards and said federal law appeared to allow the state to set stricter standards.

The new rules require most types of sold lightbulbs to emit at least 45 lumens for each watt of electricity. That effectively bans the sale of standard incandescent and halogen bulbs, which produce 15 to 20 lumens/W. Fluorescent bulbs emit more than 60 lumens, while LEDs generate more than 80 lumens.

Mueller said U.S. law allowed the state to adopt its own standard if the federal government had not met specific deadlines, which the Obama administration did not.

More: *San Francisco Chronicle*

Richmond Bans Coal, Joins West Coast Cities Blocking Exports to Asia

Lawmakers in the city of Richmond last week voted to impose a ban on coal, targeting a Levin-Richmond Terminal Corp. port that handles about a quarter of exports from the West Coast to Asia. Richmond joins other West Coast cities that have prohibited shipping coal through their ports.

The ordinance gives the port, which shipped nearly 1 million metric tons of coal to Japan and South Korea in 2018, three years to stop coal shipments. Levin-Richmond CEO Gary Levin said the law would put him out of business and has threatened to sue.

More: *Los Angeles Times*

CONNECTICUT

State Taking 'a Serious Look' at Exiting ISO-NE

The state is being forced to invest in natural gas plants it doesn't want or need, **Katie Dykes**, commissioner of energy and environmental protection, told the Connecticut League of Conservation Voters at Trinity College.

Dykes further said a "lack of leadership" at ISO-NE is hindering the state's fight against climate change. "We are at the mercy of a regional capacity market that is driving investment in more natural gas and fossil fuel power plants that we don't want and we don't need," she said. "This is forcing us to take a serious look at the cost and benefits of participating in the ISO New England markets."

The Department of Energy and Environmental Protection has scheduled a meeting on the issue for this Wednesday.

More: *The Connecticut Mirror*

IOWA

Farm Bureau Backs Statewide Regs to Guide Renewable Construction

The Farm Bureau Federation, the state's largest farm group, last week said it backs statewide "siting and setback rules for wind and solar farms" and is calling on regulators to help rewrite the oversight rules for large-scale project construction that are currently a "patchwork of county-by-county rules and regulations."

The group is especially concerned about the loss of farmland to solar growth and claims about 20 projects worth 3,000 MW of power have been proposed in the state. Additionally, there are about 4,600 wind turbines.

The state currently gets 34% of its power from wind, the second-highest share nationally after Kansas, and just 1% from solar. MidAmerican Energy has spent roughly $11.6 billion developing projects since 2004, while Alliant Energy plans to spend $2.4 billion to build future farms. However, the rapid investment has sparked opposition from neighbors who complain about the sound from the blades and say low-frequency "infrasound" causes nausea, sleep loss and anxiety.

More: *Des Moines Register*

MAINE

Hydro-Quebec Could be Fined for NECEC Campaign

A ballot question committee representing Hydro-Quebec could face a fine in the "tens of thousands" from election regulators for the late disclosure of campaign activity focused on defeating a referendum that hoped to thwart Central Maine Power's New England Clean Energy Connect project.

Hydro-Quebec formed its ballot question committee last fall, but last month amended its campaign finance report to show nearly $100,000 in spending — a month before it had formed the ballot committee.

State Rep. Kent Ackley has filed a complaint with the Ethics Commission asserting that Hydro-Quebec's ballot committee broke a law requiring timely disclosure of campaign activity. A fine could be determined by the commission's board next month, though in the meantime, Ackley is trying to convince legislators to allow an emergency bill that would prohibit Hydro-Quebec or other foreign entities from participating in a state election.

More: *Maine Public Radio*

MARYLAND

Offshore Wind Hearing Brings 700 to Ocean City

At least 700 people packed an exhibit hall at the Ocean City Convention Center on Saturday for a hearing on plans by Ørsted and US Wind to increase the size of the turbines in their offshore wind farms.

