

ACORE POLICY FORUM 2020

Renewable Industry Plots Strategy on Climate Legislation

ACORE Forum Discusses Coalition Building, Winning GOP Support

By Rich Heidom Jr.

WASHINGTON — Renewable industry advocates, environmental activists and congressional Democrats said Wednesday that 2021 may provide the best opportunity in a decade for legislative action to address climate change.

But speakers at the American Council on Renewable Energy (ACORE) Policy Forum said their messaging should emphasize the



U.S. Sen. Ron Wyden (D-Ore.) | © RTO Insider

economic benefits of clean energy industries to win support from organized labor, minority communities, farmers and Republican lawmakers.

Sen. Ron Wyden (D-Ore.) led off the

forum with a speech — part political science lecture, part pep rally — on the strategy and coalition building he said is needed to reduce greenhouse gas emissions.

Wyden said Republicans can be brought into a climate change coalition because many of them “have skin in the game on renewable technologies.” He named Sens. Jodi Ernst (Iowa), Martha McSally (Ariz.), John Cornyn (Texas), Cory Gardner (Colo.), Thom Tillis (N.C.) and Susan Collins (Maine).

“I can make the list go on and on,” he said. “Why do I single out those folks? Because they come from places where the wind blows, where the sun shines [and] where they make batteries for energy storage.”

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Carbon Pricing Gains Popularity — and Doubts

Won't Eliminate State Energy Policies, Speakers Say

By Rich Heidom Jr.

More than 10 years after the failure of the Waxman-Markey cap-and-trade bill, carbon pricing's time may be nearing — seemingly good news to those concerned about climate change.

But carbon pricing won't solve the climate crisis by itself or persuade states to abandon their own clean energy policies, speakers said last week at a *forum* in D.C. sponsored by New York University School of Law Institute for Policy Integrity and Duke University's Nicholas Institute for Environmental Policy Solutions.

“We've seen political interest increase for doing something to reduce greenhouse gas emissions,” said former FERC Commissioner Suedeen Kelly, now a partner with Jenner &



Former FERC Commissioner Suedeen Kelly

Block. “We're seeing it in Congress. We aren't seeing it in legislation likely to be passed by both houses yet. But people on the inside say it's quite likely that we could do something in the next Congress around carbon or climate change.”

Kelly noted that the Obama administration deferred action on the Waxman-Markey bill, choosing to spend its political capital first on winning approval of financial market legislation and the Affordable Care Act.

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NYISO, MISO Join Grid Operators in Suspending In-person Meetings

RTOs Take Steps to Address COVID-19's Spread

By Tom Kleckner, Robert Mullin and Rich Heidom Jr.

NYISO and MISO on Monday joined PJM, ERCOT and CAISO in suspending in-person stakeholder meetings in response to the spreading COVID-19 coronavirus.

The New York ISO said all stakeholder meetings would be conducted via teleconference until further notice. It also suspended nonessential business travel. MISO said late Monday that it has changed all in-person meetings for this week to webinar. The RTO is also weighing the possibility of cancel-

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NYISO, MISO Join Grid Operators in Suspending In-person Meetings

RTOs Take Steps to Address COVID-19's Spread

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ing its quarterly Board Week, scheduled for March 24-26 in New Orleans.

The two grid operators' announcements followed PJM's on Thursday. The RTO said stakeholder meetings would be webcast only through March 20, when it will begin re-evaluating access to its Valley Forge campus weekly. During that period, it is suspending all visits to its offices except for "essential business personnel and vendors that need to deliver critical items or services." All business travel for PJM employees and contractors is suspended, including speeches and trainings.

The RTO also is canceling the first three weeks of the PJM Operator Seminar set for Baltimore on March 10, saying "it was not prudent to have a concentration of grid operators in one place." It is considering replacing portions of the in-person training with online training. It will also consider the need to cancel the remaining weeks of the seminar scheduled in April and May in Columbus, Ohio, and at PJM.

COVID-19 has infected more than 97,800 people worldwide, killing more than 3,300.

ERCOT

ERCOT was the first to scrap in-person meetings, announcing March 3 that it was replacing them through March 15 with webinars or conference calls. The Texas grid operator has instituted restrictions for visitors to all of its facilities and is canceling nonessential business travel by staff and contractors for the same period.

On Monday, the grid operator extended the

restrictions through March 31. ERCOT said on Friday that it was canceling six sessions of its black start training, which was to begin March 17. The monthly Technical Advisory Committee meeting scheduled for March 25 has been postponed until at least April 1.

ERCOT is also monitoring staff and their family's international travel, instructing staff with illness or symptoms to stay home, and deep-cleaning its facilities. It said it will review its restrictions on a weekly basis and alert stakeholders to any changes.

"ERCOT provides a critical service to Texans, and we are taking an abundance of caution to ensure the health and safety of our staff during this time," spokesperson Leslie Sopko said in an email.

On March 1, the state's largest energy conference was canceled because of COVID-19's spread. (See [CERAWeek Canceled as COVID-19 Virus Spreads](#).) And on Friday, Texas caused even bigger waves when Austin [canceled](#) the South by Southwest media festival. The annual event draws hundreds of thousands of people to Texas' capital and contributes an estimated \$450 million to the local economy.

CAISO

CAISO [alerted](#) stakeholders Wednesday that "to protect the health of the company's staff and prevent possible disruption to critical business operations," it has issued temporary restrictions on all in-person meetings through April 1 or until further notice. In-person meetings hosted by CAISO and its Western Energy Imbalance Market will be conducted as teleconferences or webinars when possible, the ISO said.

The policy applies to a series of key meetings scheduled for this month, including those for CAISO's Board of Governors; the Western EIM Governing Body and Governance Review; the Market Surveillance Committee; the Market Performance and Planning Forum; and the 2021 Local Capacity Requirements process. The decision will also impact CAISO's March 11 Resource Interconnection Fair.

The ISO has also restricted visitor access to its facilities and suspended nonessential business travel for employees.

"We understand that the new protocol may be an inconvenience, and we apologize for any changes in travel plans, but continued reliable operation of the electrical system is our company's first priority," CAISO CEO Steve Berberich said.

ISO-NE and SPP

ISO-NE and SPP had not canceled in-person meetings as of Monday, although all said they were monitoring the outbreak and following guidance from federal, state and local health agencies to mitigate COVID-19's spread.

ISO-NE suggested members' employees not meet with its staff or visit its facilities if they feel ill or show symptoms. The RTO referenced CDC's expectation that the number of coronavirus cases will continue to grow, and recommended stakeholders consider following its guidelines.

"It is important to stress that, at this time, the risk to [ISO-NE] business operations remains low," the grid operator said in an email to members.

SPP told RTO Insider it is continuing to work with health officials to monitor COVID-19 and influenza threats and respond appropriately. The RTO said it would use its communication channels and social media to alert its stakeholders of any steps being taken.

On Thursday, SPP emailed its stakeholders to say it had stopped some international travel, but that it had not canceled meetings or placed restrictions on domestic travel to and from its offices. The RTO encouraged those attending SPP business meetings who feel ill or who are restricted by their organizations from traveling to use its web and teleconference options.

"We have a robust emergency management and business continuity plan that exists to maintain uninterrupted provision of our critical services," SPP's Derek Wingfield said. "Our goal is to ensure both the health and safety of our employees and the continued reliability of the grid." ■



In-person stakeholder meetings at PJM's Conference and Training Center in Valley Forge, Pa., are being replaced with web conferences because of the COVID-19 coronavirus outbreak. | © RTO Insider

ACORE Policy Forum 2020

Renewable Industry Plots Strategy on Climate Legislation

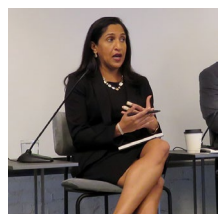
ACORE Forum Discusses Coalition Building, Winning GOP Support

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Wyden said renewable vendors and investors need to be in regular contact with their members of Congress to make them aware of the clean energy workers in their constituencies.

"They have to hear from you all the time. ... Only those kinds of direct contacts [will] really change people's mind to the point where they'll show up and vote ... for a package rather than give you a speech."

Senate Majority Leader "Mitch McConnell [R-Ky.] hears a whole lot more from the oil and gas lobby than he's hearing from our network as it exists today. If senators go home and they are met by a coalition of 50 businesspeople who say, 'I want these renewable provisions on storage or wind or wave or solar,' they come back to Washington. And they say to Mitch McConnell: 'I gotta have this. I was stunned, Mitch, to see all this support at home for it. I have to have it.' And then Mitch McConnell finds a vehicle for doing it."



Aruna Kalyanam, House Subcommittee on Select Revenue Measures | © RTO Insider

Aruna Kalyanam, staff director of the House Ways and Means Committee's Subcommittee on Select Revenue Measures, agreed. "The members of the United States Senate are so entirely parochial. They don't have to give a damn about the overall issue, so long as they care about the people that are employed that

work in that issue," she said. Senators may not want to speak out on climate, she said. "But my God, are they there to defend the *linear generator* manufacturers in their state."

Rep. Paul Tonko (D-N.Y.) said prospects for climate legislation have improved in the 10 years since the failure of the Waxman-Markey cap-and-trade bill, because of falling renewable prices, an improved economy and increasing evidence of climate change.



U.S. Rep. Paul Tonko (D-N.Y.) | © RTO Insider

"I think the big factor is the general public.



Renewable industry advocates, environmental activists and Congressional Democrats told the American Council on Renewable Energy (ACORE) Policy Forum that 2021 may provide the best opportunity in a decade for legislative action to address climate change. | © RTO Insider

They now see climate change from a different lens. It's no longer about protecting the polar bears ... no longer just about coastal erosion. It's about backyard situations. Just this week: the tragedy of a tornado in Nashville, Tenn.; the wildfires in the Southwest; the record rising of the Mississippi; the flooding in Nebraska. It is a backyard issue."

Jobs and Wages



Neera Tanden, CEO of the Center for American Progress | © RTO Insider

Neera Tanden, CEO of the *Center for American Progress* (CAP), said, "The issue around climate is much more salient than ever, not just with Democratic voters, but really with independent voters and in important states like Florida.

"All the remaining candidates on the Democratic side have bolder proposals around climate than any previous nominees or candidates on the Democratic side. And I think the really critical issue going forward in the climate space is going to be around how to make climate a win-win on the economy," she continued. "We see around the world that when climate has become an issue, conservatives have often [described] it as a job-killer idea that will actually hurt economic growth. ... And we expect to see that in the general election, no matter who the Democratic nominee is."

Tanden said the renewable industry should not be so focused on costs that it fails to deliver on

promises of "high-wage, high-benefit jobs that are often, or could be, unionized."

"I appreciate the difficulty because we're all in a place where we're trying to make the cost as cheap as possible. But in a political environment, when jobs that are being lost, to have high-benefits jobs [is essential]. These issues are going to get demagogued unless the jobs that replace them are higher-wage jobs. ... To get a large-scale investment, or even think of a mandate, the way to do that isn't through the climate sphere. It's obviously through the jobs sphere."



AWEA CEO Tom Kiernan | © RTO Insider

Tom Kiernan, CEO of the American Wind Energy Association (AWEA), concurred.

"I don't think politically we will move major carbon or climate legislation without the labor community being — not just OK — but enthusiastic and part of the solution," he said. "Communities of color need to see themselves in this effort. So ... don't think we're just going up there and let's get a \$40/ton on carbon and we're done. ... We've got to come together there — and that may be new for the industry."

Ken Kimmell, president of the Union of Concerned Scientists, said labor and minority communities are "open minded" but skeptical of climate policy.

"Organized labor is not yet seeing those high-wage jobs coming. They know there's some

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UCS President Ken Kimmell | © RTO Insider

anecdotal evidence of it, but they're not yet seeing it," Kimmell said. "And the environmental justice community is just starting to see that it's possible to have climate policy and policies that simultaneously lower local sources of pollution. So, they're open to it, but they need to be shown that it's real."

Abigail Ross Hopper, CEO of the Solar Energy Industries Association (SEIA), said her organization conducted polling about a year ago to find the message that was most likely to increase support for solar power.



SEIA CEO Abigail Ross Hopper | © RTO Insider

"Is it that we're competing against another country? Is it that we're innovative? Is it that we're low price? Is it that it's [reducing] carbon?" she asked. "The message that had the most resonance amongst voters was the clean air message, which makes sense when I saw [it], but it's certainly not what we lead with."

Kiernan said Republican senators have recently become more receptive to discussing climate issues. "One of them brought up the [importance of] getting the [agricultural] community on board and in sync with us. Yes, they're well aware of the weather extremes. But if a carbon regime — whether it's a carbon fee or carbon sequestration — [if] farmers could perhaps get credit for their role in carbon sequestration, [it could] make a big difference.

"The wind industry does that often vis-a-vis wind farms and in the land lease payments," she continued. "But if we can think [of] a broader regime, that may be a significant tipping point for a fair number of Republican senators."

Kiernan said the renewable industry also must increase its presence in RTO stakeholder processes, noting that AWEA and SEIA agreed about a year ago to join forces on that front. "We need to redesign a market. That is mostly accomplished at RTOs. And the stakeholders there are not appropriately representative of the future of the grid. We've got to be there," he said.

Carbon Fee? Clean Energy Standard? Cap and Trade?

In addition to plotting strategy, speakers at

the daylong forum also discussed individual legislative proposals.

Tonko said he is pursuing a "two-track" approach of preparing major climate legislation that could be passed under a Democratic Congress and administration, while supporting more modest bills in the current term. Tonko said he is encouraged by the bipartisan American Energy Innovation Act (*S. 2657*), which he said includes important measures on research and development, energy efficiency, workforce development and energy storage. (See *Murkowski, Manchin Offer Bipartisan Energy Bill*.)

In January, Tonko and other Democrats on the Energy and Commerce Committee *released* the discussion draft of the Clean Future Act, which seeks to get the economy to net-zero greenhouse gas emissions by 2050. Tonko said a "full comprehensive climate bill ... needs to be part energy bill, part infrastructure bill, part environmental protection statute and part workforce development program." (See *Draft Climate Bill Would Make RTO Membership Mandatory*.)

Sen. Wyden is hoping to see extensions of *clean energy tax incentives* in the current Congress. If Democrats take the Senate and he is chair of the Finance Committee in 2021, he said, he will seek to eliminate 45 current energy tax breaks and replace them with three: one each for clean energy, clean transportation fuel and energy efficiency.

The pros and cons of a carbon fee were discussed at a conference earlier last week sponsored by the New York University School of Law Institute for Policy Integrity and Duke University's Nicholas Institute for Environmental Policy Solutions. (See related story, *Carbon Pricing Gains Popularity — and Doubts*.)

Kiernan said AWEA supports the "broad brushes" of the Climate Leadership Council's carbon dividends *plan*, which claims it will cut U.S. CO₂ emissions in half by 2035 with a gradually rising carbon fee, and rebates of \$2,000 a year for a family of four.

But, he added, AWEA could support several approaches. "We've not ruled out cap and trade or a CES [clean energy standard].

"There are a number of Republicans — unfortunately, more behind closed doors — that are talking about the fee-and-dividend approach and are open to it, if not enthusiastic about it," Kiernan continued. "They're not public about it. Obviously, the fee or, quote, 'tax' is a challenge politically. But I've also talked to some leading Republicans in the Senate that are seeing the opening to potentially moving some

type of fee and dividend or at least having a serious discussion about it post-election."

CAP's Tanden said beginning with a low carbon fee may be the key to winning congressional approval.

"We all acknowledge that the science requires a relatively large and impactful carbon tax. One way to think about the next 30 years is to have a low carbon tax enacted, which ... shows it does not have the dire impact [feared], and they can ratchet up based on targets. ... If we're not meeting targets, it will automatically increase over time so that you are automatically having the impact that you need to have. That's just one thing to think about because the most important thing is to actually get the carbon tax in law at a time where it's still going to be heavily demagogued as a middle class tax increase no matter how we structure it."

Pete Wyckoff, energy and environment policy adviser to Sen. Tina Smith (D-Minn.), touted the Clean Energy Standard Act of 2019, introduced by Smith and Rep. Ben Ray Lujan (D-N.M.) last May, which would require electric retailers to sell increasing percentages of carbon-free energy (51% of retail sales in 2021, 77% in 2035 and 96% in 2050).



Pete Wyckoff, adviser to Sen. Tina Smith (D-Minn.) | © RTO Insider

Resources for the Future said its *modeling* of the bill indicates that by 2035, it would reduce greenhouse gas emissions by 61%, prevent the retirement of 43 GW of nuclear capacity and increase renewable generation from 30% to 56% of total generation.

Wyckoff said Smith and Lujan have had "fruitful" talks with Republicans, although they have no GOP cosponsors yet. "But we have built a coalition," he said, citing endorsements by Utility Workers Union of America, the United Steelworkers, Xcel Energy, Exelon, UCS, the Clean Air Task Force and former Energy Secretary Ernest Moniz.

Wyckoff said Smith is backing the bill in part because similar bills have received Republican backing. "Our bill is also something she's interested in because it's what the states are doing. ... No one is passing carbon taxes. But a clean energy standard, if well designed, can give you a lot of the same market benefits of a carbon tax and is much more politically palatable." ■

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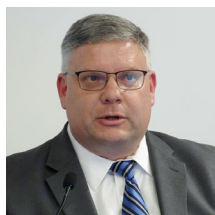
Overheard at ACORE Policy Forum 2020

WASHINGTON — The need for gas peakers and electric transmission and the increasing popularity of hybrid storage projects were recurrent topics at the American Council on Renewable Energy's (ACORE) Policy Forum on Wednesday. And of course, no energy conference would be complete without a discussion of FERC's controversial order on PJM's minimum offer price rule (MOPR).

Here's what we heard:

Dominion vs. NextEra on Building More Peakers

Speakers from Dominion Energy and NextEra Energy had a very different take on the viability of natural gas-fired peaking generation.



Emil Avram, Dominion | © RTO Insider

Emil Avram, vice president for business development for Dominion, said the company sees a continuing role for natural gas even as it ramps up its renewable generation. (On Friday, Virginia lawmakers approved legislation requiring Dominion

and other utilities to go to 100% renewable sources by 2045.)

"While some may not want to hear this ... in order to maintain reliability for the gigawatts that will be added to our system over the next decade, we have to build peaking plants. And that means bringing more natural gas into our system," he said.

