RTO Insider

Your Eyes and Ears on the Organized Electric Markets

CAISO ▪ ERCOT ▪ ISO-NE ▪ MISO ▪ NYISO ▪ PJM ▪ SPP

ISSN 2377-8016 : Volume 2020/Issue 17 | April 28, 2020

‘NextGrid’ Goes off the Rails

ICC Disavows Study; Ex-Chair Gave ComEd, Ameren Veto Power

By Rich Heidorn Jr.

The Illinois Commerce Commission’s “NextGrid: Illinois’ Utility of the Future” study, which began with grand hopes three years ago, ended with barely a whimper Friday.

Then-FERC Commissioner Robert Powelson at the NextGrid kickoff in September 2017 | *Commonwealth Edison*

“A lot of eyes are on Illinois as an early adopter,” then-FERC Commissioner Robert Powelson told an audience of more than 400 stakeholders at the NextGrid kickoff event at the University of Illinois at Chicago’s Dorin Forum in September 2017.

Then-ICC Chair Brien Sheahan at the NextGrid kickoff | *Commonwealth Edison*

“This is really a terrific opportunity for the ICC and the state of Illinois to lead the nation in terms of the thinking around what the grid is going to look like in the next 10 to 15 years,” said then-ICC Chair Brien Sheahan.

But Sheahan lost his chairmanship and then saw his term expire before his legacy project

Continued on page 26

Stakeholders Appeal Expansion of PJM MOPR

By Michael Yoder

The battle over FERC’s order expanding PJM’s minimum offer price rule (MOPR) moved to the federal courts last week as environmental groups, electric cooperatives and state regulators filed petitions for appellate review.

The filings were set in motion by the commission’s April 16 orders denying rehearing of its June 2018 order that declared PJM’s capacity market unjust and unreasonable (*EL16-49-001*, *et al.*) and most of its December 2019 ruling, which directed the RTO to expand the MOPR to all new state-subsidized resources (*EL16-49-002*, *et al.*).

Four environmental groups — the Natural

Continued on page 25

COVID-19 RESPONSE

COVID-19: ‘End Game’ for Fossil Fuels?

California Energy Commission Hosts Webinar to Help Clean Energy Industry

By Hudson Sangree

| *Proterra*

FERC’s controversial ruling on the PJM capacity market, the troubles of the petroleum industry and ways to continue manufacturing electric buses were topics of a webinar hosted by the California Energy Commission on April 21 called “Weathering the COVID Crisis.”

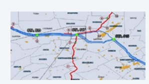
The CEC, which dispenses hundreds of millions of dollars in grants for clean energy innovation, brought together leaders in electric vehicles, rooftop solar and utility-scale solar to talk about how they were coping with the effects of the pandemic.

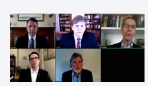
Vice Chair Janea Scott, who heads the commission’s research-and-development programs, said it is taking care of critical business as usual even though most of its employees are working from home.

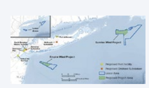
Continued on page 3

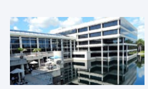
MORE COVERAGE

Also in this issue:









RTO Insider

CAISO ERCOT ISO-NE MISO NYISO PJM SPP

Editorial

Editor-in-Chief / Co-Publisher
Rich Heidorn Jr. 202-577-9221

Deputy Editor / Senior Correspondent
Robert Mullin 503-715-6901

Art Director
Mitchell Parizer 718-613-9388

Associate Editor / D.C. Correspondent
Michael Brooks 301-922-7687

Associate Editor
Shawn McFarland 570-856-6738

CAISO/West Correspondent
Hudson Sangree 916-747-3595

ISO-NE/NYISO Correspondent
Michael Kuser 802-681-5581

MISO Correspondent
Amanda Durish Cook 810-288-1847

PJM Correspondent
Michael Yoder 717-344-4989

SPP/ERCOT Correspondent
Tom Kleckner 501-590-4077

NERC/ERO Correspondent
Holden Mann 205-370-7844

Subscriptions

Chief Operating Officer / Co-Publisher
Merry Eisner 240-401-7399

Sales Director
Marge Gold 240-750-9423

Account Executive
Kathy Henderson 301-928-1639

Marketing Director
Margo Thomas 480-694-9341

RTO Insider LLC
10837 Deborah Drive
Potomac, MD 20854
(301) 299-0375

2020 Annual Subscription Rates:

Plan	Price
Newsletter PDF Only	$1,450
Newsletter PDF Plus Web	$2,000

See additional details and our Subscriber Agreement at rtoinsider.com.

In this week's issue

COVID-19: 'End Game' for Fossil Fuels?

California Energy Commission Hosts Webinar to Help Clean Energy Industry

Continued from page 1

"We recognize the importance of continuing to invest in our clean energy entrepreneurs, and we are actively preparing to release new solicitations," Scott said. "In fact, in the R&D team, we anticipate releasing seven solicitations that would make about $150 million available over the next few months."

The CEC is also supporting its current grant recipients, she said.

"We recognize that people may not be able to get into a lab to do the testing," Scott said. "We recognize that folks aren't necessarily able to do wet signatures and things like that."

The commission is extending due dates and working with the State Legislature to make relief funds available, she said.

"Please know that the Energy Commission is a resource for you to reach out to anytime," she told the 350 people on the *webinar*, which was co-hosted by New Energy Nexus, a nonprofit that supports green-energy entrepreneurs.

Building Buses

Ryan Popple | Proterra

Ryan Popple, executive director of Proterra, the largest North American manufacturer of electric buses, described his company's efforts to fill orders while protecting workers.

Electric buses have been one of the fastest growth sectors for EVs and could be the first to fully electrify, Popple said. While airports and some cities have canceled orders, most cities "still want their electric buses," and the company has an 18-month order backlog to fill, he said.

"Cities are still thinking long-term about their zero-emission and electrify-everything strategies," Popple said.

The company has three factories in South Carolina and California. In each jurisdiction, he said, "we were informed that public transit vehicles are essential, and if we can keep building, we should."

The company has been enforcing physical distancing on the factory floor, providing coveralls and masks, and checking workers' temperatures before they enter the building, Popple said. He urged other businesses to strictly follow government policies.

"We don't have any practices that don't line up line-for-line with guidance from [states, the federal government and the U.N.'s World Health Organization]," he said. "We make sure we are 100% compliant and up to date with the science behind [the official policies]."

Popple said he doesn't think the world will go back to normal, at least until a vaccine or therapy lessens the threat from COVID-19, "but we've got to get back to work in the safest way possible."

He said he thinks the U.S. will adapt to COVID-19 the way other countries have dealt with malaria as a persistent threat — for instance, using face masks the way some countries use mosquito netting as a preventative measure.

"If we're going to get people paid and get the economy recovered, we're going to have to do that," he said.

End Game for Fossil Fuels?