Fourteen pages were filled with names of those registered to speak, according to the Public Service Commission, which called the hearing to get public input on the revised projects. The companies submitted new plans to the PSC in the fall that included turbines about 200 feet taller than originally proposed, raising renewed concerns over the impact on views from the shore.

The PSC will decide whether to take further action after accepting written comments through Jan. 31.

More: *The Daily Times*

MINNESOTA

Regulators Clear Way for Xcel's Mankato Power Plant Deal

The Public Utilities Commission last week unanimously approved Xcel Energy's $650 million purchase of the 760-MW

Mankato Energy Center from Southern Power after the company restructured the deal so that ratepayers won't bear the risks.

The PUC originally rejected the purchase in September, saying it wasn't in the interest of ratepayers. However, with last week's decision, Xcel has agreed to buy the gas-fired plant through an unregulated subsidiary (MEC Holdings) that will place the risk on shareholders and not ratepayers.

Under the deal, MEC will sell Makato's power to Xcel's Northern States Power utility.

More: *Star Tribune*

NEW YORK

NRG Energy to Get $6M from Old Empire Zone Program

NRG Energy will get $6 million from taxpayers after a Tax Appeals Tribunal sided with the company last week, saying the state violated its due process rights in relation to tax credits and the Empire Zone Program in 2009.

The state removed NRG's Oswego Harbor Power plant from the Empire Zone program that year, saying the company was earning more in tax credits than it was spending on wages, benefits and investments. The program was intended to bring new businesses and jobs to the state.

Legislators passed a new law in 2009 to clean up the program and save money, causing companies to lose their tax breaks. The law took away future credits, as well as breaks for the previous year, which meant a $5.8 million loss — the amount NRG would have claimed in property tax breaks for 2008. The company objected to taking away credits retroactively, saying it had no forewarning of the "dramatic change that would occur to the program" and that it had met the previous program requirements each year, according to the tribunal's decision.

More: *Syracuse.com*

RHODE ISLAND

Raimondo Orders 100% Renewables by 2030

Gov. **Gina Raimondo** signed an executive order on Friday aiming for renewable energy to provide all of the state's electricity by 2030.

The state expects to meet the order's targets by adding more solar, wind and energy storage projects and investing in energy efficiency programs.

The order also includes targets to reduce greenhouse gas emissions to 10% below 1990 levels by 2020, 45% by 2035 and 80% by 2050.

More: *Reuters*

WISCONSIN

Bill to Boost Ratepayer Advocacy, Streamline Utility Regulation

Lawmakers last week introduced a bill that would direct $900,000/year from ratepayers of investor-owned utilities to the Citizens Utility Board, an independent nonprofit organization established by the legislature to represent residential and small business utility customers.

The funding, which will be managed by the Public Service Commission, would amount to a $400,000 increase and is intended to provide more stability and expertise for CUB.

The bill also includes changes to laws governing the PSC, such as: eliminating the requirement for the PSC to conduct an environmental review of its two-year strategic energy plan; allowing utilities to file a single application to build a new generator and transmission line; and increasing the cost threshold to $5 million for natural gas projects requiring commission approval. The five largest IOUs and their trade association are said to support the bill.

More: *WiscNews*

Regulators Approve Natural Gas Plant in Superior

The Public Service Commission last week voted 2-1 to approve a permit for Dairyland Power Cooperative to build the $700 million, 625-MW Nemadji Trail Energy Center despite concerns over environmental impacts.

Environmental groups argue there are cheaper and cleaner alternatives to the plant that will produce millions of tons of greenhouse gases. Opponents also raised concerns about local impacts, including erosion, loss of wetlands and depletion of groundwater. The utilities said the plant is needed to move away from coal-fired generation and will support the addition of intermittent sources like wind and solar.

Commissioners Ellen Nowak and Mike Huebsch said the plant's potential benefits outweigh any environmental risks, which could be addressed by the Department of Natural Resources. Chairwoman Rebecca Valcq voted against the project because of the local environmental impact.

More: *Wisconsin State Journal*