Moderator Renee Eastman, of Salt River Project, asked whether energy storage could replace the need for natural gas peaker plants.

Yes, said Rob Gramlich, founder of consulting firm Grid Strategies and executive director of *Americans for a Clean Energy Grid* and the *WATT Coalition*. "My firm is testifying 'yes' in a number of states' integrated resource plan proceedings, and that's kind of where the rubber meets the road," he said. "So yes, it can. Not all cases, but yes."



Eric Vandenberg, FERC | © RTO Insider

"Maybe yes," said Eric Vandenberg, deputy director of FERC's Office of Energy Policy and Innovation.

"I think yes, eventually," responded Dominion's Avram. "Maybe



Rob Gramlich, Grid Strategies | © RTO Insider

eventually."

Former FERC Chair Joseph T. Kelliher, now NextEra's executive vice president for federal regulatory affairs, wasn't hedging. "I think there's no reason to ... build peakers going forward," he said. "And I think storage is going to start leading to the retirement of existing peakers."



Joseph T. Kelliher, NextEra | © RTO Insider

The Hybrids are Coming

Vandenberg said hybrid generation-plus-storage projects have grown "faster than I think a lot of us expected."

"The business case for pairing storage with renewable resources just keeps getting better. ... That starts to create some questions about how do you handle those at both the energy markets — because they're not fully dispatchable, but they're much more dispatchable than a regular renewable resource. And then, how do you handle those for interconnection purposes? Obviously, again, it's like a renewable resource, but not exactly like a renewable resource, not exactly like a standalone battery storage facility. So that's something we're keeping our eye on. I think all of the RTOs at this point, except for maybe one, have stakeholder processes underway because they understand that that's coming down the pipe, and we need to deal with it. So that's something that we're going to be paying really close attention to here in the next 12 to 18 months."

Kelliher said NextEra, the largest renewable company in the world with 15,000 MW of wind and 2,000 MW of solar, is bullish on the potential for hybrids. "We find it very exciting because it firms up renewables, and at some point, it makes renewable energy projects a functional substitute and effective substitute for thermal generation."

Gramlich said he has become convinced of hybrids' potential despite earlier skepticism.

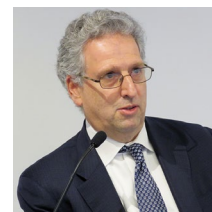
"I will eat some crow on that. I always thought that, well, it doesn't matter if the battery is 300 miles away from the renewable. It's all a big power pool; it all mixes together," he said.

But he said the capabilities of inverters and the efficiencies of combining storage and generation in a single interconnection have become compelling. "NextEra and others are doing incredibly innovative work in how to optimize and autonomously operate these units. You can make them do almost anything because they're inverter-based. You can do everything in millisecond time frames as fast up or down as you as you want."

Gramlich noted that hybrids were not mentioned in FERC Order 841, which opened RTO markets to storage, or Order 845, which sought to increase the transparency and speed of the interconnection process. But he said he sees no need to ask FERC to take further action — for now.

"I think the message that the commission sent by doing [Order] 841 has gotten all these RTOs off the dime and they have their own processes and they're moving forward pretty well," he said. "I mean, obviously, if [RTOs] slow down and we're stuck, we'll be walking back over to 888 First St. [FERC headquarters]. But for now, there's a lot of progress."

Is Transmission Essential for All Renewables?



FERC Commissioner Richard Glick | © RTO Insider

FERC Commissioner Richard Glick told ACORE the biggest hurdle to integrating renewable generation is electric transmission.

Glick said FERC is unlikely to win siting authority over transmission, given the controversies over its regulation of interstate gas pipelines. But he

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said FERC's pending Notices of Inquiry on transmission incentives and return on equity may provide some improvements.

And he said the commission could improve Order 1000, noting that although it required RTOs to consider public policies in regional transmission planning, "very little public policy transmission is getting built." Instead of spurring the long-distance transmission needed to deliver renewables, Glick said, Order 1000 encouraged utilities and RTOs to focus on small reliability projects by exempting them from competition.

"I'm a big believer in distributed energy resources, solar panels and so on," he said. "But I think we're all fooling ourselves if we think we're going to get there with just those particular types of technology, the microgrids and things like that. We're going to have to access areas with substantial wind [including] offshore [and] areas of substantial solar, Southwest and elsewhere."

Gramlich said Order 1000's requirement for interregional planning has not produced the HVDC lines or other types of a "macro grid" that is needed. "There is still a ton of renewable resources in the central region that want to go ... towards PJM or the Southeast," he said.

"I think transmission is the linchpin for some renewables, but not all renewables," Kelliher said. "It's the linchpin for the best wind resource. And ironically, it's also the linchpin for the worst wind resource. It's of less importance for the mediocre wind resource, and it's actually not that important for solar.

"Look at Southeast renewable development," he continued. "For a while, people thought we needed a monster transmission project to bring low-cost wind from SPP. But at some point, the economics of solar got so low that it just ... made more sense to build solar locally. And then you avoid the brain damage of trying to figure out how do you get transmission siting across four or six states, in the absence of any effective federal siting authority."

Avram said the incentive to build long-distance transmission from one RTO to another has diminished because of low power prices.

"Ten years ago, you had an incentive to bring, \$30 to \$40 wind to an RTO that was selling power at \$60 to \$70/MWh. That gap created some potential opportunities to build transmission and ... renewable energy zones and so forth. I think that that has flattened out now, with all the natural gas and solar and wind that's suppressed wholesale market prices across all the RTOs. So, I think it's a challenge



ACORE held its annual Policy Forum on March 4 at Convene in downtown D.C. | © RTO Insider

now to build a business case to build transmission across RTOs."

A Maryland Capacity Auction? Dominion Going FRR?

Speakers from Dominion and Maryland's Department of the Environment talked about their response to FERC's December order extending the MOPR to new state-subsidized resources.



Devon Dodson, Maryland Department of the Environment | © RTO Insider

Devon Dodson, an aide to Maryland Environment Secretary Ben Grumbles, said the state is "ridiculously concerned" about the MOPR order. "The singling out of the PJM market really pisses us off — no sense in sugarcoating it," he said.

The legislature has created a working group on the issue, and the governor's office directed the Public Service Commission to work with Grumbles' office and the state Energy Administration to plan a response. "Is it running [our] own capacity auction? I mean, that's the elephant in the room when we have these discussions. No one wants to say it, but does the state take on the task of running its own capacity auction?"

Avram said vertically integrated utilities that are growing, like Dominion, will likely have to leave PJM's capacity market because FERC interpreted its state-regulated cost recovery as a subsidy.

The company expects continued load growth

driven by the construction of large data centers in the D.C. suburbs.

"I think any utility that's vertically integrated, that has a growth plan to build renewables or really any new generation ... is going to be subject to MOPR. And really the only alternative they have is to elect a fixed resource requirement [FRR] alternative in order to maintain the same economics of those assets in the future," he said.

In the past, Dominion justified generation additions to state regulators by showing the economics of the asset compared to forecasted prices for energy, capacity and renewable energy credits. Under the MOPR, a new resource will be unlikely to clear the capacity market, reducing its value.

"By electing FRR ... you're now pooling your entire resource [mix] and managing your capacity reserve in its entirety," he said. "What we're going to be proposing to the [Virginia State Corporation Commission] is avoided capacity cost from the load side. ... That's the reason why I think, personally, vertically integrated utilities are going to have to exit the capacity market if they're growing."

Gramlich was rendered speechless.

"I don't know what else I can say. Half a minute ago, we heard one of the largest utilities in the country say we're seeing the end of peakers. Now we've got one of the other largest utilities in the country saying this is the end of vertically integrated utility participation in capacity markets. You got your news," he said to a reporter. "There's nothing else I can add." ■

— Rich Heidorn Jr.

FERC/Federal News

Carbon Pricing Gains Popularity — and Doubts

Won't Eliminate State Energy Policies, Speakers Say

Continued from page 1

She recalled that former Sen. Jeff Bingaman (D-N.M.), whom she served as a legislative aide, talked about the ability of carbon pricing to “create new wealth” by creating a commodity that didn’t exist before — a way to create funding for programs such as carbon sequestration that can win support from coal generators and other unlikely allies.

“If we had put it first, it would have sailed through,” she said. “That consensus, for political reasons, has fallen apart, but underneath it I think there are still the underpinnings that could give rise to a consensus again.”

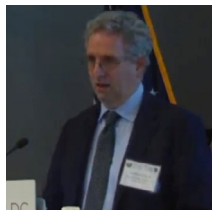
Indeed, there is evidence that climate denialism may have reached its nadir.

On Feb. 26, the Electric Power Supply Association (EPSA), many of whose members own fossil fuel generation, [announced](#) its support for a carbon price.

That came two weeks after Minority Leader Kevin McCarthy (R-Calif.) [announced](#) Republican plans for addressing climate change through carbon sequestration and removal, prompting Jason Grumet, president of the Bipartisan Policy Center, to declare: “The climate science debate is formally over.”

NYISO is awaiting state action on a carbon pricing plan to help New York meet its goal of generating 70% of its electricity from renewables by 2030. (See [NYISO Focus Turns to Grid Transition](#).) A PJM task force is considering the implementation of carbon pricing in part of the RTO’s footprint. (See [PJM Panel Weighs Impact of Pa., Va. Joining RGGI](#).)

But FERC Commissioner Richard Glick said carbon pricing won’t solve climate change by itself. Nor will it necessarily eliminate the tension over state and federal jurisdiction, illustrated most recently by FERC’s December order that PJM expand its minimum offer price rule (MOPR) to new state-subsidized resources, he said.



FERC Commissioner Richard Glick

One issue, Glick said, is the price level.

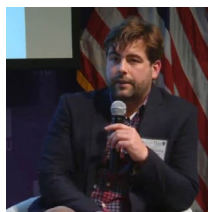
“If it’s too high, you’ll have some states reacting negatively to it. If it’s too low, a number of



(From left) Burcin Unel, Institute for Policy Integrity; Jeff Dennis, Advanced Energy Economy; Travis Kavulla, NRG Energy; Casey Roberts, Sierra Club; and Abe Silverman, NJ BPU

states are going to say, ‘Why should I [eschew] clean energy policies if FERC is going to impose a carbon price that we don’t think is going to have a significant impact?’”

Danny Cullenward, a Stanford University law lecturer, also is concerned about pricing levels, saying carbon pricing should “integrate” state policies rather than seeking to replace them. “The more this is done from the bottom up, the less of a risk that FERC will come in and say, ‘Here’s a \$3 carbon price that applies to everybody and that’s the end of climate policy.’ Which I think is an awful outcome and — frankly in the hands of the wrong people — could be done.”



Danny Cullenward, Stanford University

Won't End State Policies

Jeff Dennis, general counsel for Advanced Energy Economy, said carbon pricing will be less effective in decarbonizing the economy outside of electric generation.

“There are reasonable [carbon] price levels that will get you significant benefits in the power sector today and that’s why we should do carbon pricing. When you’re thinking about economy-wide though, you need other policies, because you need some astronomically high carbon prices, from what I’ve seen, to get a lot of those hard-to-abate sectors to achieve carbon reductions,” he said.

“Are states going to have to rethink their own policies in response to markets and carbon prices? Sure. But I don’t think that’s going to obviate the need for states to continue to have policies — or frankly the desire of other states to continue to have policies.”

Casey Roberts, senior attorney for the Sierra Club, said state energy policies have objectives including green energy jobs and priming the pump for technologies such as storage and offshore wind “that might otherwise not get off the ground but that are really needed to [reach the] 100% renewable energy future.”

“Because of that, I think the notion that carbon pricing is going to solve the MOPR [and] federal-state tensions is a bit misguided,” she said. “If the carbon price is intended to displace those other state policies, then that’s really a nonstarter for organizations like the Sierra Club, and I think many other stakeholders.”

Roberts said carbon pricing also poses an “opportunity cost” because of the limited resources of RTO stakeholder processes and FERC.

“We feel like there are bigger obstacles to clean energy deployment in the country and a major one of those ... is the mandatory capacity market,” she said. “I’m worried that carbon pricing becomes a distraction from resolving those other problems.”

Gary Helm, lead market strategist for PJM, insisted capacity markets can enable emissions

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FERC/Federal News



FERC Targeted in Energy Bill Amendments

Democrats Seek to End Tolling Orders, Change Appointment Rules

By Rich Heidom Jr.

A bipartisan energy bill being debated by the Senate is providing FERC critics an opportunity to seek changes to the commission's quorum rules and authority.

Senators have proposed at least seven FERC-related amendments to the American Energy Innovation Act (S. 2657) introduced by Sens. Lisa Murkowski (R-Alaska) and Joe Manchin (D-W.Va.), the top members of the Senate Energy and Natural Resources Committee. (See *Murkowski, Manchin Offer Bipartisan Energy Bill*.)

The amendments would end tolling orders that can indefinitely delay judicial review of commission rulings; create a consumer advocate's office; seek to improve interregional transmission planning; and increase public input on natural gas pipeline siting.

These are in addition to two amendments seeking to reverse the Dec. 19 order expanding PJM's minimum offer price rule (MOPR) to state-subsidized resources and the Feb. 20 order narrowing the resources exempt from NYISO's buyer-side market power mitigation rules in southeastern New York. (See related story, *Senate Dems Seek to Undo PJM, NYISO Rulings*.)

Cloture Vote Fails

Late Monday, however, the entire bill appeared in jeopardy when the Senate refused to end debate following a dispute over Democrats' attempt to add language on energy efficiency and reducing the use of hydrofluorocarbons (HFCs) in refrigerators and air conditioners, *The Hill reported*.

Senate Minority Leader Chuck Schumer (D-N.Y.) also threatened to filibuster the bill over Republicans' opposition to an amendment on climate change.

"I am incredulous the Senate did not vote to invoke cloture ... after a year of regular process in the Energy and Natural Resources Committee," Murkowski said in a statement Monday night. "It is beyond frustrating to have our bill, which contains priorities from more than 70 Senators, held up by an unrelated dispute that was never part of our discussions in the lead-up to this floor process. We will regroup and look for a path forward but finding one will require members to be more reasonable and accommodating than they have been in the last week, and certainly more so than they



Senate Minority Leader Chuck Schumer speaking Thursday | C-SPAN

were today."

Reversing PJM, NYISO Rulings

Two proposed amendments target FERC's recent rulings in PJM and NYISO. Amendment 1447 would expand Section 201b(1) of the Federal Power Act — which prevents FERC from regulating generation or local distribution — by also prohibiting the commission from regulating "state regulations, including financial incentives or fees, promoting the development of facilities for the generation of electric energy, unless the regulation directly targets a wholesale rate or charge subject to the jurisdiction of the commission."

It was sponsored by Schumer, Sen. Kirsten Gillibrand (D-N.Y.), Maryland Democrats Chris Van Hollen and Ben Cardin and Pennsylvania Democrat Bob Casey.

In addition, Van Hollen, Casey, Sen. Cory Booker (D-N.J.) and Sen. Sheldon Whitehouse (D-R.I.), proposed amendment 1437 to revise FPA Section 205. It would bar FERC from approving a rate that "prevents a covered state public policy resource from being able to clear in a capacity auction or an energy market auction."

Tolling Orders

Amendment 1448 by Schumer, Gillibrand, Cardin and Van Hollen would amend the FPA and Natural Gas Act to prevent FERC from indefinitely delaying judicial review of FERC decisions.

The FPA and NGA currently deem rehearing requests as denied if the commission fails to act within 30 days. FERC routinely issues tolling orders — granting rehearing "for the limited purpose of further consideration" — to give itself more time to rule on the merits. The D.C. Circuit Court of Appeals will hear oral arguments March 31 in a case challenging the practice. (See *Consumer Advocates Appeal MOPR Order to DC Circuit*.)

The amendment would require the commission to rule on the merits of rehearing requests within 30 days after issuing a tolling order to meet the current 30-day deadline. FERC's failure to issue a ruling on the merits by the deadline would mean the rehearing request was denied and is ripe for review by the federal courts.

Quorum

Schumer also filed amendment 1449, which would prevent the majority political party on the commission from having more than a one-member voting advantage over the minority party. Current law limits the majority to three seats on the five-member commission.

FERC currently has two Republicans and one Democrat, but the margin could grow to 3-1 with the addition of Republican James Danly, currently the commission's general counsel. On March 3, the Senate ENR Committee voted 12-8 to send Danly's nomination to the commission for consideration by the full Senate.

Democrats are upset that President Trump has

FERC/Federal News



failed to name a nominee for the seat left open by the departure of Democrat Cheryl LaFleur in August. Schumer is backing Allison Clements, clean energy markets program director for the Energy Foundation, for the Democratic seat. (See related story, *Danly Re-advances, but not Without Drama.*)

Interregional Planning

Sen. Martin Heinrich (D-N.M.) proposed amendment 1330 to order FERC to complete a rulemaking within two years to increase the effectiveness of interregional transmission planning.

It would require FERC to assess the effectiveness of existing planning processes at identifying interregional transmission projects providing “economic, reliability, operational and public policy benefits.” The commission would have to consider changes to “ensure that efficient, cost-effective and broadly beneficial interregional transmission solutions are selected for construction” while considering the public interest; the integrity of markets; the protection of consumers; and cost allocation methodologies that “reflect the multiple benefits provided by interregional transmission solutions.”

Siting of Interstate Natural Gas Pipelines

Amendment 1386 by Sen. Jeanne Shaheen (D-N.H.) cites a 2013 Government Accountability Office *report* that quoted public interest groups and state officials who said members of the public need more opportunities to comment on proposed pipeline projects.

It calls on FERC to “prioritize meaningful public engagement and coordination with state and local governments to ensure its processes remain transparent and consistent; and to ensure the health, safety and security of the environment and affected communities.”

Office of Public Participation and Consumer Advocacy

Shaheen also proposed amendment 1387 to create an Office of Public Participation and Consumer Advocacy within FERC.

It would have authority to intervene in administrative, regulatory or judicial proceedings on behalf of energy customers regarding natural gas siting, infrastructure development and the rates, charges, prices, tariffs or service of public utilities and natural gas companies under FERC jurisdiction. It would also be able to submit amicus briefs to federal courts or

regulatory agencies.

The office would take input from a Public and Consumer Advocacy Advisory Committee subject to the Federal Advisory Committee Act.