Popple also talked about the current crisis in the oil industry, where futures prices fell below zero last week.

"We've got to take very seriously that the fossil fuel industry is backed into a corner right now. And my grandfather, who was an Illinois state trooper, told me, 'Don't ever back anybody into a corner, because the only way they can get out is through you.'"

Despite mounting evidence that vehicle pollution contributes to COVID-19 deaths, he said, the fossil fuel industry will try to roll back EV mandates in California and elsewhere.

"If you're faced with losing a multitrillion-dollar industry, you're going to take any shot you can get. ...

"I think we are seeing the end game for fossil fuels. We're seeing a preview of it," Popple said. "So, don't be surprised if a policy that was already implemented [and] positively affected your business [comes under attack]. You better be prepared to defend it."

Solar Survival

Lynn Jurich | Sunrun

Lynn Jurich, CEO of Sunrun, a major rooftop solar firm, gave a pep talk of sorts to the green energy industry.

She said she and her co-founders started Sunrun when they were students at Stanford in 2007 and racked up expenses fast, counting on millions of dollars in financing to bail them out.

> **"I think we are seeing the end game for fossil fuels. We're seeing a preview of it. So, don't be surprised if a policy that was already implemented [and] positively affected your business [comes under attack]. You better be prepared to defend it."**
>
> —Ryan Popple, Executive Director of Proterra

Then the recession hit in 2008, and the banks that the entrepreneurs thought they had deals with backed out — all except one.

That one bank loaned them the $40 million they needed, and they were able to get a jump on the competition during the downturn, Jurich said.

"Sometimes these crises can be a benefit for entrepreneurs and people who can get through to the other side," she said. "In many ways, that gave us a head start because we were able to weather this really tough period. So, from a business standpoint, it was harder for other new entrants to raise capital and copy [our] model. We got a little bit lucky."

Jurich said the recession that began in 2008 taught Sunrun to make sure it had plenty of cash on hand and to maintain good relationships with lenders.

"We're like Depression babies," she said. "We've been conservative about planning for a rainy day."

In the current situation, Jurich said, "I'm really optimistic we're going to come out of this as a stronger industry."

Rooftop solar is too expensive and permitting too difficult, she said. Firms should use the coronavirus crisis as a way to spur innovation and accelerate cost reductions.

"Consumers want this product more than ever," Jurich said. "They feel let down by institutions in many ways and want to take matters into their own hands."

The rooftop solar industry relies on face-to-face sales but needs to turn to e-commerce and become more efficient, she said.

"I think this crisis is going to accelerate this industry by one or two years," she said.

Jurich said she wasn't denying the difficulty of these times, but "I'm really optimistic that it's going to force a lot of the discipline that we need to really put the solar and batteries on all infrastructure and decarbonize the energy business quickly. Time is essential, as we all know."

'Under Direct Attack'

Dan Shugar, founder and CEO of NEXTracker, is a veteran of the utility-scale solar industry, the biggest driver of California's growth in renewable power.


Dan Shugar | NEXTracker

The CEC has been a leader in promoting clean energy, "in stark contrast to what's happening on the federal side," Shugar said. "Every one of the companies on this call is under direct attack from the Trump administration, and so we have to respond."

The administration's new tariffs on solar panels and its attack on net metering, key to rooftop solar, are two examples, he said.

"FERC also had an extremely alarming ruling in the PJM regional transmission operator territory, which serves 65 million customers," Shugar said, referring to the commission's order applying the minimum offer price rule to all new state-subsidized resources. "It impacts $10 billion of economic value that's traded for capacity in the Northeast. Essentially what they're doing is subsidizing coal and nuclear at the expense of renewables." (See related story, *Stakeholders Appeal Expansion of PJM MOPR*.)

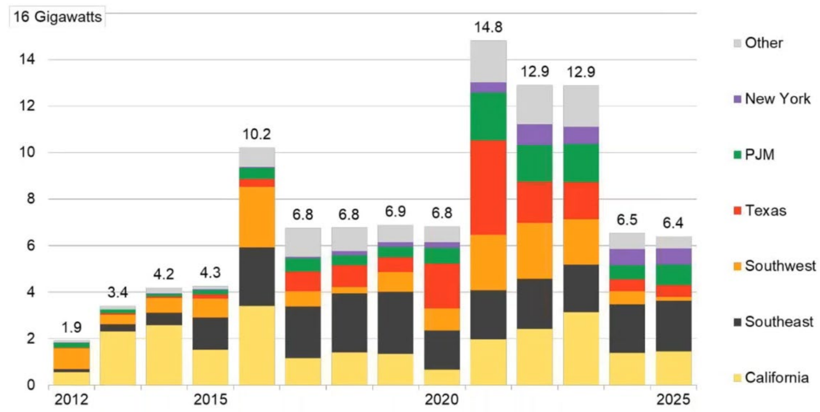
The motivation isn't to save consumers' money, he said. Wind, solar and EVs have created more than 2 million jobs. Power from wind and solar now costs significantly less than natural gas, coal or nuclear power, he said.

Shugar urged his colleagues to fight back.

"We have the opportunity to win at everything — create jobs, help the environment and create value for our economy," he said. "You must engage [politically] this year more than ever. It's really important because these policies … are really a first-order impact of massive overreach by the federal government to unravel these benefits that we've helped create." ■

Renewable Investors See Light at End of COVID Tunnel

By Michael Brooks



Annual U.S. utility-scale PV capacity additions | *BNEF*

Wind and solar energy resource developers are bracing for a tumultuous year, but investors last week expressed confidence that renewables were poised for a rebound when the U.S. economy recovers from the COVID-19 pandemic-induced downturn.

In a webcast hosted by the American Council on Renewable Energy on Wednesday, investors in renewable resources said that despite some short-term delays, most projects that were already under construction before the downturn are still on target for completion, as construction work has been deemed critical.

"We are starting to see delays in some places, primarily just due to shelter-in-place orders where people are not able to access sites and ... not able to get the attention of government officials to proceed through development milestones that require permitting," Generate Capital CEO Scott Jacobs said. But he said that even amid the pandemic, his firm has raised $300 million worth of equity and "closed on a significant amount of new project financing debt capital."

"So the money is flowing. ... There is a lot of appetite for these kind of resilient investment opportunities, and if we just changed the word 'sustainable' to 'resilient,' we might actually appeal to a wider pool of people."

George Strobel, co-CEO of Monarch Private Capital, said his company has not seen any of its projects experience supply chain disruptions because those that had 2020 target dates had started ordering supplies last year.

BloombergNEF Head of Americas Ethan Zindler began the webinar with an analysis of the pandemic's impact on renewable development this year. The company projects 22 GW in total renewable capacity additions in the U.S., down 20% from its estimate earlier this year, before the crisis began. (See *US Renewable Investment Hits Record $55.5B*.)

He noted the figure was much lower than the U.S. Energy Information Administration's projection of about 32.7 GW earlier this month, with wind and solar down 5% and 10%, respectively, from the agency's report last month. (See *EIA: Renewable Capacity to Grow in 2020*.)

Zindler also noted that "delays are not cancellations." For example, he projected utility-scale solar additions to decrease slightly this year, to 6.8 GW, but then skyrocket to 14.8 GW in 2021.

The panelists were asked by moderator Susan Mac Cormac, a partner with Morrison & Foerster, whether the crisis is making investing in renewables even more attractive.

Jacobs said many investors "are interested in the uncorrelated risk that these assets represent relative to the rest of their portfolio. And so, while that has been a pitch made by pitchmen for many years about renewable energy and infrastructure, it has also been proven true in recent years in these kinds of macroeconomic disruptions like we're seeing right now."

"I don't foresee a snapback to the way of thinking short-term and ignoring problems that seem too big to challenge," said Ed Rossier, vice president of renewable energy investments for U.S. Bank. "And on top of that, we're going to see a lot of data after this is over showing the inequitable impact on people in this country ... and it's going to be really hard to ignore that."

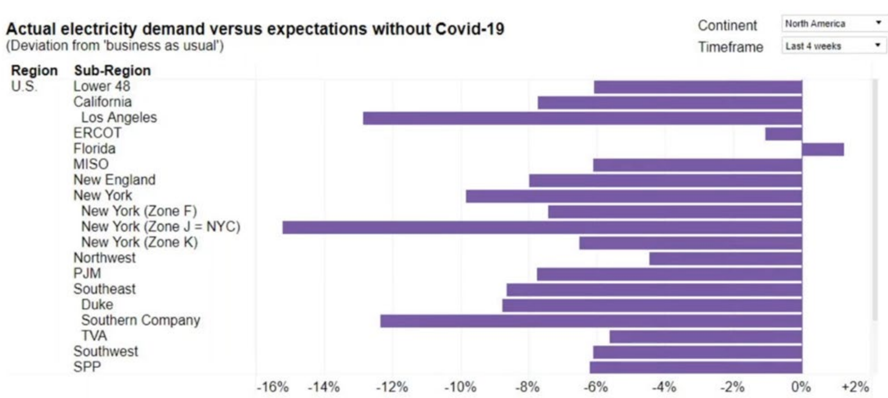
Zindler's determinations were based on the optimistic assumption that there is "substantial short-term disruption" in global economies over the next three months, before growth resumes in the fourth quarter. BloombergNEF, however, is developing analyses on more dire scenarios. The first assumes that major outbreaks occur in two to three waves over the next year, with economies restarting every few months only to shut down again, and global growth only picks back up in the second quarter of 2021.

Such a scenario, Strobel said, was his company's biggest worry.

"We're doing fine right now," Strobel said. "I think this is an event proving that a diversified business model makes sense." Along with renewable energy, Monarch invests in low-income housing and renovations of historic buildings, as well as in the federal tax credits for those types of projects. "Our worries are that ... things will get better this summer, but what if they get worse come October? That for us is our biggest concern.

"All of us [referring to the panel] are fine; we have cash in our checking accounts, and we have investment savings, but most of the people in this country don't have an investment portfolio, and they're running out of cash. So if we have a renewal of this crisis in the fall, that's going to be very catastrophic for our economy."

The second scenario being developed by BloombergNEF, however, would be far more catastrophic: Virus outbreaks continue until a vaccine is developed, which health experts have said will take at least a year and a half. ■



| *BNEF*

FERC/Federal News

DC Circuit Skeptical of FERC Tolling Orders

By Michael Brooks

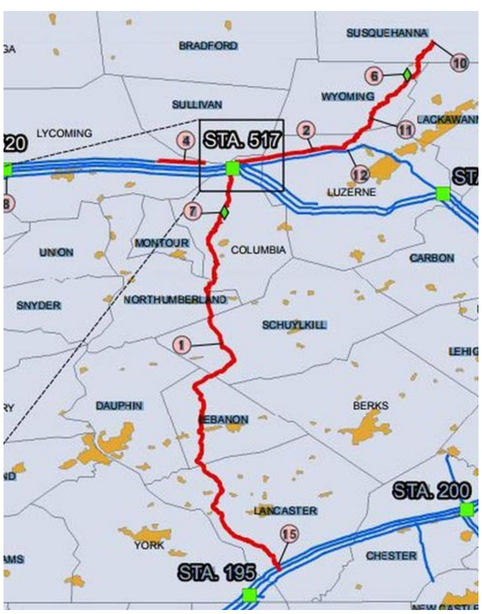
The full 11-member D.C. Circuit Court of Appeals spent three and a half hours Monday grilling attorneys in a case that could decide whether FERC is allowed to give itself deadline extensions for when it must decide whether to rehear its decisions.

If the court overturns its precedent of allowing FERC's use of so-called "tolling" orders — in which the commission grants a request for rehearing for the "limited purpose of further consideration" so that it is not automatically rejected — it could create a glut of litigation.

On the other hand, it might not have any real practical effect, as some judges seemed to indicate in their questioning.

Atlantic Sunrise

The case stems from FERC's 2017 approval of — and subsequent rehearing request rejection for — Williams Companies' Atlantic Sunrise project, an expansion of the company's existing Transcontinental Pipeline. The project's main component was a new 177-mile segment running from Susquehanna County in northern Pennsylvania to Lancaster County, near the state's border with Maryland. Williams began construction on the pipeline in September 2017 — three months before FERC rejected rehearing requests from landowners and environmental groups — and it entered service in October 2018 (*Allegheny Defense Project, et al. v. FERC*, 17-1098).



Pennsylvania portion of Williams' Atlantic Sunrise natural gas pipeline project, which began service late last year after winning FERC approval in February 2017 | *Williams*

Under Section 19a of the Natural Gas Act (15 U.S.C. § 717r(a)), "unless the commission acts upon [an] application for rehearing within 30 days after it is filed, such application may be deemed to have been denied. No proceeding to review any order of the commission shall be brought by any person unless such person shall have made application to the commission for a rehearing thereon."

Since 1969's *California Company v. Federal Power Commission*, the D.C. Circuit has judged that issuing a tolling order within the 30-day time frame meant that FERC had "acted upon" the request under the language of the statute, and that parties must wait until the commission's review of the request is actually complete before seeking relief from the court. Citing this precedent, a three-judge panel of the court in August 2019 rejected the plaintiffs' petition.

But in December, the full court agreed to rehear the case *en banc*. The plaintiffs had also argued that FERC had failed to consider the pipeline's downstream greenhouse gas emissions in an environmental impact statement or that its reliance on precedent agreements to indicate need was incorrect. But the court specified that it was only interested in the plaintiffs' argument that FERC's use of tolling orders had improperly delayed their ability to seek relief from the court, depriving them of due process. (See DC Circuit to Reconsider FERC Tolling Orders.)