The Senate began debate on the Murkowski-Manchin bill Wednesday. On Thursday, Murkowski filed a modified substitute amendment to S. 2657 (originally a geothermal bill) that included her bill and 18 amendments — nine each from Republican and Democratic senators.

Among them were calls for a study on putting microgrids in wildfire risk areas; adding reduction of transportation-related carbon emissions to state energy conservation plans; a National Academies study of net metering; a program to prepare veterans for careers in the energy industry; and an R&D program to improve gas turbine efficiency.

None of the FERC-related measures was included.

“Our bill now addresses priorities from nearly 70 members of the Senate,” Murkowski said in a statement. “We have made it even better than it was, and now we need to move on to our final steps.” ■

Carbon Pricing Gains Popularity — and Doubts

Won't Eliminate State Energy Policies, Speakers Say

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reductions, citing PJM's generation shift following the Mercury and Air Toxics Standards (MATS), which resulted in the closing of many coal generators.

Pricing in Capacity or Energy Market?

NYISO Principal Economist Nicole Bouchez said the ISO determined its carbon price should be incorporated in the energy rather than capacity market because of transmission constraints that prevent upstate New York, which has 87% zero-emission generation, from delivering it to downstate, where only 27% of the mix is renewable.

“The problem with having it in the capacity market is in many ways [you have] some of the same problems as in renewable portfolio standards and different types of subsidies and payments from states to resources, which [are]: How do you make sure that what you're getting is offsetting carbon production and not being replaced by something else; and how do

you make sure you're getting the most bang for your buck in that? Because location matters. ... We all have constrained systems. There are times when you can't get energy from point A to point B, and the impact on the dispatch matters at those times.”

Glick also cited the importance of transmission in meeting clean energy goals.

“We need to spend a lot more time at the commission ... on the issue of transmission. How are we going to help the states achieve these dramatic, aggressive clean energy goals? We're not going to do it unless we build out the grid.”

Abe Silverman, general counsel for the New Jersey Board of Public Utilities, had a different perspective, saying that carbon prices as an LMP adder to the energy markets is “a very small part of the solution.”

“We need to start shifting that carbon price into the future; into the planning horizon and incorporating those carbon externalities into things like capacity markets, into our long-term

planning,” he said.

“This is one of the fundamental questions,” he added. “Are we trying to incent investment in the lowest carbon grid tomorrow, or are we really trying to build the low-carbon grid of the future? Those are two very different policy outcomes. And they may require a different style of carbon pricing.”

Expensive RECs

Travis Kavulla, vice president of regulatory affairs for NRG Energy, said carbon prices may not matter “if states are just going to commandeer this market” with long-term resource procurements at higher prices.

He cited the cost of D.C.'s solar renewable energy credits (SRECs), which he said “exceed the social cost of carbon by an order of magnitude.”

“The rooftop solar developers of [wealthy] Georgetown thank the people of [low-income] Anacostia for their generous contributions to climate policy,” he joked. ■

FERC/Federal News



Danly Re-advances, but not Without Drama

By Michael Brooks

The Senate Energy and Natural Resources Committee last week once again voted 12-8 to advance FERC General Counsel James Danly's nomination to the commission for consideration by the full Senate.

Just as he did last November, ranking member Joe Manchin

(D-W.Va.) joined Republicans in voting for Danly, who would serve a term ending in 2023. (See [Danly, Brouillette Advance to Senate Floor.](#)) And, as he did last year, Manchin voiced displeasure that President Trump had not nominated Democrats' choice — Allison Clements, clean energy markets program director for the Energy Foundation — to fill a seat left open by the departure of Cheryl LaFleur in August.

This time, however, several senators — Ron Wyden (D-Ore.), Martin Heinrich (D-N.M.), Angus King (I-Maine) and Maria Cantwell (D-Wash.) — also expressed their frustration with the White House and what they called the politicization of FERC, referencing its recent



FERC General Counsel James Danly at his confirmation hearing in November | © RTO Insider

orders on PJM's minimum offer price rule and NYISO buyer-side mitigation as evidence.

King was particularly critical of the vote and interrupted Chair Lisa Murkowski (R-Alaska) before she could move on to an Energy Department budget hearing with Secretary Dan Brouillette.

"Madame Chair, I don't quite understand. ... The way to get to the other nominee is to say 'no' to this one until we get the other nominee," King said. "Why didn't we hold and say, 'We as a committee want both nominees together, and we're not going to hold hearings and not going to move them until then?'" By advancing Danly alone, "there's no incentive on the White House for putting anyone forward."

Murkowski and King went back and forth, with Cantwell interjecting, until Manchin jumped in.

"'No' was the right vote for the purpose that you stated, Sen. King," the ranking member said. He explained that he had personally assured Danly he would support his nomination with the expectation that the White House would move forward with Clements and that he did not want to go back on his word. He then committed himself to opposing any Republican nomination unless it is paired with that of Clements. Commissioner Bernard McNamee's term ends June 30, but he has

committed to staying until there is a replacement for his seat.

"I don't care who they give me the next time, no matter how qualified that person is, I'll make [it] known, if there isn't a pairing, we're not voting," Manchin said.

As the discussion was going on, the committee's Republican majority *tweeted*, "The process for filling FERC seats was designed to avoid the need to pair. That is why the terms are staggered by a year. #GetTheFacts"

ClearView Energy Partners noted that Senate Minority Leader Chuck Schumer (D-N.Y.) last year threatened to filibuster any energy legislation without a pair of FERC nominees. "That struck us as a bit of an idle threat, as no bill seemed destined for imminent floor consideration back in September," ClearView said.

That is no longer the case after Murkowski and Manchin on Feb. 28 unveiled the 550-page, bipartisan [American Energy Innovation Act](#). (See [Murkowski, Manchin Offer Bipartisan Energy Bill.](#))

"We are not quite convinced that the minority leader is prepared to bring the Senate to a near stop over FERC nominations, but the option appears available to him, assuming he could hold his caucus together to maintain a filibuster," ClearView said. ■

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FERC/Federal News

Overheard at Transmission Summit East 2020

ARLINGTON, Va. — Despite growing fears about the spread of the COVID-19 coronavirus, Infocast's annual Transmission Summit East once again drew about 100 industry professionals last week to the top floor of the Key Bridge Marriott, with its grand view of D.C. from across the Potomac River.

There were only a handful of cancellations because of health concerns, including a few that led to the scuttling of a panel. Aside from some awkward elbow bumps instead of handshakes, there were few signs that the virus was a source of stress for attendees.

Rather, the chit-chat between panels indicated there was more concern about the direction of FERC than a potential pandemic. The consensus among both panelists and attendees was that FERC — and the U.S. in general — lack a clear vision of what the grid of the future should look like and, therefore, how to plan for it.

As is always discussed at any conference when transmission is a subject, the difficulty developing interregional transmission and the ineffectiveness of Order 1000 — even as demand for renewable power increases — was top of mind for many speakers. But as Congress discusses several energy policy bills, and Election Day draws closer, many speakers seemed to be in wait-and-see mode; unlike last year, no one suggested any ideas or proposals for how to solve the problem. (See “Hoecker, Demarest Propose Interstate Tx Siting Bill,” *Overheard at Transmission Summit East 2019*.)

“One of the key things is that FERC needs to adopt a clear and consistent policy of supporting needed transmission,” Larry Gasteiger,



Larry Gasteiger, WIRES | © RTO Insider



Left to right: Pamela Tsang Wu, Morgan, Lewis & Bockius; Antoine Lucas, SPP; Kurt Bilas, MISO; and Craig Glazer, PJM. | © RTO Insider

former FERC chief of staff and now executive director of WIRES, said in a keynote address opening the summit. “It needs to get off the bench; it needs to get into the game and become a loud, vocal, consistent promoter of getting transmission built. ... Frankly, in the last decade or so, FERC’s gotten wobbly on transmission. ... There’s a very inconsistent track record of their decisions.”

‘What are we truly planning for?’

Gasteiger concluded his remarks by saying that FERC shouldn’t roll back return on equity adders established to incent transmission investment.

That naturally set up the topic of the first panel of the summit: the commission’s inquiry into whether it should continue to grant adders based on transmission projects’ risks and challenges or their benefits (PL19-3, PL19-4). (See *Stakeholders Spar in FERC Tx Incentives Docket*.)

But panelists generally agreed the current incentive structure was fine; it’s transmission planning processes that need to be updated to match the changing resource mix, they said.

“To date there’s only been one way of building transmission, and it really hasn’t changed over the last 75 years,” said Hudson Gilmer, CEO of LineVision, which provides transmission line monitoring equipment. “It’s either building new towers



Hudson Gilmer, LineVision | © RTO Insider

and wires, or upgrading and reconductoring existing lines. ... The traditional way is out of step with the variability and dynamism of our grid given the new generation profile we see. ...

“Right now, we have perverse incentives that really almost put the transmission owners in a regulatory straitjacket that says in order to serve their shareholders, they have to deploy capital and [build] major projects.”



Mike Kormos, Exelon | © RTO Insider

PJM COO. “And therefore, it really has put the planning process in a bind.”

Advanced technology cannot compete because of its costs, he said. “It’s very hard in a competitive process [to choose] a project that is more expensive than something else simply for the fact that it’s neat, [unless] we get clearer direction from FERC about how the RTOs should value those technologies.” He gave the example of a more expensive battery solution versus the traditional solution of reconductoring.

“Everybody wants transmission, but they want someone else to pay for it,” Kormos said later in the discussion. “Everybody’s fine with what comes out of the planning process as long as

FERC/Federal News



they're not footing the bill for it. So I think that's where we need to get more certainty: What are we truly planning for? How are we valuing it?"

Some of these sentiments were echoed later in a panel on reforms to regional and interregional planning processes.

"What ends up happening is sort of this lowest-common-denominator approach, where stakeholders agree on near-term issues that have the least amount of uncertainty," said Nathan Benedict, manager of regulatory strategy for ITC Holdings. "We're not looking for a holistic, proactive approach to planning that's needed to cost-effectively address these new challenges on the system."



Nathan Benedict, ITC | © RTO Insider

He pointed to MISO's and SPP's massive generation interconnection queues. "Now granted, a lot of this is speculative generation that will not come to pass, but then the question becomes, how do you cost-effectively interconnect this generation in a way that makes sense for customers? Right now what's happening are piecemeal interconnections with generators bearing substantial costs to get this generation interconnected."

No Need for Interregional Projects?

On a panel of RTO representatives, Craig Glazer, PJM vice president of federal government policy, acknowledged complaints about the lack of interregional projects. "But a lot

of things have happened" since FERC issued Order 1000, he said. "No. 1 is congestion on the system is way down. No. 2 is we've had significant buildouts on the MISO system [and] ... on the PJM system. As a result of that, we don't see the need for big interregional projects across our respective footprints."

Glazer also rebutted the common argument that long interstate lines are needed to move power from renewable-saturated regions of the U.S. — wind in the Midwest and solar in California, for example — to load centers where states and municipalities have set ambitious emission-reduction goals.

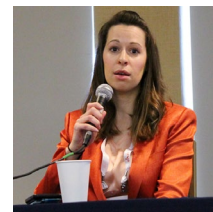
"In our footprint, where we've got a lot of load, people don't want it," he said. Governors in coastal states want to develop their own in-state renewable resources, especially offshore wind, "even though it might be cheaper to import from MISO or SPP. ... Until we figure out that issue, some of that wind is going to stay bottled up in SPP"

Challenges of Interconnecting Offshore Wind

One panel discussed the need for more transmission specifically to interconnect the coming influx of offshore wind generation.

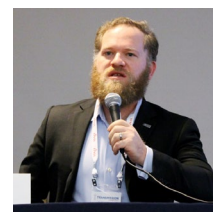
"If the U.S. follows the trend in Europe, we're going to have so much wind; there is so much capacity and potential here, both for fixed-bottom and floating, that it would be ill-informed of us as an industry to not want to consider a coordinated, planned approach in the future," said Kirsty Townsend, head of special projects in the U.S. for Ørsted. "I would encourage all relevant bodies within the states to initiate that process now."

A native of the U.K., Townsend was able to provide the lessons learned from the European offshore wind industry. "This is not just a flash in the pan," she said. "The whole of Europe is talking about connecting countries with wind farms to expand into the European grid, something that wasn't even on the radar. So if this industry is going to be as big as we need it to be for our climate goals, then we need to start thinking now about how to deliver that massive-scale vision."



Kirsty Townsend, Ørsted | © RTO Insider

Fellow panelist Joshua Gange, renewable energy program transmission specialist for the U.S. Bureau of Ocean Energy Management, asked Townsend to compare working across RTOs to working across countries.



Joshua Gange, BOEM | © RTO Insider

"I think it's easier to work across countries in Europe," she replied, prompting laughter from the audience. Not only do countries work more closely together, European ratepayers do not subsidize transmission projects as occurs in the U.S. "How can you ensure that the advantages of connecting a grid between New York and New Jersey is equally shared across PJM and NYISO? You can't. But that's the issue you're going to have to face that Europe doesn't have to." ■

— Michael Brooks

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CAISO/West News

Tx Developers Want to Send Wind to California

Presentations Part of Western Interregional Coordination Meeting

By Hudson Sangree

TEMPE, Ariz. — Developers of transmission projects that would send wind power from rural Wyoming and New Mexico to cities in California and Arizona made their cases at this year's Western Planning Regions Annual Interregional Coordination Meeting on Feb. 27.

The venue for this year's *forum* was the Salt River Project's sleek new LEED-certified meeting-and-classroom facility at its PERA Club, an employee recreation area. The building remains under construction, backed by the red rock formations and popular hiking trails of Phoenix's Papago Park. High-voltage lines cross the area, juxtaposing transmission towers with distinctly Western scenery.

In a similar way, three transmission projects presented at the meeting would string nearly 1,500 miles of transmission lines, total, across the deserts and mountains of Arizona, Nevada, New Mexico and Utah if developers realize their plans.

The proposed projects include the long-sought SunZia Southwest Transmission Project, which would link Pattern Development's Corona Wind Projects, potentially one of the largest wind farms in the Western Hemisphere, to load centers in the Desert Southwest and Southern California via the Palo Verde Hub west of Phoenix.

The \$2 billion project would consist of two bidirectional 500-kV lines with a total rating of 3,000 MW. A consortium of developers and utilities are behind the project including Southwestern Power Group, Shell WindEnergy and Tucson Electric Power.

Another project talked up at the meeting was TransCanyon's Cross-Tie Project, which would traverse 213 miles through central Utah and Eastern Nevada at a projected cost of \$667 million. TransCanyon is a joint venture between Berkshire Hathaway Energy and Pinnacle West Capital, the parent company of Arizona Public Service.

The third project presented at this year's planning session was the TransWest Express, a \$3 billion effort by The Anschutz Corp. to connect the company's massive wind farms in eastern and central Wyoming with Southern California's 24 million residents. It would run 730 miles, crossing Colorado and Utah, to the Marketplace Hub near Las Vegas.



High-voltage lines cross the Salt River Project's PERA Club in suburban Tempe, Ariz., where transmission planners from across the West met Feb. 27. | © RTO Insider

Cost allocation remains a big question. The projects are merchant-driven and haven't been fully embraced by CAISO and other planners yet, but developers think California's ambitious climate policies will demonstrate their importance. (See [Wyoming Wind Power Revs up, but is it too much?](#))

"There's been very little planning activity on these because of the absence of regional need seen through these projects, but we're hopeful that's changing now as folks are seeing more penetration of renewables and the advantages of Wyoming wind," said Dave Smith, director of engineering and operations with TransWest.

Bob Smith, a transmission planning consultant with TransCanyon, pointed out that load-serving entities in California, including two of the state's large community choice aggregators, have signed power purchase agreements to buy Corona wind power, even though the SunZia lines to get it to the state don't exist yet.

Powerful winds in central New Mexico blow before California's solar arrays ramp up in the morning and after they go offline at night, potentially mitigating California's reliability concerns going forward, according to a [presentation](#) delivered at a recent WestConnect stakeholder meeting, also at the PERA Club. (See [CAISO, CPUC Warn of 'Reliability Emergency'](#).)

Developers are hoping construction will start in 2021 or 2022 and that the first line will be in operation by 2024 or 2025.

No Interregional Needs

The planning meeting brought together stakeholders and representatives of CAISO,

ColumbiaGrid, Northern Tier Transmission Group and WestConnect to discuss interregional coordination under FERC Order 1000. The order requires transmission providers to participate in a planning process that identifies the most cost-effective solutions to transmission needs and to allocate costs based on estimated benefits. (See [CAISO Seeks More Transfers with Pacific Northwest](#).)

Each of the West's four planning regions detailed its own transmission planning process, identifying regional needs based on reliability, economics and public policy per Order 1000's requirements. But no interregional needs were identified in the current planning cycle that could streamline transmission in the Western Interconnection.

The impending merger of two of the four planning regions, ColumbiaGrid and Northern Tier, could give rise to new needs, planners said. FERC ruled on Dec. 27 that the proposed merger fell short of Order 1000's goals of promoting competition and cost savings. It gave the filing entities — seven member utilities of ColumbiaGrid and Northern Tier — time to correct their application's deficiencies. (See [FERC: NorthernGrid Merger Needs More Work](#).)

NorthernGrid's members would include Bonneville Power Administration, PacifiCorp, and publicly and investor-owned utilities in California, Idaho, Montana, Oregon, Utah, Washington and Wyoming. Dave Angell, vice president of regional transmission for Northwest Power Pool, one would-be member of NorthernGrid, said at the interregional coordination meeting that the utilities are planning to refile their plan with FERC soon. ■

CAISO/West News

Newsom Reappoints 2 CAISO Governors

By Hudson Sangree

SACRAMENTO, Calif. — Gov. Gavin Newsom on Thursday reappointed Ashutosh Bhagwat and Angelina Galiteva to their fourth three-year terms on the CAISO Board of Governors.

Bhagwat is a law professor at the University of California, Davis, where he holds an endowed chair in freedom and equality. He has written about the California electricity crisis of 2000/2001 and lectures on constitutional law.

Galiteva is president of NEOptions, a renewable energy design and development firm. She was executive director of the Los Angeles Department of Water and Power and head of its green energy initiative from 1997 to 2003. Galiteva is an attorney with an advanced degree in energy law.

Both have served on the ISO's board since 2011, when then-Gov. Jerry Brown first appointed them.