The court's original March 31 date for oral arguments was delayed because of the COVID-19 pandemic. Instead of meeting at the E. Barrett Prettyman U.S. Courthouse, the court heard arguments by teleconference Monday, which was streamed live on YouTube.

An Issue of 'Finality'

Some of the judges at first seemed confused by what the plaintiffs were seeking. They asked attorney Siobhan Cole, of White and Williams LLP, whether she was arguing that the NGA's language meant FERC had to rule on the merits of the rehearing request within the 30-day deadline.

Not necessarily, Cole said. "The request for rehearing could be granted and then something else could follow to decide the merits of whether the underlying certificate order should actually be altered," she said. "But the key distinction there is that the finality of the underlying certificate order has to be stripped away as soon as rehearing is granted."

Some judges were skeptical that the rehearing process would be different even if they eliminated tolling orders. They wondered whether FERC could grant rehearing within 30 days but still take an indefinite amount of time working on the rehearing order itself.

Judge Merrick Garland said he was "happy to accept the idea that a tolling order, which is only granted for purposes of giving more time, is not envisioned by the statute," but he seemed skeptical of the idea that granting rehearing automatically "abrogates the underlying certificate."

Cole acknowledged that there was no such provision in the NGA, and even granted that, absent an order from the commission or the court to stay the project, the certificate would remain in force while the judicial process played out. But she said granting what Garland eventually termed an "honest" rehearing would allow parties to seek a stay in court while the commission worked on the merits of the request.

"If the commission is going to rehear its order, it cannot at the same time say that it is confident in the accuracy of the order such that construction and takings [of property using eminent domain] can move forward," Cole said.

Judge Judith Rogers expressed a similar sentiment as Garland. "I understand how you come out ahead for your client in the formulation that any grant of a petition by the commission destroys the finality of the underlying certificate." But she did not understand what her clients would gain absent that specific finding.

"It still gives them at least the opportunity for judicial review, and it leaves open the possibility that if the commission were acting under an error of judgment or otherwise incorrect ... the court could find fault with FERC's determination, or simply decide the question of irreparable harm," Cole responded.

ClearView Energy Partners said the arguments mean "that the D.C. Circuit might be prepared to consent to judicial review of the underlying order if FERC's 'action on rehearing' was only a tolling order. Then, to the extent the commission wanted more time, it could request it of the court, not indefinitely stop the clock until it chooses to act." ■

CAISO/West News

PG&E CEO Johnson Says He'll Step Down

Utility Trying to Leave Bankruptcy by his June 30 Retirement Date

By Hudson Sangree

PG&E Corp. CEO Bill Johnson announced Wednesday he would retire at the end of June, by which time the utility is hoping to exit bankruptcy.

The news came after most of the major obstacles to PG&E's Chapter 11 reorganization plan appeared to have fallen by the wayside. The only significant issue the utility faces now is how tens of thousands of wildfire victims will vote on its restructuring proposal.

"I joined PG&E to help get the company out of bankruptcy and stabilize operations. By the end of June, I expect that both of these goals will have been met," Johnson, 66, said in a news release. "As we look to PG&E's next chapter, this great company should be led by someone who has the time and career trajectory ahead of them to ensure that it fulfills its promise to reimagine itself as a new utility and deliver the safe and reliable service that its customers and communities expect and deserve."

The utility said Bill Smith, a retired AT&T executive and current PG&E board member, will serve as interim CEO after Johnson's departure and until a new chief executive is appointed.

Andrew Vesey, CEO of Pacific Gas and Electric, the primary utility subsidiary of PG&E, will continue in his role, PG&E said.

"Mr. Johnson's resignation … does not involve any disagreement on any matter relating to PG&E Corp.'s or the utility's operations, policies or practices," the company said in a filing Wednesday with the U.S. Securities and Exchange Commission.

Johnson's Tenure

Johnson, the former head of the Tennessee Valley Authority, joined PG&E on May 1, 2019, with a mandate to lead the company out of the bankruptcy it had entered 15 weeks before. He replaced former CEO Geisha Williams, who led the company during the worst of its fires and stepped down in January 2019.

Johnson served for six years as head of TVA, the federally owned electricity supplier in the Southeastern U.S. He was previously president of Progress Energy, which merged with Duke Energy in 2012. Johnson served as CEO of Duke for less than a day before leaving with a $44 million severance package, according to news reports at the time.

His compensation at PG&E has included a $2.5 million base salary, a one-time transition payment of $3 million and an annual equity award with a target of $3.5 million.

He also received performance-based stock options that could become valuable if PG&E's stock price increases to more than $25/share in the next four years, according to PG&E's 2019 proxy statement filed with the SEC. If PG&E stock were to return to its prior worth of roughly $47 to $70/share, he could make tens of millions of dollars by exercising his options.

PG&E also said Wednesday it would release its first-quarter earnings report on May 1 before the market opens and will host an earnings call with financial analysts.

The company's stock has been on a roller coaster since Johnson took the reins, based largely on news of how PG&E was faring in its fight to exit bankruptcy.

The stock fell as low as $5/share on Oct. 25, 2019, as a wildfire its equipment was suspected of starting burned through Sonoma County wine country, and the company instituted massive blackouts throughout Northern and Central California to prevent additional fires. Johnson bore the brunt of heavy criticism from the public and elected officials over the blackouts. (See *PG&E Stock Plummets amid Wildfires, Shutoffs*.)

PG&E stock rose to nearly $23/share last April, after California Gov. Gavin Newsom pitched a plan to insure PG&E and other utilities against wildfire liabilities going forward. PG&E is trying to exit bankruptcy by June 30 to participate in the $21 billion insurance fund under the terms of last year's Assembly Bill 1054. The program will be paid for equally by ratepayers and utilities.

PG&E's stock price stood at exactly $11/share at 4 p.m. ET Wednesday, having fallen precipitously since the COVID-19 pandemic-induced economic slowdown took hold in late March. The stock price has been buoyed in recent weeks by developments indicating PG&E is on track to leave bankruptcy by June 30.

Obstacles Falling

Newsom, who had been an outspoken critic of PG&E and repeatedly threatened a state takeover of the utility, withdrew his objections to PG&E's restructuring proposal, provided it wraps up its Chapter 11 proceedings by the end of June. PG&E and the governor signed an agreement in mid-March creating a streamlined process for the state to buy the utility if it doesn't leave bankruptcy by June 30. (See *PG&E Deal with Gov. Allows for Utility's Sale*.)

PG&E CEO Bill Johnson testifies before the U.S. House of Representatives' Committee on Energy and Commerce on Jan. 28

On April 20, the California Public Utilities Commission, which must approve PG&E's reorganization plan, suggested it would accept the plan with some adjustments. A proposed decision by an administrative law judge incorporates a program of enhanced oversight and enforcement for PG&E first proposed by CPUC President Marybel Batjer. PG&E has already agreed to most of Batjer's provisions.