In the last nine years, CAISO integrated large amounts of renewable resources, established the Western Energy Imbalance Market and,

starting last year, became the reliability coordinator for much of the West.

"The executive leadership team is looking forward to working with the newly reappointed board members, and the entire Board of Governors, as we continue to refine and showcase our vision of a clean, low-carbon power grid," CAISO CEO Steve Berberich said in a statement. "We appreciate Gov. Newsom's engagement in the board appointment process and his confidence in our team and our mission."

The State Senate must confirm the appointments, but Bhagwat and Galiteva will continue to serve, effective immediately. Their terms expire Dec. 31, 2022.

The five-member CAISO board also includes Chair David Olsen, who was first appointed in 2012 and reappointed in January 2019. For the decade prior to his appointment, Olsen was managing director of Western Grid Group, an organization of former state energy officials advocating for grid modernization and clean energy. He was CEO of outdoor clothing manufacturer Patagonia in the late 1990s.



Gov. Gavin Newsom reappointed CAISO Governors Angelina Galiteva, second from left, and Ashutosh Bhagwat, far right. | © RTO Insider

Last year, Newsom appointed University of California, Berkeley business professor Severin Borenstein and business promoter Mary Leslie to the board.

Borenstein is faculty director of the Energy Institute at Berkeley's Haas School of Business. Leslie was president of the Los Angeles Business Council since 2001 and deputy mayor of Los Angeles under Mayor Richard Riordan in the 1990s. (See [Newsom Names New CAISO Governors.](#)) ■

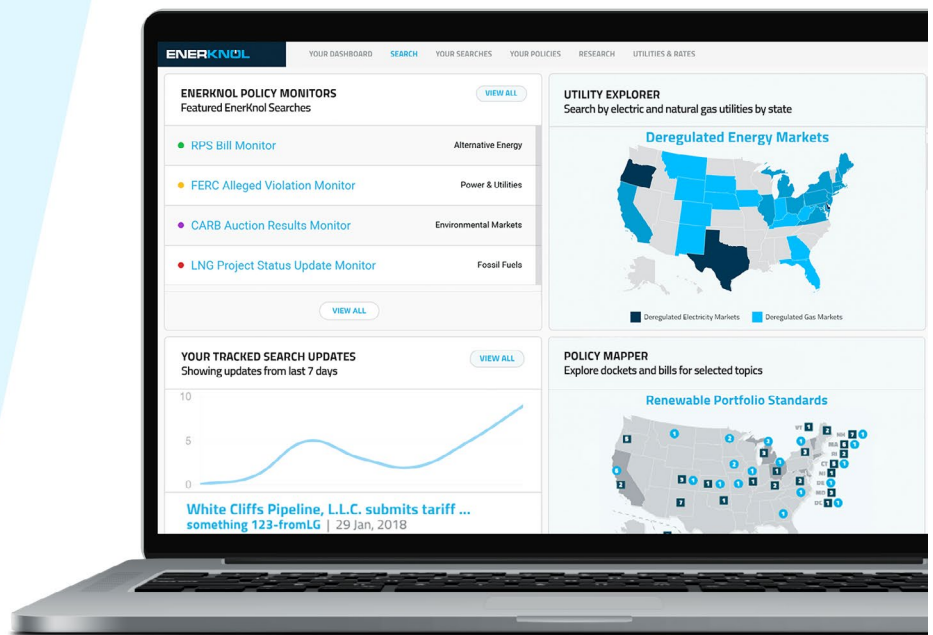
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CAISO/West News

PG&E Tries to Put Bankruptcy Plan in Layman's Terms

Objections to Disclosure Statement Abound, but Governor Won't Stand in Way

By Hudson Sangree

The bankruptcy of Pacific Gas and Electric could reach another milestone this week as the utility tries to explain its Chapter 11 reorganization proposal in plain English to fire victims and other affected parties.

That reorganization plan is now estimated to cost almost \$60 billion, according to recent testimony by PG&E executives before the California Public Utilities Commission.

In a hearing that is scheduled to start today, lawyers will debate what's known in bankruptcy court as a disclosure statement. Once finalized, the statement will be sent out to parties to the bankruptcy who will then get to vote on the plan. (See [What Spring Could Bring for PG&E](#).)

Objections to PG&E's [disclosure statement](#) have been filed by government agencies, fire victims, creditors and others who take issue with aspects of its Chapter 11 plan.

Wildfire victims, represented by the official Tort Claimants Committee, say the revised terms of PG&E's exit financing could leave a proposed \$13.5 billion victims' trust holding company stock with diminished value.

The U.S. Trustee appointed to the case says the disclosure statement lacks supporting financial information necessary for parties to determine the merits of PG&E's bankruptcy plan.

Both want U.S. Bankruptcy Judge Dennis Montali to help correct the purported problems.

Surprisingly, however, PG&E's fiercest critic in recent months, Gov. Gavin Newsom, said he doesn't want to stand in the way of the disclosure statement being mailed out, even though not all his demands for change have been met by the utility.

Newsom has threatened a state takeover of the company if it doesn't replace its entire board of directors and make other wholesale changes. But the utility is trying to exit bankruptcy by June 30 so it can participate in a \$21 billion wildfire insurance fund created by Assembly Bill 1054, passed last July, the governor's lawyers noted in *court papers* filed Friday. (See [Newsom Budget Reiterates PG&E Takeover Threat](#).)

The CPUC must rule on whether PG&E has met the terms of AB 1054 — including whether it can provide safe, reliable service going forward and fairly compensate victims of past fires, such the November 2018 Camp Fire that killed 86 people in the town of Paradise.

Newsom's lawyers acknowledged PG&E's Chapter 11 plan, as detailed in its draft disclosure statement, doesn't fulfill the requirements of AB 1054, but they said it should be allowed to move forward toward a vote anyway.

"Under normal circumstances, it may be prudent for the debtors to delay solicitation until the plan can be further refined to meet AB 1054," the governor's attorneys said. "The governor's office, however, is cognizant that the June 30, 2020, deadline codified in AB 1054 creates unusual tension in these Chapter 11 cases [so that delays could endanger] ... the



Gov. Gavin Newsom has repeatedly threatened a state takeover of PG&E. | © RTO Insider

debtors' ability to ultimately obtain the benefit of the provisions of AB 1054."

Those financial benefits, insuring the state's investor-owned utilities against future wildfire liabilities, are necessary for PG&E to remain financially stable going forward, the utility and governor agree.

"Modifications to the plan to resolve the concerns of the governor's office should not jeopardize the confirmation process, as the governor believes those changes would create a stronger and better managed utility and inure to the benefit of all of the debtors' constituents," Newsom's lawyers said.

The governor's office has been working with PG&E to address Newsom's concerns. The parties have engaged in court-ordered mediation and met together in the State Capitol.

A *mediation* session held Monday in San Francisco "to resolve all outstanding issues between the parties" could bring PG&E, fire victims and state officials closer together, shortening Tuesday's hearing.

The disclosure hearing is scheduled to start at 10 a.m. before Montali in the U.S. Bankruptcy Court in San Francisco. It could continue into Wednesday if necessary, court papers indicate. ■



© RTO Insider

ERCOT News



ERCOT Sees Summer Repeat: Record Peak, Tight Reserves

By Tom Kleckner

ERCOT’s first *assessment* of the summer season foresees a repeat of 2019 – record electric usage and tight reserves – but with additional capacity to help meet demand.

The Texas grid operator’s seasonal assessment of resource adequacy (SARA) projects a peak demand of 76.7 GW, almost 2 GW over the current record of 74.8 GW set last August. However, ERCOT expects to have 82.4 GW of total resource capacity on hand, a 3.5-GW increase over last summer’s available capacity.

“We continue to expect the region to have adequate reserves to cover a range of system conditions,” Warren Lasher, ERCOT’s senior director of system planning, said during a media call Thursday.

The grid operator’s reserve margin remains at 10.6%, 2 percentage points higher than last summer’s 8.6% margin. (See *ERCOT’s Reserve Margin Climbs to 10.6% in 2020*.)

ERCOT said that, as in 2019, conditions could warrant the need to declare an energy emergency, but it noted that it and its market participants are taking steps to ensure system reliability can be maintained during tight conditions.

It has added 513 MW of additional capacity since December alone, including 348 MW of wind capacity. Solar energy accounts for 77 MW of capacity, and an 88-MW gas plant provides the only new addition of fossil generation.

Pointing to the vast amount of renewable energy in ERCOT’s *generator interconnection queue* (104.6 GW), John Hall, director of regulatory and legislative affairs for the Environmental Defense Fund, said renewable energy plays a critical role in “ensuring Texans have the power they need during the hot summer months ahead.”

“Texas’ competitive electricity market continues to lead the nation in providing clean, affordable and reliable power,” he said in a statement.

ERCOT also released its final SARA *report* for the spring season (March-May) last week. The grid operator expects sufficient generation to meet a spring peak of 64.2 GW.

It will release the final summer SARA report and a revised Capacity, Demand and Reserves report in early May. ■



Sign of the times: Wind blades await distribution near Corpus Christi, Texas, with offshore rigs docked behind them. | © RTO Insider



New operational units added since December 2019

Summer capacity contribution



88 MW gas



77 MW solar



348 MW wind

ERCOT has added 513 MW of capacity for the summer. | ERCOT

ERCOT News



NextEra Appeals Decision on Texas ROFR Law

By Tom Kleckner

NextEra Energy subsidiaries last week *appealed* a federal court ruling that upheld a Texas law giving incumbent transmission companies the right of first refusal to build new power lines.

The companies asked for expedited treatment to prevent “irreparable harm.”

NextEra Energy Capital Holdings and four other NextEra transmission owner/developer entities took their case to the 5th U.S. Circuit Court of Appeals in New Orleans (20-50160) after the U.S. District Court for the Western District of Texas last month refused to overturn Texas *Senate Bill 1938*. (See *District Court Dismisses Texas ROFR Repeal*.)

The law essentially allows only incumbent transmission companies to build new power lines in Texas by granting regulatory certificates of convenience and necessity to the owners of the endpoints of a new transmission line.

The NextEra units said the Feb. 26 ruling means NextEra Energy Transmission (NEET) Midwest could lose its “lawfully won right” to build the \$115 million Hartburg-Sabine transmission project in MISO’s East Texas footprint. NEET Midwest won the project’s rights in 2018 through a competitive bidding process. (See *NextEra Wins Bid to Build MISO’s 2nd Competitive Project*.)

“Accordingly, without expedited decision on the merits from this court, NextEra will be imminently and irreversibly deprived of its lawfully won right to build and operate a major transmission project,” NextEra said in its appeal.

NextEra’s filing on Friday said the company recently learned that MISO is using its established *variance analysis* process to study the project and developments around it. The RTO uses the analysis to study projects already approved under its Transmission Expansion Plan that are later disrupted by circumstances that affect the project’s cost, schedule or “the ability of selected developers and transmission owners to complete.”

NextEra said MISO indicated it anticipates a decision reassigning or canceling the project by March 31. MISO would then seek FERC approval of the change, with the commission ruling by June, NextEra said.

MISO told *RTO Insider* that it continues to plan



The 5th U.S. Circuit Court of Appeals grounds in New Orleans | *5th U.S. Circuit Court of Appeals*

for the project but wouldn’t say under which developer it will proceed. Should the project revert to the incumbent, it would become Entergy’s responsibility.

Spokesperson Allison Bermudez said in an email that MISO is aware of the recent court action, but confidentiality restrictions limit its ability to talk publicly about the project. Bermudez said MISO will make a further statement once the RTO completes the variance analysis.

NextEra did not respond to a request for comment.

The legislation also affects NEET Southwest’s application with the Public Utility Commission of Texas to transfer ownership of 30 miles of 138-kV facilities from Rayburn Country Electric Cooperative in SPP’s region of East Texas.

NextEra said SB 1938 violates the U.S. Constitution’s dormant Commerce Clause because it allows only the incumbent Texas owners of the end points to build, own and operate new lines. Should the incumbent decline to build the line, it can assign the right only to another Texas entity, NextEra said.

“In effect, Texas has closed its borders to new out-of-state companies from doing this type of business in the state,” NextEra said.

The company also asserted that the law violates the Constitution’s Contracts Clause “because it abridges the ‘existing contractual relationship’” for the Hartburg-Sabine project. It cited the Department of Justice’s “statement of interest” filed last year in NextEra’s appeal of SB 1938 that said the law placed Texas’ deregulated retail electric market “at risk.” (See *DOJ Weighs in on Texas ROFR Lawsuit*.)

The NextEra companies on March 2 also *filed* an injunction with the district court asking that its proposed transmission projects be shielded from the new law while they appeal to the 5th Circuit.

“In opposing the preliminary injunction, Texas identified only an amorphous threat to its sovereignty that might result from an injunction,” NextEra said. “An injunction pending appeal will temporarily prevent the imminent, irreversible loss of a \$100 million-plus project for NextEra while the 5th Circuit considers the substantial constitutional issues presented here.” ■

ISO-NE News

Mass. DOER Explores Transmission for OSW

By Michael Kuser

BOSTON — Approaches to transmission for offshore wind energy, including in Europe and Asia, seem to come in as many variations as do recipes for clam chowder in the U.S.

The different flavors came to light last week when the Massachusetts Department of Energy Resources (DOER) hosted a technical conference to explore whether it should solicit proposals for a coordinated independent transmission network in the state for offshore wind generation.

The approaches can be divided into two main camps, as distinctive from each other as creamy New England clam chowder (served at the café near the venue) and the Manhattan variety based on tomatoes.

One side favors generators developing the transmission — the generator lead line, or radial system. The other favors independent transmission ownership, or a network system.

People have strong opinions on the transmission issue, just as they always have had about food. In 1939, for example, Maine Rep. Cleveland Sleeper proposed a bill to outlaw tomatoes in clam chowder.

State Gatekeeper

DOER's offshore wind *study*, released last May, looked at the impact of the state doubling its offshore wind goal to 3,200 MW. It recommended the department "conduct a technical conference ... and if necessary, issue a separate contingent solicitation for independent transmission in 2020 prior to additional solicitations for offshore wind."

"As we pursue offshore wind as a key element of our climate change strategy, it's essential that we have the opportunity to continue to fine-tune our approach so it's cost-effective [and] regionally coordinated, and so we can make the best, most environmentally appropriate decisions around our shared ocean resource," Massachusetts Energy Secretary Kathleen Theoharides said. "The critical issue of transmission is often overshadowed by the focus on offshore development, but not so today."

Cash Factors

CEC Director for Offshore Wind Bruce Carlisle said there are 26 GW of proposed projects up and down the East Coast, with more than 9



The Massachusetts DOER hosted an offshore wind transmission technical conference in Boston on March 3. | © RTO Insider

GW in contracts awarded so far.

"It's easy to lose sight of the role that transmission plays in connecting these generators to the grid," Carlisle said, pointing out that significance in the estimate that transmission makes up 25% or more of capital expenditures for any offshore wind project.



Bruce Carlisle, Mass. CEC | © RTO Insider

The distance from the shore will always have a significant impact on transmission costs, but more important is the increasing size of projects, which seems to lean toward using HVDC over AC, said Alastair Mills, a specialist on renewable energy integration with Siemens.

"In the U.K., we've moved from 100 MW per cable circuit and are now set at 400 MW per cable circuit in less than 10 years," Mills said. "We are therefore looking at the real boundary between AC and DC technology."

Projects in the U.S. now average from 800 to 900 MW, while a new one in the U.K. is set at 1.2 GW, which will be connected with DC for the first time, he said.

"The trend is clear: The generators are getting bigger; the projects are getting bigger; and we need to be ready for that in the future," Mills said. "The biggest trend at the moment is the leveled cost of energy and the reduction in that cost. We're seeing targets where we wanted to have below 100 cents/kWh, which have been reached well ahead of schedule."

ISO-NE is "really busy now with offshore wind," and wind makes up more than two-thirds of the 20,927 MW in the interconnection queue as of January 2020, said AI McBride, the RTO's director of transmission strategy and services. The offshore figures from his *presentation* showed 4,160 MW for Connecticut, 8,460 MW for Massachusetts and 880 MW for Rhode Island.

The RTO last month presented its latest study results on integrating up to 8,000 MW of offshore wind into the regional grid, analysis requested by the New England States Committee on Electricity (NESCOE). That and a separate offshore study requested by Anbaric should be completed by the third quarter, McBride said. (See *ISO-NE Planning Advisory Committee Briefs: Feb. 20, 2020*.)

"There are or have been historically large generating stations located along the coast, some of which are retiring or have retired, and that is an advantageous system for us in our ability to interconnect generation that could come in from offshore," McBride said. "Compared to other regions that don't have quite this coastline and historical infrastructure, we're fairly well situated."

Developers have proposed interconnecting up to 1,200 MW at various points along the coast, from Barnstable and Brayton Point in Massachusetts, to Kingston, R.I., and Montville, Conn.

Integrated Process

The U.S. Bureau of Ocean Energy Management has exclusive leasing authority on the outer continental shelf, "and a lease is not only

ISO-NE News

to develop generation projects, but it comes with a pertinent right to have one or more transmission easements to get basically the long extension cord from the generation facility to the shore," said attorney Mark Kalpin, of Holland & Knight.



Mark Kalpin, Holland & Knight | © RTO Insider

"It's an integrated process that BOEM has set up already in terms of how to build a project," Kalpin said. "So when you do your site assessment plan or your construction and operation plan, you're really saying this is the entirety of the project that I want; not only the offshore component, but everything necessary to get it to shore."

An independent transmission developer also can apply to BOEM for a right-of-way grant or right-of-use easement, but that application process would not cover the activities of the generation developer, he said.

"So right off the bat, there's a little bit of potential disconnect," Kalpin said.

Laura Manz of Navigant previously helped CAISO develop \$8 billion worth of transmission in California for renewable generation development.



Laura Manz, Navigant | © RTO Insider

"Renewable resources are remote from load centers, that's a fact, so it's just how we want to have the electrons

move," Manz said.

It's important to achieve an optimal solution when looking at congestion in a cost-benefit analysis, she said.

"It might be better to just not pay for that upgrade that will completely eliminate congestion, but for one that can sustain congestion once in a while," Manz said. "I think most of the RTOs, especially in this area, are pretty good at looking at that."

"And then we have the public policy upgrades, which is where this gets into a bit of a mess when you're in a multistate RTO and it's not really clear whose public policy gets the price tag."

Connecticut regulators in January convened a public hearing to examine whether ISO-NE's wholesale electricity markets are really geared to serve the state's clean energy objectives after determining that out-of-market actions resulted in increased costs to Connecticut ratepayers. (See [Connecticut Weighs Pros, Cons of ISO-NE Markets](#).)

Limited interconnection points are not a phenomenon limited to offshore wind, she said.

"What we see on the West Coast is because we've had the once-through-cooling retirement mandate, there have been some locations where previous coal-fired power plants, fossil fuel-fired power plants and now our nuclear plants are retiring in those shore locations, so there are some places to drop your offshore wind," Manz said.

She encourages developers to start with an injection study to see where it can be done without an upgrade, followed by an integration

study to look at the chances of curtailment.

European Lessons

Ksenia Kaladiouk of McKinsey & Co. delivered lessons learned in Europe, highlighting different operational models in Denmark, Germany, the Netherlands and the U.K. — with the U.K. most similar to Massachusetts, so far, in letting developers lead site and radial transmission development.



Ksenia Kaladiouk, McKinsey | © RTO Insider

Denmark and the Netherlands both have the state build and own the radial transmission, while Germany has a network transmission system for developers to tie into offshore.

"If we look at where Massachusetts and the East Coast are today, you could say that we are headed in 2030 [24 GW] to a place where Europe is right now [29 GW] ... but the situations are not identical," Kaladiouk said.

"We've learned a lot, not just in regard to costs coming down and opportunities for technical innovation, but also in terms of what works from a market standpoint and what works from a regulatory standpoint," she said.

"If we do go for a model where the developer is not responsible for transmission, what does it mean to actually align incentives properly?" Kaladiouk said. "Are they built in a way that actually minimizes outages? Are they front-loaded with certain costs or redundancies, or are you going to do that on the back end?"

Though the continental European system has seen lower borrowing costs and a stronger mechanism for compensating generators when needed, "we're not co-optimizing development, so if you do have a developer building out both pieces of the system, do you actually see more coordination? Do you see stronger incentives to build on time?" Kaladiouk said.

Regional Effort



Patrick Woodcock, DOER Commissioner | © RTO Insider

DOER Commissioner Patrick Woodcock kicked off the afternoon session by noting that "we do have some other states here — New Hampshire, Connecticut, Rhode Island and New York I believe is participating online."



Left to right: Stephen Pike, Mass. CEC; Ksenia Kaladiouk, McKinsey & Co.; Alastair Mills, Siemens; Alan McBride, ISO-NE; Mark Kalpin, Holland & Knight; and Laura Manz, Navigant. | © RTO Insider

ISO-NE News

New York Gov. Andrew Cuomo is now pushing a bill that would allow the state to procure “submarine transmission facilities needed to interconnect offshore renewable generation resources to the state’s transmission system.” (See *NY Renewable Supporters Push for New Siting Agency*.)

“We really have found that [planning for offshore wind] requires participation from the entire region, and that was reflected in the New England States Committee on Electricity request for the economic study,” Woodcock said. “We look forward to continuing that partnership with the other states.”

Woodcock thanked stakeholders who submitted *comments* for the conference and said the department would be making a second request for comments after the conference.

“I assure you that our policy response will likely disappoint a lot of you,” Woodcock said. “It seems that there are a lot of strong opinions on this topic, and we do look forward to giving clarity to the marketplace on how we’ll be designing future” requests for proposals.

Getting to Shore

Joanna Troy, DOER director of policy and planning, *outlined* the legal background and statutory authority for the agency regarding offshore wind energy and related transmission procurement.



Joanna Troy, DOER | © RTO Insider

She emphasized that DOER “has not made a decision yet on whether to authorize a separate and independent offshore wind transmission solicitation.”

Perhaps not surprisingly, the offshore generation contractors were openminded about independent transmission developers but tended to favor the status quo for now, at least to get the industry rolling.

“There’s no doubt that if this region fulfills its offshore wind potential ... at some point in time we have to look at integrated grid solutions,” Vineyard Wind CEO Lars Pedersen said. “The biggest issue we face is actually the onshore grid ... which is not built to take off all the potential offshore wind energy we can deliver, and at one point in time we need a regional approach ... that accommodates the multi-gigawatt scale of offshore wind.”



Lars Pedersen, Vineyard Wind | © RTO Insider

“What we’re talking about here ... is a solution looking for a problem,” Pedersen said. “If you define success as clean, affordable energy at a rapid scale, while you continue to have the buildout of an industry — this will not deliver it.”

Pedersen said that any independent transmission developer coming into Vineyard Wind’s projects now would face a “very, very complex process,” which would make it extremely unlikely that the independent company could win on cost or project risk.

Theodore Paradise, Anbaric senior vice president for transmission strategy, said, “If your goals in Massachusetts are a few thousand megawatts, then maybe this works. But there’s a fallacy in the thinking around, do you do radials or do you do meshed networks?”

“The U.K. is moving toward meshed networks for fewer ecological impacts and increased savings to consumers ... because their goal is more than just a radial world.”

The region only has to look at onshore wind bottled up in Maine, he said: “Onshore wind in Maine is dead because it was expedient [to build before upgrading nearby transmission], and for that moment, it looked like the cost-effective choice,” he said.

“An example of this would be if I’m doing one project into the cape, I might do a 115-kV network for 1,600 MW. I spend \$500 million doing that, and I think about my next project,” Paradise said. “I have to tear that down [and] I need to build a 345-kV. I should have built a 345-kV to begin with.”

Stranded cost is not the issue, but lack of planning, he said, citing how Texas built out a transmission network for wind and the developers came with their own proposals, unsubsidized.

“If you want to make a choice here for the 1,600 MW, you need to be thinking about where we are,” Paradise said.

He cited a Brattle Group *study* from last September that said in order for New England to achieve an 80% reduction in greenhouse gas emissions by 2050, the region will need to procure 3,000 MW of electricity per year through 2050 if it’s going to electrify the transportation sector and home heating.

“And if you’re going to do that, you’re not going to do that with radials,” Paradise said. “By the way, we’ve already decided that in this country, and that is we have separate generation and transmission. We separated the two. The ocean isn’t different from on land; it’s still the grid.” ■

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ISO-NE News

Overheard at NECA Renewable Energy Conference 2020

AUBURNDALE, Mass. — If 50 years ago you prophesied that school buses would someday help a utility stabilize the grid, people might have suggested that you had been reading too much Tom Wolfe or drinking the electric Kool-Aid on the bus with Ken Kesey.

Same goes for heat pumps that use bitter cold air to heat New England homes.

Now — in 2020 — these phenomena are the stuff of real life in the energy industry, as 150 people heard Thursday at the Northeast Energy and Commerce Association (NECA) Renewable Energy Conference.

Following is some of what we heard at the event.

Regional Outlook

New England needs to update the interconnection processes to reflect the value and unique nature of energy storage, said Jeremy McDiarmid, vice president for policy and government affairs at the Northeast Clean Energy Council.

“We need to figure out how the jurisdictional divide between distribution systems and transmission systems occurs in a way that allows these products to move forward, and perhaps most importantly, we need to figure out how to pay for it all,” McDiarmid said.

Siting is increasingly a challenge as communities are becoming more and more wary of large solar developments, he said.

“Many of our states have seen the development of relatively robust solar industries over



The Northeast Energy and Commerce Association (NECA) hosted its annual Renewable Energy Conference on March 5. | © RTO Insider

the past decade,” McDiarmid said. “Portfolio standards, net metering and a base of customers ready to adopt clean energy have driven a market that has brought jobs and a significant amount of clean energy to the region.”

The lines between transportation and electricity are getting more blurred every day, and that’s a good thing, he said.

“Nearly 40% of our emissions come from the transportation sector, and it has persistently been a very hard nut to crack,” McDiarmid said. “The Transportation Climate Initiative [TCI] offers the best hope for starting us down what’s going to be a very long path to capping transportation emissions and harnessing market forces to support the lowering of carbon

emissions. This necessary transition can’t happen fast enough.”

Mobile Storage

The TCI is a regional collaboration of 12 Northeast and Mid-Atlantic states and D.C. that seeks to cut carbon emissions from the transportation sector. Participating states include Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and Virginia.

The TCI concept is an emissions cap set by the participating jurisdictions, with a program projected to run from 2022 to 2032, explained Staci Rubin, senior attorney with the Conservation Law Foundation. Upstream fuel suppliers would be required to obtain an allowance equal to the amount of pollution that they generate, with the amount available declining over time.

“This would apply to on-road gasoline and diesel fuel, essentially covering 80% of the transportation sector emissions, on average, throughout the region from Maine to Virginia,” Rubin said.

Some of the proceeds from the sale of TCI emissions allowances would go to converting school buses from diesel to battery electric, or trolley electric where possible, she said. Boston’s mass transit operator, the Massachusetts Bay Transportation Authority, has only five electric buses out of more than 1,000 buses, and they are still in the pilot phase.

Rubin noted a Dominion Energy *project* in



(Left to right) Abigail Krich, Boreas Renewables; Carol Sedewitz, National Grid; Jason Bobruk, SolarEdge; Jacqueline Ashmore, BUISE; and Michael Goldman, Eversource Energy. | © RTO Insider

ISO-NE News

Virginia as “a great program to use electric school buses as active energy storage systems ... a deep and large-scale deployment of these buses and situating them to ensure they can be dispatched to the grid and helping to better connect distributed generation.”

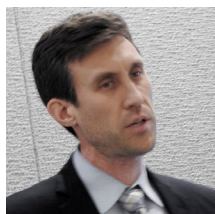
Will Lauwers, director of emerging technology at the Massachusetts Department of Energy Resources (DOER), said that transportation and home heating offer nearly equal opportunities for cutting emissions.

“You’ll reduce your energy requirement by 75% just by going to an electric vehicle,” Lauwers said.

He recommended Northeast Energy Efficiency Partnerships-*certified* cold climate air-source heat pumps, saying, “You’re looking at reducing annual heating energy needs by at least 60% just by getting a heat pump designed for this climate.”

As to where the sectors converge, he cited a newly released DOER mobile storage *study* that shows “How mobile storage, in many cases electric vehicles ... can benefit the commonwealth in emergency response conditions, and how EVs can operate as long-duration storage to increase reliance on renewables and reduce our peak demand,” Lauwers said.

The study shows that today’s storage capacity of EVs enables them to provide all the energy needs of a household for multiple days, even without efficiency upgrades to the building, he said.



Michael Hagerty, Brattle Group | © RTO Insider

Michael Hagerty, senior associate at The Brattle Group, presented excerpts from a *study* he co-authored last September on emissions reduction and said that it could be important to develop technologies for seasonal storage.

“Time-of-use rates also have been very effective at shaving peak loads for residential EV charging,” Hagerty said.

Look North

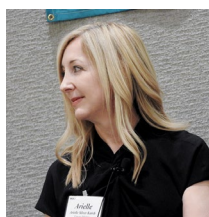
In Maine, the state legislature has seen a wave of “legislation promoting renewable energy and reforming the interconnection rules to facilitate the interconnection of distributed generation,” said Arielle Silver Karsh, senior regulatory counsel for Emera Maine.

The legislature established a commission to look into energy storage and brought in



(Left to right) Staci Rubin, CLF; Will Lauwers, Mass. DOER; Michael Hagerty, Brattle Group; and Po-Yu Yuen, Sustainable Energy Advantage. | © RTO Insider

experts to provide information on how to incent storage, to ask whether utilities should be allowed to own it, and whether storage resources could be used for energy efficiency or to reduce the peak, she said.



Arielle Silver Karsh, Emera Maine | © RTO Insider

“A lot of recommendations came out of that *report*, one of which is the commission recommended that the Public Utilities Commission open up a docket and settle the question of utility ownership,” Silver Karsh said.

“For Emera Maine, there would be hesitation to invest in energy storage without knowing it is possible to rate-base that asset,” she said. “Or how do we integrate that into our system and use it to defer transmission or distribution [upgrades]?”

Another important question is how does the state or the PUC incent energy storage, she said.

“Is it a question of combining energy storage with a renewable energy generating unit, or is it sufficient to just have storage alone?” Silver Karsh said.

Emera doesn’t want to reinvent the wheel, she said, so the company has reached out to National Grid and Eversource Energy to ask how they have worked on these various integration projects with developers, the states and other stakeholders.

The storage commission recommended setting a target of 100 MW by 2025, Silver Karsh said.

Electric load in Maine is “lumpy, with a fish farm popping up with 12 MW in an isolated place, so you need to react fairly quickly to that,” she said. “But Northern Maine is not directly electrically connected to ISO New England — but is connected to New Brunswick and indirectly to Hydro-Québec.”

Northern Maine has very low population density, which is great for wind farms, but if the generation exceeds the local load, “energy storage could be a great way to balance that out,” Silver Karsh said. “We’re still working with stakeholders to determine whether that energy could be exported to New Brunswick and Hydro-Québec.”

Up until the middle of 2019, there was approximately 3,000 MW of wind from Northern Maine in the interconnection queue at ISO-NE, said Abigail Krich, president of Boreas Renewables.

“We could still build that out, but we would need pretty significant transmission upgrades to the system,” Krich said. “Now I think there’s about 780 MW of wind left in the queue in that area because of those transmission constraints.”

To interconnect about 350 to 550 MW of generation in that area would require spending about \$780 million, which would have to be paid by the interconnecting generators and result in an added energy cost of \$23 to \$36/MWh over a 20-year project span. That cost could be reduced if the capacity factor were increased by adding solar, for example, but it is “a large hurdle” to add to any new project, Krich said. ■

— Michael Kuser

ISO-NE News

ISO-NE Study to Chart Transition to Future Grid

By Rich Heidom Jr.

ISO-NE and New England Power Pool stakeholders are collaborating to study market and reliability issues the region will face as it seeks to decarbonize power, transportation and heating over the next three decades.

NEPOOL members discussed the outlines of the study — which was prompted by requests last year from the New England States Committee on Electricity (NESCOE), New England Power Generators Association (NEPGA) and other stakeholders — at the Participants Committee meeting Thursday.

“People are generally very supportive of doing a study,” ISO-NE CEO Gordon van Welie said Friday at a news briefing on the RTO’s 2020 Regional Electricity Outlook, which noted states’ goals to achieve up to 100% renewable resources” and asked “How do we get there from here?”

“I think the general consensus in the room ... is it’s a good thing to go off and study the future

power system because that’s going to give us a lot of information to then inform the other discussions that people want to have, which is the market design conversation, and ultimately transmission,” added van Welie, who said electrification will transition the region from a summer- to a winter-peaking electric system.

“There was less clarity around what the scope and objective of the study should be. The discussion yesterday was mostly about process and not scope. And that conversation [about scope] will be coming in due course in the next month or two.”

Work on the study will begin in earnest after the RTO’s FERC filing on its Energy Security Improvements (ESI) proposal, expected April 15. ESI will propose new options-based reserve products in the day-ahead markets that compensate for the flexibility of energy “on demand” to manage daily uncertainties, such as natural gas shortages or low production from renewables because of weather. (See “Strike Price Adder Impact,” NEPOOL Markets Committee Briefs: Feb. 11-13, 2020.)

The PC meeting materials included a graphic depicting the study as four bubbles: the objective (assessing the power system needed to meet state energy and environmental policies); study process (identify the resource mix and

operational and reliability needs); a gap analysis (to determine whether the current markets plus ESI provide resources and ISO-NE what they need to continue reliable operations); and a discussion of potential market approaches to address any gaps.

Van Welie said that the study’s time frame will be the subject of future stakeholder discussions, but that he expects it to be longer than the next 10 years, when he said electric demand from decarbonization of transportation and heating is projected to increase only slightly.

“When I look at that and the long-term decarbonization goals in the region, I think there will be a hockey stick [rise in demand]. We’re going to have to accelerate — dramatically accelerate — decarbonization of the other sectors, so there will be a steep growth in electric demand over that period,” he said. “It’s important, if we’re going to study the future, that we study that hockey stick because there’s nothing really interesting to study in the next 10 years. The demand’s pretty flat.”

A Brattle Group study released in September predicted that meeting the states’ goals for reducing greenhouse gas emissions by 80% by 2050 will result in a doubling of electricity demand, even with substantial energy efficiency gains.

“I don’t know that we should lock onto specific numbers and multiples at this time,” van Welie said. More important, he said, is how the system will add renewable capacity: through the markets that have served the region for the last two decades, or through long-term power purchase agreements, which would put investment risk back on consumers.

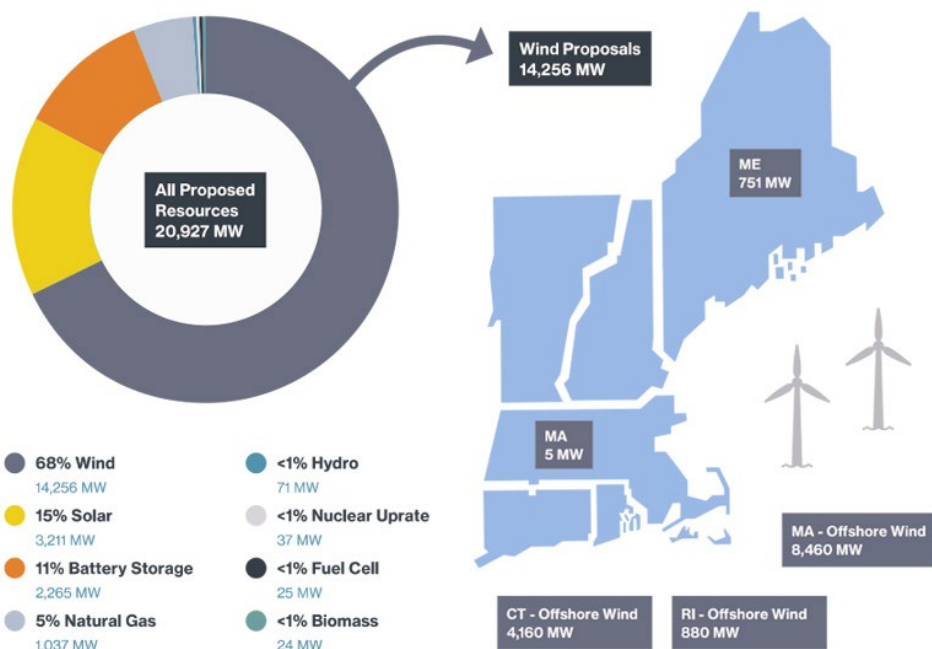
ISO-NE sought to develop a market-based path for renewables to supplant carbon-emitting resources through the substitution auction in the Competitive Auctions for Sponsored Policy Resources (CASPR) program, which allows resources nearing retirement to trade their capacity supply obligations with new state-sponsored resources that did not clear in the primary auction.