On the same day, Commissioner Clifford Rechtschaffen contended the CPUC should raise its penalty against PG&E to nearly $2 billion — the largest fine the commission has ever levied — for its role in starting the catastrophic wildfires of 2017 and 2018.

The fires included the massively destructive North Bay — or wine country — wildfires of October 2017 and the Camp Fire, which killed 85 people and leveled much of the town of Paradise.

PG&E filed for bankruptcy in January 2019 in the aftermath of those fires.

Rechtschaffen's proposal would modify a prior settlement agreement between PG&E

CAISO/West News

and the CPUC's Safety Enforcement Division, effectively "increasing the penalty amount in the settlement by $262 million because of the strong evidence of pervasive violations and unprecedented harm, including loss of life, that resulted from the wildfires," the CPUC said in a news release.

The CPUC noted that PG&E agreed to plead guilty last month to 84 counts of involuntary manslaughter from the Camp Fire, the deadliest wildland blaze in state history. The utility reached an agreement with prosecutors to pay nearly $4 million in fines and costs related to the fire. (See *Judge: PG&E Can't Pay Criminal Fines from Victim Trust*.)

The commission will take up PG&E's reorganization plan and Rechtschaffen's proposed penalty at its May 21 voting meeting.

If the CPUC approves the plan, and PG&E accepts the increased fine, it would leave the federal bankruptcy court in San Francisco as the company's major remaining obstacle. U.S. Bankruptcy Judge Dennis Montali has said he's committed to meeting the June 30 deadline, but he has refused before to take steps against the wishes of wildfire victims.

Public safety power shutoffs were a major source of controversy for PG&E in 2019 during Johnson's tenure. | *PG&E*

Those victims — about 70,000 to 80,000 — are among the 250,000 creditors and interested parties who must vote on PG&E's bankruptcy plan by May 15.

Some victims have argued against the proposal. PG&E intends to fund a $13.5 billion trust for wildfire victims with half cash and half stock, and victims worry about the company's stock declining in value without no guarantee of its worth at the time of dispersal. They also argue the restructuring provides insufficient assurance that PG&E won't be a "killer company" in the future.

Whether those encouraging a "no" vote swayed their fellow victims remains to be seen. ■

CAISO/West News

PG&E Seeks to Finalize Deal with FEMA, Calif. Agencies

By Hudson Sangree

The judge overseeing Pacific Gas and Electric's bankruptcy on Saturday rebuffed the utility's request that he fast-track approval of agreements signed last week between it, fire victims and the government agencies that had once sought to recoup billions of dollars from a fire victims' trust.

Lawyers for PG&E filed a *motion* Saturday urging U.S. Bankruptcy Judge Dennis Montali to approve the agreements in a hearing on May 6 with objections due by May 4 — an unusually short timeline for other parties to weigh in.

Montali quickly rejected the request in a rare weekend exchange, saying he'll stick to his established schedule for reviewing the agreements.

PG&E's urgency was prompted by the fact that approximately 80,000 fire victims must vote on the utility's reorganization plan by May 15.

"Because the motion seeks to resolve critical claims allowance, classification and other issues that could otherwise impact confirmation and the recoveries to fire victims under the plan, a prompt hearing on the motion is appropriate," PG&E's lead attorney Stephen Karotkin wrote in a declaration filed in support of the motion for a speedy hearing.

The basic terms of the settlements have been known since March 10, when PG&E and the Federal Emergency Management Agency told Montali they had agreed during mediation to settle for $1 billion of the agency's original $3.9 billion claim of the $13.5 billion fire victims' trust PG&E plans to establish. (See *PG&E Resolves Dispute with Fire Victims, FEMA*.)

Other federal and state agencies also agreed to accept far less than they claimed to be owed. They, along with FEMA, also agreed to be paid only after all fire victims claims are settled. The agreements were signed April 21, according to the motion PG&E filed over the weekend.

"The governmental fire claims settlements resolve the treatment of approximately $7.5 billion in aggregate of fire claims that have been asserted by the various governmental agencies in these Chapter 11 cases for an allowed $1 billion … to be subordinated and junior in right of payment to all other fire victim claims that may be asserted against the fire victim trust," Karotkin told the judge. (The $7.5 billion figure is exaggerated because most of the federal and state claims overlap, Montali noted in a prior hearing. The actual figure is closer to $4 billion.)

PG&E still has an army of workers in Paradise, the town destroyed by the Camp Fire in November 2018. | © *RTO Insider*

FEMA and the federal Small Business Administration will share in the $1 billion, though they may ultimately receive less or nothing if fire victims consume most of the $13.5 billion allotted to the trust.

The state agencies, including the governor's Office of Emergency Services, agreed to relinquish billions of dollars in claims that overlapped with FEMA's.

In the settlement agreements filed with the court Saturday, PG&E said it will pay $115.3 million to the California Department of Forestry and Fire Protection and $89 million to half a dozen other state agencies that incurred expenses from PG&E sparked wildfires in recent years. The utility will pay the U.S. Department of Justice $117 million for legal expenses.

The total — $321.3 million — will come from interest earned on the fire victims trust over three or four years or from profits from the sale of the PG&E stock that will partly fund the trust, the utility said.

'Not Warranted'

The court still must approve the settlement agreements, and PG&E's attorneys made it clear Saturday they were hoping that would happen quickly.

PG&E said it was hoping to reassure fire victims that the money owed to the federal and state governments would not be deducted from the $13.5 billion trust until all the victims' claims are paid.

The fire victims may be the last obstacles between PG&E and its need to exit bankruptcy by June 30 — the deadline for the utility to participate in a state wildfire insurance fund and to avoid a possible state takeover. It's also the date CEO Bill Johnson said he will retire. (See related story, *PG&E CEO Johnson Says He'll Step Down*.)

The fire victims, creditors and affected parties, about 250,000 in all, must vote on PG&E's restructuring plan by mid-May.

Some victims have urged a "no" vote, saying the $13.5 billion settlement is half-funded with PG&E stock that could end up being worthless after the utility leaves bankruptcy heavily indebted.

"The proposed settlement with the federal and state agencies, that has been in the works for some time, is a significant milestone," Montali said in his order rejecting PG&E's request. "But filing the necessary pleadings on a weekend and asking to shorten time to require objections by May 4, and a hearing two days later, is not warranted. … Given the difficulties all are experiencing with the current [COVID-19] crisis … the court denies the request to shorten time."

The judge said he'll consider the settlement agreements at an already-scheduled hearing on May 12.

PG&E filed for bankruptcy in January 2019 after two years of devasting wildfires ignited by its transmission lines. The blazes included the Camp Fire in November 2018, the deadliest and most destructive wildfire in state history.

The company recently agreed to plead guilty to 84 counts of involuntary manslaughter in that fire. It is scheduled to be sentenced May 26 in Butte County Superior Court. ■

CAISO/West News

FERC: New Goldman Unit an Affiliate

New Renewable Co. Permitted to Make Market-based Sales

By Rich Heidorn Jr.