The RTO has held two auctions under CASPR. Vineyard Wind, a planned 800-MW offshore wind farm, took over a 54-MW obligation from a retiring resource in Forward Capacity Auction 13 last year. There were no trades this year in FCA 14.

“As we said when we filed CASPR, it’s intend-



ISO-NE CEO Gordon van Welie | @ RTO Insider



Projected changes in New England power resources and energy efficiency | ISO-NE 2020 Regional Electricity Outlook

ISO-NE News

ed to work over time,” said Anne George, the RTO’s vice president of external affairs and corporate communications. “We still feel like with only two auctions of experience, we need a little more time to see how CASPR works.”

“I think it’s going to take time for those economic pressures to build up” to persuade incumbent generators to retire, van Welie added. “So, we have been very clear about this: We think carbon pricing is a much better solution ... which is why you hear us advocating for it.” (See *ISO-NE: States Must Lead on Carbon Pricing*.)

At a conference in D.C. last week, speakers expressed some doubts about carbon pricing, saying it won’t solve the climate crisis by itself or persuade states to abandon their own clean energy policies. (See related story, *Carbon Pricing Gains Popularity – and Doubts*.)

“I think it’s going to take time for people to get comfortable with [carbon pricing]. It may take a long time for us to get comfortable with it,” van Welie acknowledged. “Developers are going to be very cautious about trusting the regulatory system around carbon pricing until they see that it’s stable and has longevity.”

The Regional Greenhouse Gas Initiative, which includes all six New England states, “never produced a material carbon price in terms of driving the clean energy transition,” van Welie said. RGGI’s most recent auction in December cleared at only \$5.61/ton.

Van Welie contrasted RGGI with Europe, where carbon emissions were trading last

week at about 25 Euros/ton (\$28), high enough that Royal Dutch Shell, BP and others are willing to build offshore wind on their own balance sheets without long-term PPAs, he said.

Transmission RFP

On an unrelated issue, van Welie said the RTO was “very pleased” with the response to its first-ever competitive transmission solicitation, which resulted in 36 project proposals by the March 4 deadline. (See *ISO-NE Issues First Competitive Tx RFP*.)

ISO-NE issued the solicitation in December to prepare the transmission system in the Boston area for the retirement of the Mystic Generating Station in Everett, Mass. The proposals will seek to address transmission facility overloads under peak load conditions, as well as system restoration concerns with the underground cable system. ISO-NE hopes to select the finalists for the work by the end of the year.

“We’ve got a lot of work ahead of us,” said van Welie, adding that the RTO will be releasing more details on the responses shortly.

New Member

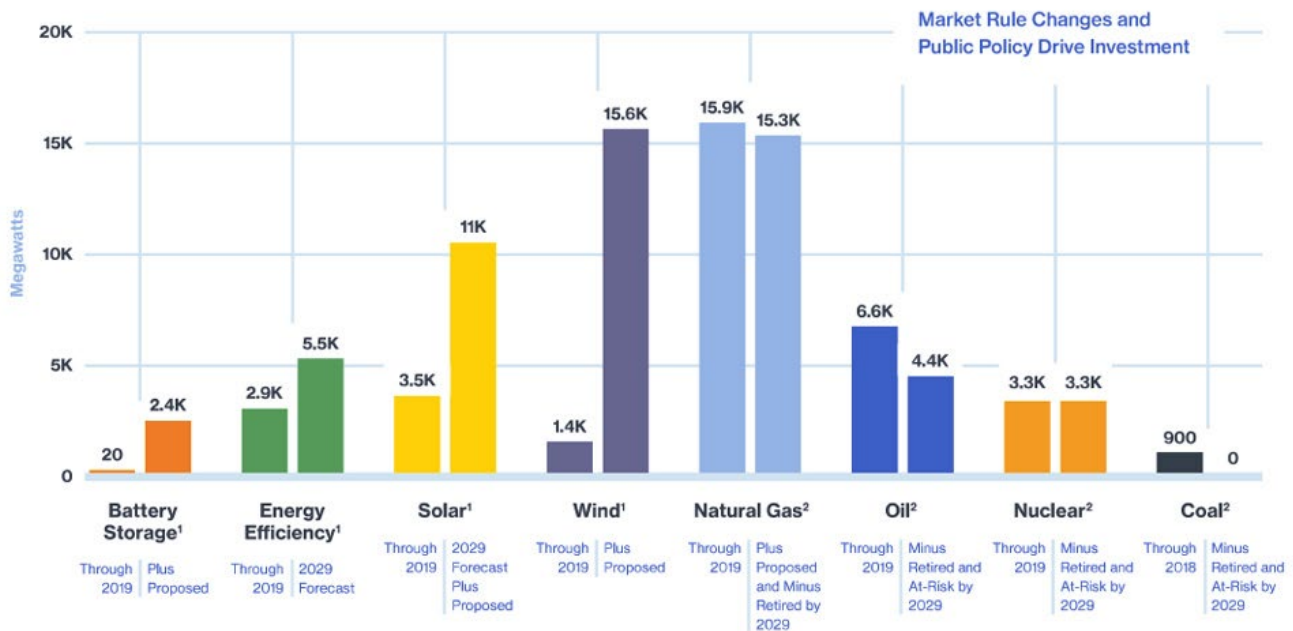
In addition to its discussion on the futures study, the PC voted Thursday to admit trade group *Advanced Energy Economy* as a NEPOOL member. AEE, whose members provide energy efficiency, demand response, energy storage and natural gas, renewable and nuclear generation, was admitted as a Fuels Industry

Participant.

Operating, Planning Procedure Revisions Approved

Members also approved revisions to the following operating and planning procedures:

- OP-18 (Metering and Telemetry Criteria): adds a requirement to telemeter station frequency; identifies equipment requirements; specifies which requirements apply to existing and new equipment; and revises Section I (Purpose) to reflect current practice.
- OP-23, Appendix I (Resource Auditing): clarifies the asset ID entry for certain reactive resources without an RTO-assigned asset ID.
- OP-3 (Transmission Outage Scheduling): extends the maximum duration for an “opportunity outage” from 96 hours to 108 hours. An opportunity outage is one that fails to satisfy the minimum advance notice time required for planned short-term transmission outage processing and is submitted for RTO approval as a result of an unexpected opportunity to accomplish work that would otherwise require another outage at a less opportune time.
- PP-3 (Reliability Standards for the New England Area Pool Transmission Facilities): replaces the term “governance participant” with the terms “market participant” and/or “transmission owner.” ■



State renewable portfolio standards in New England | ISO-NE 2020 Regional Electricity Outlook

ISO-NE News

FERC Rejects ISO-NE Fuel Security Tariff Revisions

By Michael Kuser

FERC on Friday rejected Tariff revisions filed jointly by ISO-NE and the New England Power Pool to clarify that resources retained for fuel security reasons will not be retained for other reasons once the fuel security retention period ends (*ER20-89*).

“While we favor limiting the scope and length of out-of-market actions, we seek to balance that objective against the ability to address reliability concerns,” the commission said. “The proposal here would remove ISO-NE’s ability to retain a fuel security resource to address

potential future transmission reliability issues that may arise simply because the resource in question had been retained previously for fuel security.”

The proposed Tariff revisions prompted a protest from Exelon, which owns Mystic 8 and 9, the planned retirement of which prompted the RTO and NEPOOL to seek to retain resources for regional fuel security in the first place.

Exelon argued that the proposal “unduly discriminates” against fuel security resources in general and the Mystic units in particular. The company contended that “the proposal results in different treatment for transmission secu-

ity resources based on whether the resource has previously provided fuel security service, despite the fact that transmission security and fuel security resources are similarly situated for purposes of retirement,” FERC noted.

The company further argued that if ISO-NE had requested to retain the Mystic units for transmission security rather than fuel security, the Tariff would allow for possible cost-of-service compensation until the transmission reliability need was addressed. However, the fuel security agreement restricted Mystic’s options in a way not faced by other resources, effectively penalizing it for entering into an agreement for fuel security instead of transmission security.

Exelon also pointed to delays in the completion of ISO-NE’s Energy Security Improvements (ESI) initiative. FERC last August granted the RTO a second extension to file the plan, until April 15. The NEPOOL Participants Committee expects to vote on the new fuel security market design at its April 2 meeting.

The RTO’s aspirations to develop a long-term market-based fuel security solution and competitively develop transmission solutions for the Boston area do not constitute substantial evidence that it is just and reasonable to eliminate a reliability safeguard, Exelon said.

In rejecting the revisions, the commission found that “instead of retaining such a resource for transmission security (as it would any other resource that was not previously retained for fuel security), ISO-NE would need to address this issue through either real-time operating procedures, such as shedding load, or through the use of a gap [request for proposals] solicitation.”

FERC said it remains open to ISO-NE and NEPOOL “proposing to revise the relevant reliability review timeline to ensure that resources are not unnecessarily retained when transmission solutions will be in place in time to address identified reliability needs.”

However, the commission did not find just and reasonable “the proposal to make a resource retained for fuel security ineligible to be further retained for transmission reliability purposes.”

FERC last month rejected a related request to roll back the sunset date for a Tariff provision that allows the RTO to retain a resource for fuel security reasons (*ER20-645*). (See *FERC Rejects ISO-NE Fuel Security Sunset Rollback*.) ■



Mystic Generating Station, on the Mystic River in Everett, Mass.

MISO News

MISO Forward Report Stresses Near-term Change

By Amanda Durish Cook

CARMEL, Ind. — A new report from MISO concludes that stakeholders will need to quickly adjust the RTO's capacity construct and offer new market products to accommodate a resource mix in which renewables represent a majority.

The second annual *Forward Report* was framed from the perspective of MISO's rapidly evolving utilities and what they will need from a grid operator in the near future. The report includes five hypothetical utility profiles based on integrated resource plans, interviews with stakeholders and investor presentations. MISO used the profiles to conclude it needs to change its capacity auction and resource accreditation, while developing new market products to incentivize a flexible supply.

"Utilities need MISO to act now to develop transitional and transformational solutions," CEO John Bear wrote in the report's introduction. "As customers continue to push for decarbonization goals, utilities are adopting significantly more diverse business models. Supply and demand of availability, flexibility and visibility will vary by utility. MISO's ecosystem for exchange must accommodate this significantly increased degree of diversity and facilitate members to leverage that value."

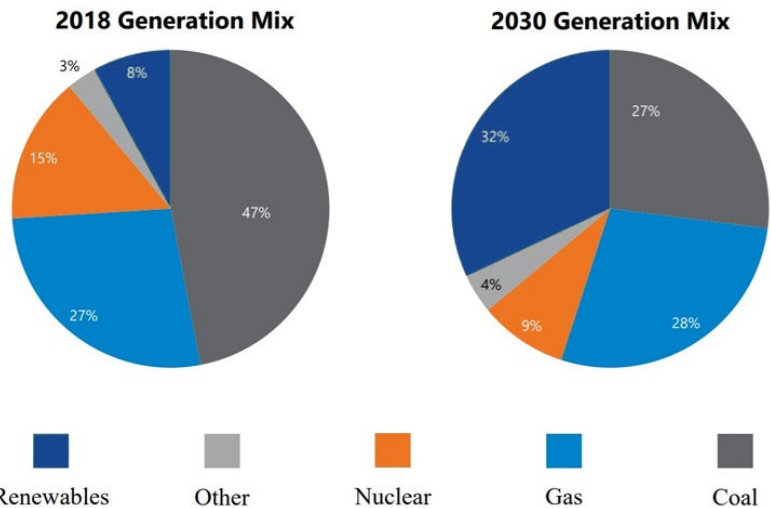
Bear said MISO utilities must "redefine what is needed" to manage risk on the grid.

The first *Forward Report* in 2019 concluded that market changes are necessary as the RTO footprint experiences demarginalization, decentralization and digitalization. (See [New MISO Report Starting Point for Major Grid Change](#).)

"We have an imperative to act quickly," MISO Executive Vice President of Market and Grid Strategy Richard Doying told the Resource Adequacy Subcommittee on Wednesday. He added that the Organization of MISO States and state regulators have said their utilities are weighing millions of dollars in investments and are wondering if the MISO market can accommodate their new resource portfolios.

Doying pointed to MISO's 77-GW interconnection *queue*, now dominated by nearly 46 GW in solar generation projects.

"Not a lot of traditional resources; they're new resources with operational characteristics that we aren't used to," Doying said of the queue makeup.



MISO's actual 2018 resource mix, and a projected 2030 mix based solely on utilities' announced plans | MISO

MISO *predicts* that by 2030 its generation mix will contain 32% renewables, 28% natural gas, 27% coal and 9% nuclear. In 2018, MISO's generation mix was fueled by 47% coal, 27% natural gas, 15% nuclear and 8% renewables. Doying said the 2030 mix isn't a MISO forecast but based on utilities' announced plans.

"This is what all of your companies have said they're doing. ... This is not based on a bunch of assumptions," he told stakeholders.

Sunset on the Planning Horizon

MISO said its footprint will soon contain "very diverse utilities that will rely on each other as neighbors in a shared resource pool in new ways."

Customized Energy Solutions' Ted Kuhn asked what role MISO sees itself playing: planner, or facilitator to the rapid change.

Doying said MISO will concentrate more on making sure it gathers more detailed and accurate information to share with its members making investment decisions.

The new report reiterated MISO's now familiar prediction that its annual loss of load expectation process for estimating reliability needs will eventually be broken down by season to assess risks in all hours of the planning year.

"We count megawatts based on one thing: peak load. ... If we only count megawatts based on the requirement we established, does that account for all reliability risks?" Doying asked rhetorically, referring to MISO's current process of establishing accreditation and reserve margin requirements to serve load on the

hottest summer day.

"I think a simple, summer-based loss-of-load expectation study doesn't account for all risks. ... It does a very good job, but it's incomplete," Doying said. "Is annual the right time frame to conduct that assessment, or should it be done seasonally?"

Doying said MISO is advancing on developing some sort of "sub-annual component" for its Planning Resource Auction. The RTO last year said a seasonal capacity auction would be beneficial though some stakeholders have pushed back on the idea. (See [MISO Gives Tentative Nod to Seasonal Capacity Design](#).)

Kuhn said he was worried MISO was focusing too much on seasonal or monthly divisions of the planning horizon when an influx of solar generation will require an hourly analysis of risk.

"You can break the horizon down as much as you like; the sun doesn't shine at night," Kuhn said.

Doying also said MISO may create new market products that reward flexibility.

"We don't have a proposal, but we do know that's been done in other regions," Doying said. "There are a lot of ramping needs when you get a lot of wind and solar on the system."

He said MISO will re-evaluate its scarcity and emergency pricing in the coming months. Both items appear on the RTO's Integrated Roadmap list of market improvements to undertake in 2020. MISO staff have said emergency pricing has generally been inefficiently low. ■

MISO News

MISO Foresees 'Typical' Spring

By Amanda Durish Cook

CARMEL, Ind. — MISO expects to have enough reserves on hand throughout spring to meet expected demand.

The RTO *predicts* spring energy usage will peak at 100 GW in May, with about 134 GW of total projected capacity available to meet load. MISO's spring peak record of 107 GW occurred May 29, 2018.

"The 2020 spring is projected to be a very typical spring," Senior Manager of Resource Adequacy Coordination Lynn Hecker told the Market Subcommittee on Thursday.

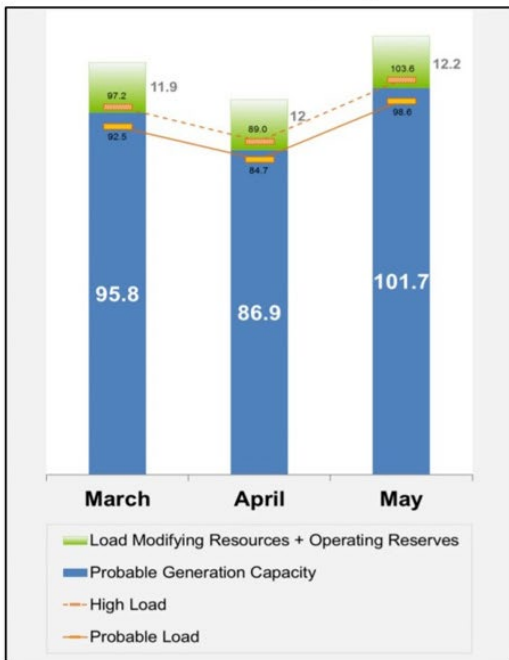
The National Oceanic and Atmospheric Administration forecasts above-normal spring temperatures for areas within MISO South, with the rest of the footprint at normal levels.

As with most of MISO's preseason assessments, Hecker said high load coupled with high

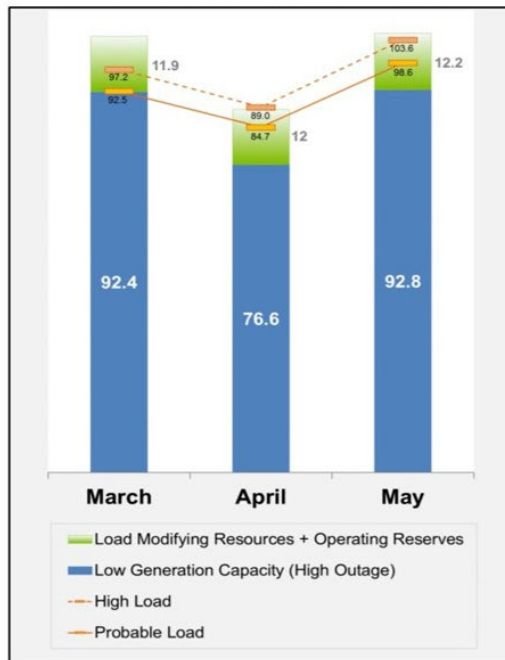
generation outages could have the RTO calling up load-modifying resources and operating reserves.

Following its usual practice, MISO is preparing for higher generation outages on peak during spring. Potential reliability risks are most pronounced in April — when outages can historically near 45 GW — even though load is roughly 10 to 16 GW lower than in March or May.

Probable Generation Capacity Scenario



Low Generation Capacity (High Outage) Scenario



"We are expecting to maybe dip into load-modifying resources in the 90/10 forecast," Hecker said. That forecast represents a scenario in which there is a 90% chance of actual load being lower than predicted and a 10% chance of load being higher.

In the most likely 50/50 load scenario with a normal capacity supply, MISO won't have to call on reserves in either March, April or May. However, if load is unusually high, the RTO runs the risk of entering emergency operating procedures.

The spring supply picture gets more dire if high-load scenarios pair with higher-than-expected generation outages, especially in April, a favorite month for scheduled maintenance. MISO said that April contains the only risk of the RTO burning through all of its operating reserves and LMRs and still coming up about half a gigawatt short. ■

Spring load and capacity projections | MISO

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MISO News



CapX2050 Calls for More Tx, Dispatchability in Upper Midwest

By Amanda Durish Cook

The Upper Midwest needs more transmission, more technology and preservation of some dispatchable generation for the sake of reliability, the CapX2050 study concluded last week.

The 10 Minnesota utilities behind the effort drew three major *takeaways* from the study:

- More transmission infrastructure will be necessary in the Upper Midwest to accommodate resource transition.
- Non-dispatchable resources alone can't meet all energy requirements, so some traditional power plants will still be necessary.
- Real-time operational demands will become trickier to manage and will require new procedures.

Building on the CapX2020 transmission effort focused on 2020 reliability needs, the CapX2050 study addresses how the grid can handle widescale reductions in carbon emissions by 2050. (See *Minnesota Utilities Reunite*

for CapX2050 Study.) Like the 2020 effort, the 2050 study concentrated on the transmission system that serves Minnesota, eastern South Dakota and North Dakota, western Wisconsin and the surrounding areas.

The study's report said grid support in the form of ancillary services will be needed in areas where large, dispatchable generation is retired. New transmission technology and storage resources will be required to deliver ancillary services.

The group said its findings track with conclusions from MISO's ongoing *Renewable Integration Impact Assessment*, which most recently showed that the RTO can operate on 50% renewable generation if it endorses dramatically more transmission and increases reserve requirements while its members embrace new technologies. (See *MISO Renewable Study Shows More Tx, Tech Needed*.)

"The variability of the output of non-dispatchable resources, even within a single day, could lead to several thousands of [megawatts] being

transferred across the transmission system, with reversals in direction of flow occurring in an equal but opposite magnitude during the same day," the report warned. "Operating techniques, transmission infrastructure and analysis tools will need to become more sophisticated to more accurately identify and adjust in real-time to deal with these changes."

The utilities said that simply adding more non-dispatchable resources cannot solve the problem of sometimes deficient energy supply.

"Abrupt changes in weather, including prolonged extreme weather conditions, sudden changes in consumer demand, or disturbances on the transmission system (i.e., outages) will increasingly challenge the ability of the electric grid to provide a continuous supply of energy as more non-dispatchable resources are added," the report said. It added that maintaining some dispatchable resources and adding energy storage can keep the transmission system reliable.

In what should be déjà vu for MISO planners, the CapX2050 report also called for a "long-term comprehensive regional transmission plan." The Organization of MISO States has been pressing the RTO for two years to develop a long-term transmission package to accommodate growth of policy-driven generation resources. (See *MISO Cracks Door on Long-term Tx Planning*.) The report reminded MISO that "transmission expansion has been shown to be cost-effective when considered as part of a larger market."

At this point, the CapX2050 utilities aren't calling for any specific transmission projects. CapX2020 *culminated* in an 800-mile, grid expansion in the Upper Midwest, including four 345-kV transmission lines in Minnesota, North Dakota, South Dakota and Wisconsin and a 230-kV line in northern Minnesota.

Great River Energy spokesperson Jenny Mattson said that while future studies under CapX2050 aren't being ruled out, none are planned so far.

"Though there is no time frame for additional studies, we'll continue to evaluate the system in partnership with other utilities and stakeholders, including legislators, regulators, communities and MISO," Mattson said in an email to *RTO Insider*.

The utilities also said they're "ready to engage with public and stakeholders" on planning for new transmission. ■



The Brookings County-to-Hampton project, part of CapX2020 | CapX2020

MISO News

MISO Prepares Deliverability, LMR Accreditation Filings

By Amanda Durish Cook

CARMEL, Ind. — MISO is preparing to make two resource adequacy filings with FERC aimed at making its capacity resources more readily available.

The RTO last week promised two filings in late April that would ensure that resources procure transmission deliverability to their full installed capacity levels before receiving full capacity credits and shave the capacity credits of some load-modifying resources (LMRs). If approved, both will impact the 2021/22 Planning Resource Auction.

LMR Accreditation

MISO said it will file a proposal to establish an LMR's capacity accreditation as the smaller of either an average of its actual availability over a three-year period or its tested availability. LMRs that can respond more often and with shorter lead times will receive a larger capacity credit, while those that can respond to 10 or more calls in a year will receive full capacity credit. (See [MISO Pursues Leaner LMR Accreditation](#).)

The RTO will also no longer qualify LMRs with lead times greater than six hours as emergency-only resources because they don't help mitigate emergency events. However, those long-lead LMRs will still be eligible to qualify as capacity resources.

Speaking at the Resource Adequacy Subcommittee's meeting Wednesday, MISO planning adviser Davey Lopez pointed out that other RTOs require much shorter lead times for their LMRs. PJM requires its emergency resources have anywhere from a 30-minute to two-hour requirement, while NYISO's LMRs have a two-hour requirement once called upon. CAISO's reliability demand response resources have an obligation to reach their maximum curtailment within 40 minutes of dispatch instructions.

The RTO also announced this week it would not use the MISO Communications System to evaluate data for accreditations. Stakeholders often criticize the nonpublic site as outdated and difficult to use to update LMR availability.

Nevertheless, stakeholders have said the proposal seems designed to punish LMRs.

Customized Energy Solutions' Ted Kuhn said he anticipated that the new LMR accreditation could cut capacity supply by as much as 6 GW.

"This is a 'yank the rug out, blow out the back



Davey Lopez, MISO | © RTO Insider

door, and then cover the back with a tarp and hope everything is OK' kind of approach," Kuhn said.

Capacity Deliverability

MISO is also working on a proposal to allocate capacity credits to resources based on their deliverability relative to ICAP levels.

The RTO said it won't require that planning resources procure full transmission service up to their ICAP levels; however, resources that are only partially deliverable won't receive full capacity credits. The RTO said it's fine if conventional generators opt not to purchase additional transmission service and settle for fewer zonal resource credits.

MISO also plans to file the new condition for full capacity accreditation with FERC in late April.

By December, MISO will work up unforced capacity values for the 2021/22 PRA. By April 2021, it will run the PRA using its new deliverable ICAP policy.

MISO has already said it plans to model intermittent resources using actual historical market injection values, which will reduce some units' UCAP values and stand to reduce capacity credits. The RTO first developed a possible solution only for its intermittent resources, citing increasing wind curtailments in the footprint. (See "MISO Pushes Back

Deliverability Requirements," [MISO RASC Briefs: Oct. 9, 2019](#).)

MISO Manager of Capacity Market Administration Eric Thoms said Iowa stands to be the most affected by the new deliverability requirement simply because the state contains a lot of wind generation.

The Independent Market Monitor has said that the RTO doesn't properly account for capacity deliverability because its loss-of-load expectation study assumes all capacity resources are fully deliverable on an ICAP basis. However, the RTO allows resources to demonstrate deliverability only up to UCAP levels, which tend to be about 5 to 10% below full ICAP levels. The Monitor has said MISO should ensure all capacity resources are fully deliverable based on their ICAP.

MISO Preps 2020/21 PRA

At the same RASC meeting, MISO reported that estimated values for the 2020/21 PRA have remained consistent, sticking with an almost 122-GW coincident peak forecast and a nearly 136-GW planning reserve margin requirement. (See [Little Change in MISO 2020/21 PRA Assumptions](#).)

MISO will update preliminary PRA data a final time March 19. The PRA will be conducted April 1 to 14, with the RTO posting prices April 14 and conducting a stakeholder conference call April 15. ■

MISO News

MISO Market Subcommittee Briefs

IMM Mitigation Expansion Still Under Consideration

CARMEL, Ind. — MISO might revise and refile a failed proposal designed to set penalties for non-capacity resources that exercise market power through physical withholding.

FERC recently rejected MISO's bid to expand its Independent Market Monitor's physical withholding mitigation to include non-capacity resources. The commission said the proposal was too vague and could effectively subject non-capacity resources to a must-offer rule. (See *FERC Rejects MISO Expansion of Market Mitigation*.)

"We've reached out to the IMM to get their view of things," Executive Director of Market Operations Shawn McFarlane said at the Market Subcommittee's meeting Thursday. "It seemed like FERC was colloquially 'not on board.'"

McFarlane said the commission thought the proposal placed too much burden on generators to prove when their operations would be uneconomic. "We'd have to address that issue before a refile," he said.

Dustin Grethen, MISO market design adviser, said the RTO has observed congestion and binding constraints that could be relieved by non-capacity resources.

MISO will continue to monitor those instances over the upcoming months while it considers the possibility of a future proposal, Grethen said.

MISO counsel Daniel Malabonga characterized the filing's aims as "uphill in the first place." He said the RTO will have to find new "middle ground" should it choose to refile.

Potential Dollar Limit on Some Resettlements

MISO's settlements team is considering subjecting the issuance of certain market resettlements to a dollar value minimum.

Director of Settlements Laura Rauch said the costs of accounting for resettlements as a result of a continuing error (defined as a long-running error that's not easily discovered) can exceed the cost of the resettlements themselves. For instance, she said a \$5,000 resettlement can be entirely eaten up by the "accounting costs of tracking the resettlement charges for all other impacted parties."



Michael Robinson, MISO | © RTO Insider

After performing corrective resettlements, MISO has redistributed amounts to impacted market participants ranging from \$20 to \$1 million, with a median of less than \$50,000. In some cases, MISO collects the resettlement amounts from redistribution from up to 220 market participants.

Rauch said the dollar minimum would not apply to most of MISO's settlement adjustments — which are resolved quickly with corrections settlement statements — or to stakeholder disputes over settlements submitted within the 120-day deadline from the trade date. MISO will also continue to pursue FERC-required resettlements, she said.

Rauch asked stakeholders to suggest a reasonable dollar threshold for resettlements resulting from continuing errors. She said she would likely return to the subcommittee for its April meeting with a proposal.

Spinning Reserves May Get Embedded Deployment Cost Recovery

MISO may give its spinning reserves a simpler means of recouping costs for providing energy, stakeholders heard at the meeting.

The current clearing process for selecting spin service resources doesn't incorporate costs the resources incur when deployed as contingency reserves, including the shutdown costs for demand response participants. Resources cleared and deployed for spin service "may have real deployment costs that are not recovered under MISO's current Tariff provisions," the RTO said.

MISO adviser Michael Robinson said the

current selection process is "inefficient, creating uplifts and distorting price signals." The RTO could include expected deployment costs when it selects spinning reserves, he told stakeholders.

Spinning reserves are resources that remain online and synched to the grid, meant to be available within 10 minutes. MISO has not included energy deployment costs for spinning reserves since it began its ancillary services market in 2009. Spinning reserves committed by MISO are guaranteed to be made whole to their production costs; however, assets committed outside of the RTO's market don't have the same make-whole guarantee.

"In some cases, we make the units whole through uplift, and that's not good. In other cases, we don't make the resources whole, and that's not good from the owner's perspective. ... We'd like to sort this out and get all that embedded in a market price," Robinson said.

He said the gap hasn't been burdensome so far but could become an issue as more varied types resources offer spinning reserves.

Customized Energy Solutions' Ted Kuhn said MISO may not currently be selecting the best prices in spin service because it cannot see which assets have high deployment costs. Robinson agreed and said higher deployment costs have become more prevalent in recent years.

MISO stakeholders are requested to provide their opinions on the best means of embedding production costs. The topic will be taken up again at next month's MSC. ■

— Amanda Durish Cook

PJM News



Dominion: FERC MOPR Rulings Inconsistent on Self-supply

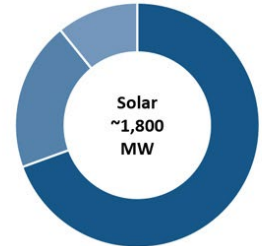
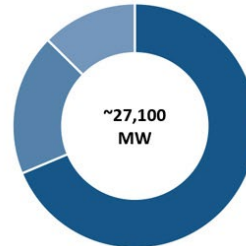
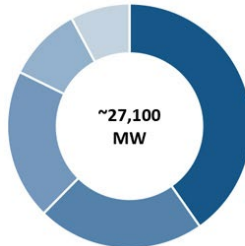
By Rich Heidom Jr.

Dominion Energy asked FERC on Friday to reconsider its conclusion that self-supply resources suppress PJM capacity prices, contending the commission's position is inconsistent with an exemption it granted similar resources in NYISO.

Dominion asked to *supplement* its Jan. 21 request for rehearing of the commission's December order requiring PJM to apply the minimum offer price rule (MOPR) to all state-subsidized resources (EL16-49, EL18-178). (See *PJM MOPR Rehearing Requests Pour into FERC.*)

PJM had asked FERC to approve its previous exemption for self-supply resources owned by public power entities (cooperative or municipal utilities), vertically integrated utilities subject to traditional bundled rate regulation and load-serving entities that serve retail customers. In 2013, the commission ruled that "a self-supply LSE that owns or contracts for a large proportion of the capacity needed to meet its load has no reason to finance uneconomic entry given that such a strategy would not be profitable." (See *Is Self-supply Suppressing Prices?*)

But FERC's Dec. 19 order found that self-supply resources were subsidized because the energy and capacity they produce are purchased through state-directed procurements.



Total by fuel	
Natural gas	40%
Nuclear	22%
Coal	20%
Biomass, Hydro, Solar, Wind	10%
Petroleum	8%

Total by segment	
DE Virginia	69%
DE South Carolina	19%
Contracted Gen	12%

Solar portfolio	
Contracted Gen	69%
DE VA – PPA	20%
DE VA – Rate base	11%

Note: Excludes Bath County and Fairfield pumped storage and third party PPAs and NUGs

Dominion Energy owns 27,100 MW of generation | © RTO Insider

Dominion said in its rehearing request that the commission failed to justify making self-supply capacity subject to MOPR and ignored evidence that self-supply does not suppress prices.

In the Feb. 20 NYISO order, however, the commission accepted a self-supply exemption proposed by NYISO on terms similar to PJM's proposal, Dominion said (EL16-92, ER17-996). (See *FERC Narrows NYISO Mitigation Exemptions.*)

"In the 2020 NYISO order, the commission accepted in part, subject to condition, the

NYISO's proposed self-supply exemption, the NYISO's proposed net short and net long threshold criteria for the self-supply exemption, and generally all other aspects of the NYISO's proposed self-supply exemption. ... Yet, the commission made no effort to distinguish between its findings regarding the NYISO's proposal and its nearly opposite findings in this proceeding made just two months prior," Dominion said.

"If the NYISO's proposal is adequate and the commission continues to find that self-supply entities do not possess the incentive to artificially suppress pricing in the NYISO market, the commission should likewise find that, with well defined guardrails, self-supply entities in PJM also continue to lack the incentive to artificially suppress prices in PJM capacity markets. Moreover, the commission should permit the self-supply exemption in substantially the same form originally proposed by PJM in this case," Dominion said. "The commission is obligated to provide its reasoning when departing from existing policy or precedent."

A Dominion official told an energy conference last week that growing vertically integrated utilities such as Dominion may need to leave the capacity market if the ruling is not changed. (See related story, "A Maryland Capacity Auction? Dominion Going FRR?" *Overheard at ACORE Policy Forum 2020.*)

Dominion Energy Virginia, which owns 27,100 MW of generation, is planning to build 2.6 GW of wind generation off the coast of Virginia and is about halfway through a plan to add 3,000 MW of solar generation. ■



Dominion's 1,661-MW Possum Point Power Station in Dumfries, Va., can burn natural gas and oil. | © RTO Insider

SPP News



SPP Briefs

Steering Committee on Storage Resources Begins Work

An SPP committee charged with coordinating the RTO's policy development and recommendations to integrate electric storage resources (ESRs) took its first steps last week with a conference call.

During the call, Chair Holly Carias of NextEra Energy Resources reminded the [Electric Storage Resource Steering Committee's](#) (ESRSC) members that they are not to decide policies, but to "ensure the appropriate working groups are assigned the right recommendations." She said the committee would be responsible for providing guidance, resolving conflicts and monitoring the working groups' progress.

The committee discussed 17 of the 32 issues in front of it — divided into technical, cost allocation and "other" — before running out of time. The ESRSC will regroup [March 13](#) to finish the task.

The committee's creation sprang out of a Strategic Planning Committee discussion in January and was spurred on by FERC's Order 841,

which directed RTOs and ISOs to revise their tariffs to give ESRs full access to their markets. (See [SPP Planning Approach to Battery Storage](#).)

It is composed of the chairs of the Markets and Operations Policy Committee (Carias) and several working groups, including Economic Studies (ITC Holdings' Alan Myers), Market (American Electric Power's Richard Ross), Operating Reliability (Evergy's Allen Klassen), Regional Tariff (Nebraska Public Power District's Robert Pick), Supply Adequacy (Golden Spread Electric Cooperative's Natasha Henderson) and Transmission (Midwest Energy's Nathan McNeil).

The Nebraska Power Review Board's John Krajewski, chair of the Cost Allocation Working Group, will serve on the ESRSC as a liaison member for the Regional State Committee.

The ESRSC reports to the MOPC but will also report progress to the SPC. The committee has set a tentative timeline of January 2021.

Wanted: Industry Experts to Review Order 1000 Projects

SPP is accepting applications through March

15 for the latest pool of industry experts that might be chosen to serve on an independent panel reviewing the RTO's competitive transmission construction proposals in 2020.