Goldman Sachs global headquarters in Manhattan

FERC on Monday granted Goldman Sachs Renewable Power Marketing (GSRPM) authority to make market-based sales but said it would consider it an affiliate of The Goldman Sachs Group investment bank despite its objections (*ER20-547-001*).

"Complete victory," responded Tyson Slocum, energy program director for Public Citizen, who filed a protest calling for the affiliate declaration. "This is a win for transparency."

GSRPM, which filed an application to sell electric energy, capacity and ancillary services in December, is a wholly owned subsidiary of Goldman Sachs Renewable Power (Renewable Power). It is managed by a three-member board of directors: Andrew Galloway, John Lewis and Andrew Johnson.

Renewable Power owns entities that own or control generation facilities in CAISO, the Balancing Authority of Northern California (BANC) and the PacifiCorp East (PACE) balancing authority area. The company sells the plants' output under long-term power purchase agreements.

The applicant said the directors are independent of the investment bank, which owns less than 5% of Renewable Power. Thus, the applicant said it should not be considered an affiliate of the investment bank under commission regulations.

But the commission said Goldman Sachs Asset Management's (Asset Management) role as Renewable Power's investment manager created a link to the investment bank.

The applicant said Asset Management's authority does not include day-to-day operations or routine management of nonfinancial activities. It said Asset Management, a wholly owned subsidiary of the bank, operates as a separate business division, separated from other units of the bank by information barriers and other policies.

But it acknowledged Asset Management has existing relationships with the three board members because they serve in a similar capacity for other companies and private equity funds for which Asset Management is investment manager.

FERC said the company was "correct that where a person owns, controls or holds with power to vote, less than 10% of the outstanding voting securities of a specified company, there is a rebuttable presumption of a lack of control."

But it said that because Asset Management can exercise Renewable Power's voting rights in GSRPM, it makes Asset Management and the investment bank an upstream affiliate of the applicant. "Thus, the rebuttable presumption does not apply," FERC said.

Protest

Public Citizen said the three board members "serve together on at least an additional 63 boards of shell companies with clear ties to Goldman Sachs. In addition to his role serving alongside Lewis and Johnson, Andrew Galloway serves on at least 15 additional boards (without Lewis and Johnson) of shell companies with clear ties to Goldman, for a total of 79 boards. So, calculating a $5,000 retainer plus the $13,000 annual fee, the directors are getting paid at least $1.1 million a year, excluding expenses, to serve on dozens of Goldman-connected shell companies."

"An individual receiving annual compensation in excess of $1 million from a single source is likely going to want to keep that gravy train going and would be likely be reluctant to operate in a manner that may result in not being appointed to additional boards with ties to Goldman Sachs," Public Citizen added.

It said The Goldman Sachs Group "has paid billions of dollars in fines and settlements over the last several years directly related to abuse of its internal "information barriers."

PJM's Independent Market Monitor filed an answer Thursday saying it agreed with Public Citizen that "designating Goldman Sachs Renewable Power and The Goldman Sachs Group as affiliates is essential" for enforcement of FERC's anti-manipulation rule and to ensure just and reasonable rates. But the commission rejected the Monitor's filing as untimely.

Market Power Analyses

The commission said GSPRM lacked horizontal or vertical market power, even though — by virtue of its affiliation with Asset Management — it is also affiliated with J. Aron and Global Atlantic.

FERC said market power analyses for the CAISO market and the PACE and BANC balancing authority areas showed GSRPM passed both the pivotal supplier and wholesale market share screens.

GSRPM qualified as a Category 2 seller in the Northwest region and a Category 1 seller in all other regions. Category 1 sellers, which are limited to a maximum of 500 MW of generation per region, are not required to file regularly scheduled updated market power analyses. Sellers that do not qualify for Category 1 are considered Category 2 sellers and must file updated market power analyses. ■

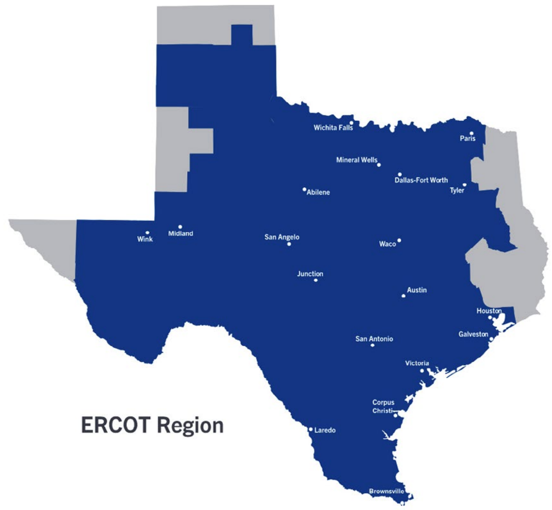
ERCOT News

ERCOT Extends COVID-19 Restrictions to May 17

ERCOT on April 21 added two weeks to most of its COVID-19 response measures, extending virtual meetings and barring most visitors from its facilities through May 17.

The grid operator — which manages the Texas Interconnection, nearly 90% of the state's electricity — said it is closely monitoring the outbreak and following health agency guidance in extending the measures through "an abundance of caution."

ERCOT closed its facilities to most outside visitors on March 3, directed all meetings be held virtually and restricted staff travel. It said it will consult with stakeholder leadership in determining how long meetings are held remotely. (See *ERCOT, SPP Adapt to 'New Normal' in Pandemic*.)



The ERCOT service region accounts for 90% of the Texas grid. | *ERCOT*

The grid operator required employees who did not need to be on-site to work from home beginning March 18. An employee task force has been charged with developing a strategy for returning to work on-site. The team will present its findings to ERCOT's Pandemic Planning Team and executive leadership for final approval.

A spokesperson said there is "no guarantee" staff will be able to return to their offices on May 18.

ERCOT announced the extension as Texas joins other states in taking steps to *reopen its economy*. State parks opened April 20, and on Friday, Gov. Greg Abbott allowed retail shops to begin selling items for curbside pickup.

Texas ranks near the bottom of U.S. states in testing per capita at one test per 1,000 people. The state *said* on April 21 that it has 19,548 confirmed cases and 495 deaths. A University of Texas model last week said the state would face a peak number for deaths on Sunday. ■

— Tom Kleckner

ISO-NE News

NEPOOL Reliability Committee Briefs

COVID-19 Effects

ISO-NE energy demand has fallen 3 to 5% since stay-at-home orders began being implemented across New England around March 16, the RTO's Load Forecasting Manager Jon Black told the New England Power Pool's Reliability Committee on Wednesday.