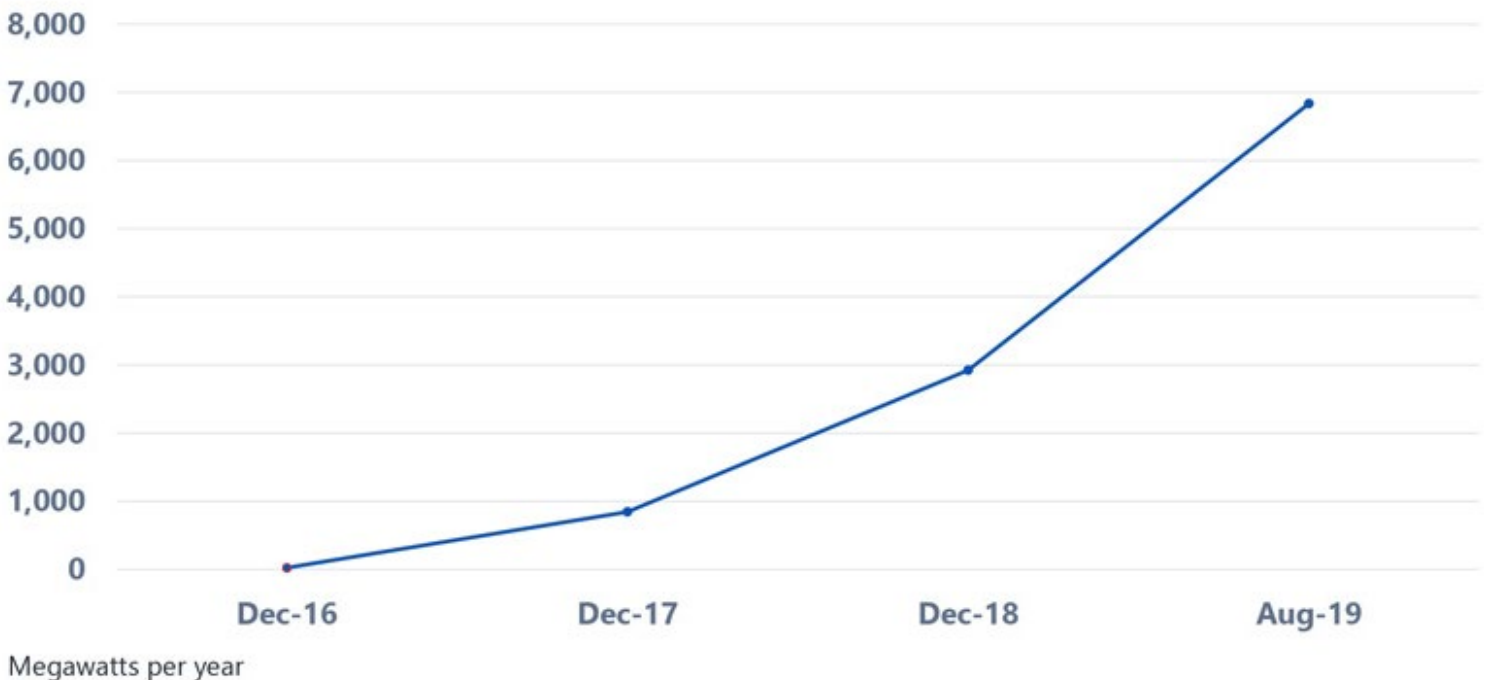
The Oversight Committee will recommend the pool members, with the Board of Directors voting on their approval later this year.

SPP creates this pool of individuals each year in response to FERC Order 1000. The panel of industry experts will review, rank and score proposals for [competitive transmission projects](#) approved for construction.

SPP's recently approved [Transmission Expansion Plan](#) includes two 345-kV projects that will be competitively bid: a \$77 million, 60-mile line near Tulsa, Okla.; and a \$152 million, 105-mile line and terminal equipment in Kansas and Missouri.

A similar panel in 2016 approved SPP's only competitive project so far. However, that project was later canceled because of a drop in load projections. (See [SPP Cancels First Competitive Tx Project, Citing Falling Demand Projections](#).) ■

— Tom Kleckner



SPP's accelerating energy storage growth | SPP

Company Briefs

Ameren Missouri Files \$7.6B 'Smart Energy Plan'



Ameren Missouri last week filed a \$7.6 billion grid modernization "Smart Energy

Plan" with the Missouri Public Service Commission that would include smart meters for its nearly 1.3 million customers by 2025, add nearly 700 MW of wind power and increase solar and battery storage systems to boost rural reliability.

Most of the spending (\$5.3 billion) would go toward replacing aging poles and wires, undergrounding high-priority circuits, and other infrastructure improvements. The plan also includes \$1 billion for wind power, which the company outlined in 2017 when it said it wanted to acquire 700 MW of wind by the end of 2020.

More: [GreenTech Media](#)

ATC Names New Director of Corporate Strategy



American Transmission Co. has named Tom Dagenais

its new director of corporate strategy.

In the newly created position, Dagenais will lead the group responsible for developing and scaling innovative ideas, business mod-

els and new technologies to connect ATC's customers and stakeholders to a sustainable energy future.

More: [American Transmission Co.](#)

Blackstone Buys Canadian Battery Storage Firm



Blackstone last week finalized the purchase of Canadian

battery storage solutions provider NRStor C&I, which has assets with a total capacity exceeding 200 MWh.

Blackstone said it acquired the business through funds managed by its energy-focused private equity unit Blackstone Energy Partners but did not disclose terms or the value of the deal. The portfolio includes operational, in-construction and contracted energy storage projects.

More: [Renewables Now](#)

GridLiance Acquires Electric Tx Assets from Electric Energy Inc.

GridLiance last week announced its subsidiary, GridLiance Heartland, acquired six 161-kV transmission lines that cross the Ohio River and related substation infrastructure interconnected to the Joppa Generating Station in Illinois from Electric Energy Inc. (EEI).

No financial details of the deal were disclosed.

More: [GridLiance](#)

Murray Energy to Close Macoupin County Coal Mine

Murray Energy, the bankrupt owner of coal company Foresight Energy, has signaled plans to shut down its Shay No. 1 Mine complex in the first quarter of 2020 because of an inability to operate profitably and issues with coal quality.

Murray recently disclosed new documents from its ongoing Chapter 11 bankruptcy case that showed the plans to close the mine near Carlinville, Ill.

More: [St. Louis Post-Dispatch](#)

Ørsted US Offshore Wind Announces New President & COO



Ørsted last week announced David Hardy as its new president

and COO for North America. Hardy will oversee the company's end-to-end asset portfolio from development to operation.

Hardy comes to the company from Senvion, a global manufacturer of onshore and offshore wind turbines, where he served as executive director and chief sales officer.

More: [reNEWS](#)

Federal Briefs

Lawmakers Object to Trump's Proposal to Sell TVA Assets



In a letter to President Trump released last week, Tennessee's two U.S. senators and eight of its House members said they are in "strong opposition"

to the White House budget proposal that calls for the Tennessee Valley Authority to sell its transmission assets to help pay down the debt of the utility and the federal government.

The letter praised TVA for helping create or retain nearly 500,000 jobs and encourage more than \$55 billion of new capital investment in its region since 2013. The sale of TVA's 16,000 miles of transmission lines

would still be far less than the outright sale of the utility proposed by former President Barack Obama. That plan also was rejected by Congress.

"Proposals to sell TVA's assets undermine the utility's credit, threaten to raise interest rates on the agency's debt and discourage investment, which is harmful to the 9 million ratepayers that we represent," the lawmakers wrote.

More: [Chattanooga Times Free Press](#)

Renewables Generated More Electricity than Coal in Feb.

According to the Energy Information Administration, renewable energy generated more electricity than coal plants this February, with renewables generating 56,981,597



MWh to coal's 54,733,731 MWh.

Increasingly low-cost renewable resources will continue to eat into coal's share of the electricity market. According to the American Wind Energy Association (AWEA), 9,134 MW of new wind capacity came online in 2019, more than half of which came online in the fourth quarter. AWEA estimates 44 GW of new capacity is in development.

More: [IEEFA](#)

State Briefs

ILLINOIS

Ameren Illinois Announces Renewable Energy Plan

Ameren Illinois last week announced its Downstate Clean Energy Affordability Act, which is focused on its service area and designed to move the state toward 100% clean energy by 2050.

Ameren plans to invest in local renewable energy development, transportation electrification and battery storage while also targeting renewable energy projects in rural and underserved communities. The company developed the plan to address concerns the state is not making sufficient progress toward eliminating carbon-based energy sources.

More: [The Telegraph](#)

Pritzker Recruits Doug Scott for Help on Energy Bill



Gov. **J.B. Pritzker** and his office last week announced they have hired Doug Scott, former Commerce Commission chairman, as a consultant to help craft legislation that would put the state on a path toward

100% clean energy.

As chair, Scott led then-Gov. Pat Quinn's unsuccessful effort to kill Commonwealth Edison's smart grid bill in 2011, which permits the utility to raise rates via an annual formula and gives regulators little say.

"I look forward to using my experience to offer subject matter guidance as the Pritzker administration addresses climate change and embraces a clean energy future," Scott said.

More: [Crain's Chicago Business](#)

MAINE

CMP Power Line Opponents Have Enough Signatures for Referendum

State officials last week confirmed that opponents of Central Maine Power's proposed \$1 billion New England Clean Energy Connect transmission corridor have gathered enough valid signatures for a ballot measure to stop the project.

The secretary of state's office said the back-

ers of the measure gathered 69,714 valid signatures, more than the 63,067 required for the referendum question to move forward. The signatures will now be scrutinized by a pro-corridor committee for 10 days to see if there is any reason to challenge the secretary's finding.

The referendum, if backed by voters in November, would order the Public Utilities Commission to reverse its May finding that the 145-mile line, stretching from the Quebec border to Lewiston, is in the best interest of the state. However, legal experts said the proposal to force the reversal is unprecedented and would challenge the independence of the PUC, probably prompting a legal battle.

More: [Portland Press Herald](#)

MASSACHUSETTS

Workers at Mystic Power Plant Go on Strike



Dozens of employees at Boston's Mystic Generating Station started their strike Saturday over public safety issues and working conditions, according to the Utility Workers Union of America Local 369.

The union claims Exelon, which owns the 2,000-MW station, has repeatedly cut corners and deferred important maintenance upgrades that jeopardize the retention of employees.

Exelon said "experienced and state-licensed personnel with extensive plant knowledge from across the region are safely operating and maintaining the facility during the work stoppage" while it negotiates with the union.

More: [The Associated Press](#)

NEBRASKA

NPPD Celebrates 50 years as Solar Project Goes Online

As part of Nebraska Public Power District's (NPPD) 50th anniversary celebration last week, Scottsbluff officials and utility repre-

sentatives held a ribbon-cutting ceremony for the community's new solar energy facility.

The project is expected to provide between \$2 million to \$2.5 million in energy cost savings for the city over the 25-year agreement. No other details were released.

More: [Scottsbluff Star-Herald](#)

NEW HAMPSHIRE

Senate Overrides Sununu's Net Metering Veto



The Senate last week voted 17-7 to override Gov. **Chris Sununu's** veto of a bill to expand the net metering from 1 to 5 MW. It next goes to the House of Representatives where it will also need a two-thirds

majority to override the veto.

The bill was amended in the House to make a concession to the governor's concerns, increasing from 20 to 50% of the amount of electricity that would stay in a municipal or business array rather than being sold to companies.

Sununu had argued the bill will cost ratepayers millions of dollars.

More: [InDepthNH.org](#)

NEW MEXICO

Gov. Signs Solar Tax Credit, Clean Energy Bills into Law



Gov. **Michelle Lujan Grisham** last week signed a slate of bills into law aimed at expanding renewable energy and modernizing the state's electricity infrastructure.

The bills Grisham signed included SB 29, which reinstates the solar tax credit that expired in 2016; HB 50, which makes transmission line projects eligible for Industrial Revenue Bonds issued by counties and municipalities; and HB 233, which directs the Energy, Minerals and Natural Resources Department to develop a strategic roadmap for updating the electric grid.

More: [New Mexico Political Report](#)

NEW YORK

Albany Council Passes Law Creating Energy Choice Program

The Albany Common Council last week voted 8-1 to approve a new law that will automatically enroll city residents in a community choice aggregation program that will allow local governments to negotiate prices from alternative energy sources through the Municipal Electric and Gas Alliance, though the electricity and billing would still run through National Grid.

Under the law, a newly created board would issue a request for proposals to service companies to submit bids. The winning bid and contract would be approved by the board and would lock in the rate for about two years.

The law will not affect residents who rely on the Home Energy Assistance Program or those who have contracts with energy service companies. Furthermore, homeowners and small businesses can choose to opt out of the program if they wish, while residents can opt out at any time with no penalty. The city can also back out later if it doesn't believe it is getting a fair deal.

More: [Times-Union](#)

NORTH CAROLINA

Duke Energy Asks for Rate Hike



Duke Energy Carolinas last week asked the Utilities Commission to

approve a \$445 million/year (6%) rate increase for Charlotte-area customers to pay for the accelerated shutdown of coal-fired power plants, grid improvements and storm damage repairs. It would also bill customers \$480 million over five years for coal ash cleanups at seven sites.

The commission's Public Staff, an independent agency that represents consumers, opposes both the rate increase and the request to bill customers to clean up coal ash and said shareholders and customers should split the costs. It also recommended the commission grant a revenue increase of only \$66 million because it thinks Duke's profits margin should be smaller than what the utility wants. Duke claims customers should pay the ash costs because they were incurred to comply with environmental laws.

The commission will start hearing evidence in the case on March 23, with a decision likely coming months later.

More: [The Charlotte Observer](#)

OHIO

Dark Money Dominated Nuclear Subsidy Saga

Filings made public last week show FirstEnergy's generation subsidiary, FirstEnergy Solutions (now Energy Harbor), paid nearly \$2 million to Generation Now, a special interest group that orchestrated ads, political donations and other efforts behind the state's nuclear and coal bailout bill.

As FES' bankruptcy case wrapped up in February, a filing posted to the company's investor relations page shows a wire payment of \$1,859,457 from the company to Generation Now on July 5, 2019. The documented spending by FirstEnergy is just part of the total spent since 2018. The figure could be as high as \$15 million, said Gene Pierce, a spokesperson for Ohioans Against Corporate Bailouts.

House Bill 6 gutted the state's renewable energy and energy efficiency standards while making ratepayers pay nearly \$1 billion in subsidies for nuclear power plants, plus an additional amount for aging coal plants.

More: [Energy News Network](#)

OKLAHOMA

Wind Energy Closing the Gap on Natural Gas



Oklahoma Power Alliance representatives last week announced that a record 40.2% of all the state's generated energy in 2019 was powered by renewable technology, most of which was wind energy. Wind was surpassed only by natural gas, which generated 46.3%.

Alliance data also showed the state ranked second in the U.S. in 2019 for energy its wind farms generated and third for wind capacity installed. It estimated more than \$20 billion has been invested in renewable projects.

More: [The Oklahoman](#)

SOUTH CAROLINA

House Wants Better Deal from NextEra if it Decides to Sell Santee Cooper



House lawmakers tasked with recommending whether to sell Santee Cooper,

hire a manager to run it or allow it to reform itself voted to pursue a better deal with NextEra Energy last week while also pushing reforms to the company's governance in case a sale ultimately falls through.

NextEra's Michele Wheeler, who would oversee Santee Cooper if a sale went through, said the company is willing to negotiate. While those negotiations go on, legislative leaders want to put in their own reforms for Santee Cooper, including replacing the entire board and current management.

House Speaker Jay Lucas penned an op-ed in which he called for reforming Santee Cooper while negotiating better terms from NextEra for a sale. However, Senate President Harvey Peeler thinks the speaker's op-ed is a potential game changer, saying, "We had three options: sale, manage or reform. I don't think it said 'reform then sale.' How are you going to reform Santee Cooper? And then sell it?"

More: [The State](#)

VIRGINIA

Senate Committee Kills Dominion Rate Review Bill

The Senate Commerce and Labor Committee voted 8-7 last week to table indefinitely a bipartisan bill that would have subjected Dominion Energy to a review of whether its electricity rates are too high. The State Corporation Commission has estimated that Dominion has overcharged consumers by \$3.4 billion over the last 25 years.

The bill had passed the full House of Delegates with the bill's sponsors arguing that past General Assembly actions froze the utility's base rates and prevented regulators from ordering customer refunds for overcharges. However, Dominion argued that changing oversight would be dangerous considering the state is attempting to shift toward renewable energy and the company will need to make large investments in wind and solar facilities.

More: [The Washington Post](#)

State Passes Law to Mandate Clean Energy Despite Cost Questions



The General Assembly last week passed the Virginia Clean

Economy Act, which would require the biggest utilities to deliver electricity from 100% renewable sources by 2045, set a timeline for closing old fossil-fuel plants and mandate gains in energy efficiency. It is now headed to Gov. Ralph Northam, who is expected to sign the bill.

“The governor is thrilled to see transformative clean energy legislation pass the General Assembly,” Northam spokeswoman Alena Yarmosky said.

Dominion Energy also helped shape the legislation, which would let the State Corporation Commission determine how the utility writes down the cost of closing old generating plants. The legislation does contain protections for consumers that

mandate efficiency improvements to reduce energy usage. It also gives the SCC a chance to review projects along the way.

More: [The Washington Post](#)

WISCONSIN

Milwaukee City Officials Announce Largest Solar Energy System

Milwaukee city officials last week announced plans to partner with We Energies to build the largest solar energy system in the city's history, encompassing 8 acres near General Mitchell International Airport.

The project calls for 7,000 panels that will generate 2.25 MW. It will be placed on a closed city landfill next to the 128th Air Refueling Wing of the Wisconsin Air National Guard, and will also be used to support the unit in emergencies.

We Energies will build and maintain the system. Construction is slated to begin this summer and finish by the end of 2020.

More: [Wisconsin Public Radio](#)

WYOMING

Rocky Mountain Power Asks for Residential Rate Increase

Rocky Mountain Power last week said it is seeking approval from the Public Service Commission for a residential rate increase of 4.7% while providing a 0.8% cut for industrial customers. If approved, the increase would take effect on Jan. 1, 2021.

The revenue will cover the implementation of the company's "Vision 2020" renewable energy initiative, as well as the refurbishment of wind turbines at the Foote Creek Wind Farm. Other items to be paid for include the conversion of a coal-fired plant near Kemmerer to burn natural gas and the installation of catalytic reduction equipment on power generating units.

More: [Cowboy State Daily](#)

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