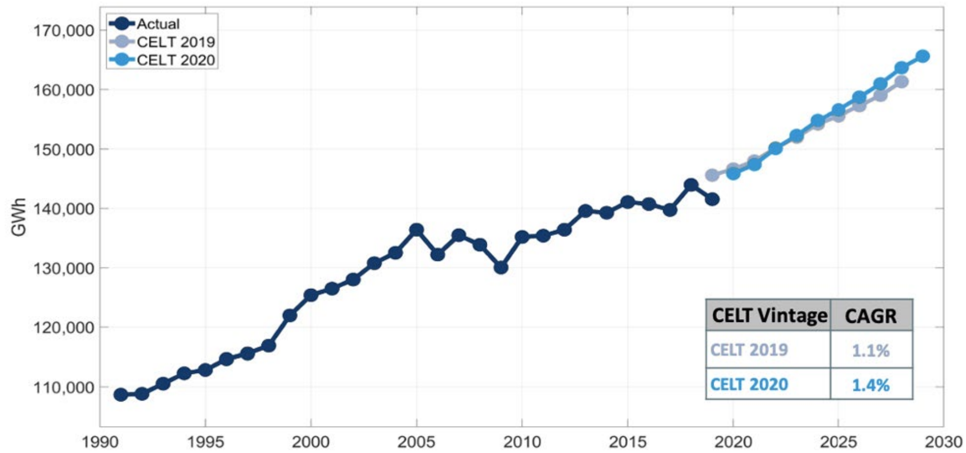
"System operations as well as load forecasting in planning are doing ongoing analysis [and] monitoring the situation very closely," Black said.

That situation is changing by the week, and ongoing changes are likely, especially as the stay-at-home orders may become relaxed or lifted in various parts of the region, he said.

"While we're seeing impacts today, there's a lot of uncertainty about the ongoing duration of the effects of the stay-at-home orders, first and foremost in terms of the duration of what we're witnessing and observing now, but perhaps more importantly from a long-term forecast perspective, what will be the recessionary impacts of the fallout of the pandemic," Black said.

It's still too early to understand the longer-term impacts of the pandemic, but the RTO relies on sources like Moody's Analytics to inform its thinking, he said. (See *Moody's: Coronavirus Recession to Cut GDP 2.3%*.)

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



New England 2020 CELT final gross annual energy forecast | *ISO-NE*

CELT 2020 Forecasts up on Electrification

Black presented the final data behind the long-term energy and demand forecasts to be published May 1 in the 2020 Capacity, Energy, Loads and Transmission (CELT) report.

Both the gross and net annual energy forecasts for 2028 are up from last year's CELT, by 1.5% and 5.4%, respectively, "largely due to the forecast impacts of large-scale electrification expected throughout the region," Black said.

"The numbers have all been finalized, but there's a lot of work that goes into publishing all the final reports," he said.

The RTO has *posted* the 2020 Forecast Data workbook.

CAGR up Slightly

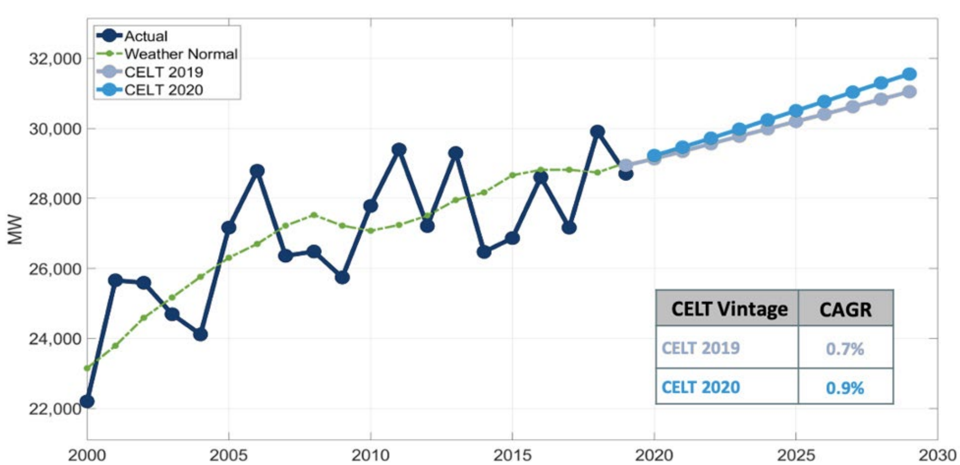
Black explained that, other than adding electrification forecasts, the RTO adopted no significant modeling changes compared to the 2019 CELT.

"This year's compound annual growth rate [CAGR] is up a bit from last year over the 10 years, at 1.4% from 2020 through 2029, up from 1.1% in last year's CELT."

The final 2020 net annual energy forecast for the region has a CAGR of 0.4% from 2020 through 2029, up from the -0.4% reported in CELT 2019, he said.

Other highlights from the 2020 CELT:

- The gross 50/50 summer peak demand forecast exceeds the 2019 CELT's by 0.3% for 2020 and 1.5% for 2028, and is forecast to increase at a CAGR of 0.9% from 2020 through 2029, up slightly from 0.7% in CELT 2019.
- The final net 50/50 summer peak demand forecast for the region is 0.4% higher in 2020 and 1.2% in 2028. It's expected to decrease at a CAGR of -0.2% from 2020 through 2029, up slightly from -0.4% for CELT 2019.
- The final 2020 gross 50/50 winter peak demand forecast is up 0.4% for the winter of 2020/21 and by 4.2% for the winter of 2028/29, and forecast to increase at a CAGR of 1.1% from 2020 through 2029.



New England 2020 CELT final gross 50/50 summer peak forecast | *ISO-NE*

ISO-NE News

- The final net 50/50 winter peak demand forecast for the region is down by 0.2% for the winter of 2020/21 and up by 4.3% for the winter of 2028/29. It is expected to increase at a CAGR of 0.1% from 2020 through 2029, up from -0.6% as reported in last year's CELT.

EE Reconstitution

Black also provided the RC with background on energy efficiency participation in the Forward Capacity Market and its "reconstitution" in the gross load forecast.

"Taking it all the way back to the beginning of the Forward Capacity Market, as part of that inception, it was decided that EE would be treated as a capacity supply-side resource and receive capacity supply obligations [CSOs] in the same manner as any other supply-side resource," Black said.

"In order for that to work, we have a section of our Tariff that requires us to reconstitute — in other words, add back —the demand savings associated with the EE that participates as supply, and that reconstitution is done on the historical loads that we use to develop a long-term load forecast, and in particular the long-term gross load forecast," he said.

The intent of the gross load forecast is to ensure that passive demand resources are not double-counted in the Forward Capacity Auction as both a load reduction and a capacity supply resource, Black said.

ISO-NE has observed over time that the total amount of EE measures installed exceeds the amount of such CSOs acquired in the primary auction, meaning that reconstituting all installed EE measures results in a forecast of gross demand that overestimates the amount of EE CSOs acquired in the FCA.

Shifting to EE CSO as the basis of its gross load reconstitution will better approximate future EE supply-side participation, Black said.

The change in load forecasting methodology is the first of three initiatives the RTO is introducing to relevant NEPOOL technical committees over the next several months, as detailed in a *memo* posted after the meeting from COO Vamsi Chadalavada. The second initiative considers the impact of behind-the-meter solar PV on future planning assessments, and the third will better integrate the FERC Order 1000 request-for-proposals process into the reliability delist bid review, starting with FCA 15.

The RTO will present the EE methodology topic for further discussion next month ahead of an advisory vote in June. If the Participants Committee approves them, the Tariff changes will be filed with FERC with a requested effective date of Aug. 30.

FCA 15 Fuel Security Reliability Review

ISO-NE Manager of Outage Coordination Norm Sproehnle *presented* initial inputs to the fuel security reliability review for FCA 15, feedback from the March RC meeting and preliminary results.

Stakeholders in March pushed back on ISO-NE's draft assumptions showing that several variable changes between FCAs 14 and 15 would improve system fuel security. (See *NEPOOL Reliability Committee Briefs; March 17, 2020*.)

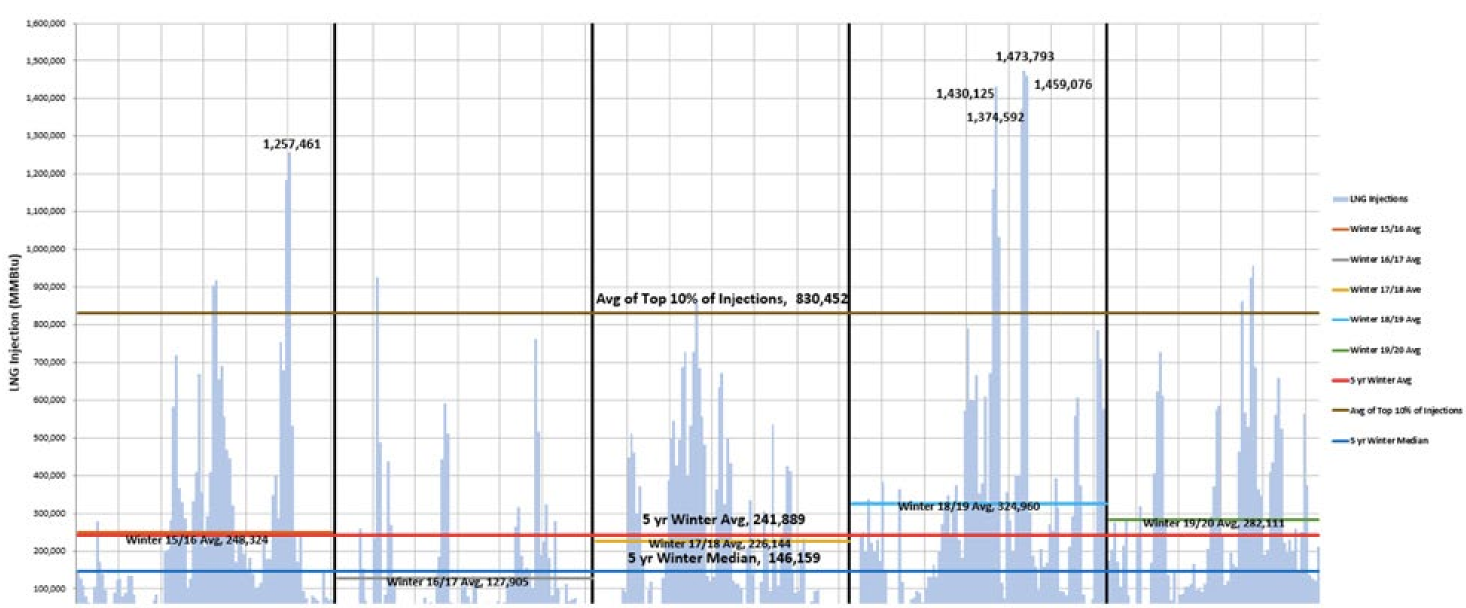
Appendix L of the Tariff stipulates the RTO must apply a multiprong trigger for the FCA 15 preliminary analysis that would result in a resource being retained for fuel security if its retirement would: result in the depletion of 10-minute reserves below 700 MW in any hour in the absence of a contingency in more than one LNG supply scenario case; or precipitate the use of load shedding in any hour pursuant to Operating Procedure No. 7.

Using the trigger criteria and the existing Planning Procedure 10 (PP10) inputs, as updated for FCA 15, the RTO has been able to assess the preliminary results of resources that have submitted retirement delist bids (1,935 MW total). Appendix I of *PP10* requires the RTO to consult with the RC on 18 static inputs and three variable inputs: imports, LNG injections and dual-fuel resource tank inventory.

The preliminary results indicate that no resources that submitted a retirement delist bid for the FCA 15 capacity commitment period or were previously retained for fuel security — both totaling 1,935 MW — will be retained for fuel security for the period.

The additional work to complete the analysis will not change the outcome of the fuel security reliability review, as the items to be finalized will further improve fuel security, Sproehnle said.

Given the preliminary results of the FCA 15 fuel security reliability review, the additional



| ISO-NE

ISO-NE News

changes suggested thus far would not materially alter the outcome, he said.

For example, stakeholders asked if the Distrigas LNG tanks will be available and utilized in the fuel security reliability model if Mystic Units 8 and 9 retire.

The RTO derived the three LNG scenarios — 0.8, 1 and 1.2 Bcfd — based on the output of the region's three LNG facilities and their previously observed winter production. If the Distrigas facility is excluded, the capability of the remaining LNG facilities can support the three scenarios, he said. Therefore, ISO-NE will continue to use them for the review.

The RTO timeline calls for the RC in August to review FCA 15 fuel security analysis results for submitted retirement delist bids. Participants that have submitted a retirement delist bid will be notified by the RTO if their resource is needed for fuel security reliability reasons no later than 90 days after the existing capacity June 11 retirement deadline.

ICR and Related Values Development

Manasa Kotha, ISO-NE senior engineer for resource studies and assessment, *presented* the RC with the 2020 development schedule for installed capacity requirement (ICR) values that will be used in auctions conducted in 2021.

The ICR, as well as the net installed capacity requirement, are calculated for each FCA and annual reconfiguration auction and are inputs to the sloped demand curves, Kotha said. The ICR represents the minimum total system capacity needed in New England to meet the Northeast Power Coordinating Council's resource adequacy criteria.

Details of the ICR-related values development will be discussed with the NEPOOL Power Supply Planning Committee over the summer and brought back to the RC for review and a vote in September. If approved by the Participants Committee in October, the RTO plans to file the values with FERC by Nov. 10.

Committee Actions

The RC's notice of *actions* included approval of several motions, noting that all sectors had a quorum.

The committee approved a 10-MW fuel cell interconnecting to the 23-kV bus of the Judd Brook substation in Connecticut, with an in-service date of Dec. 1.

Also approved was NextEra Energy's 20-MW Keay Brook solar facility in York County, Maine, interconnecting to the 34.5-kV Lebanon-Sanford line, which went into service Feb. 12.

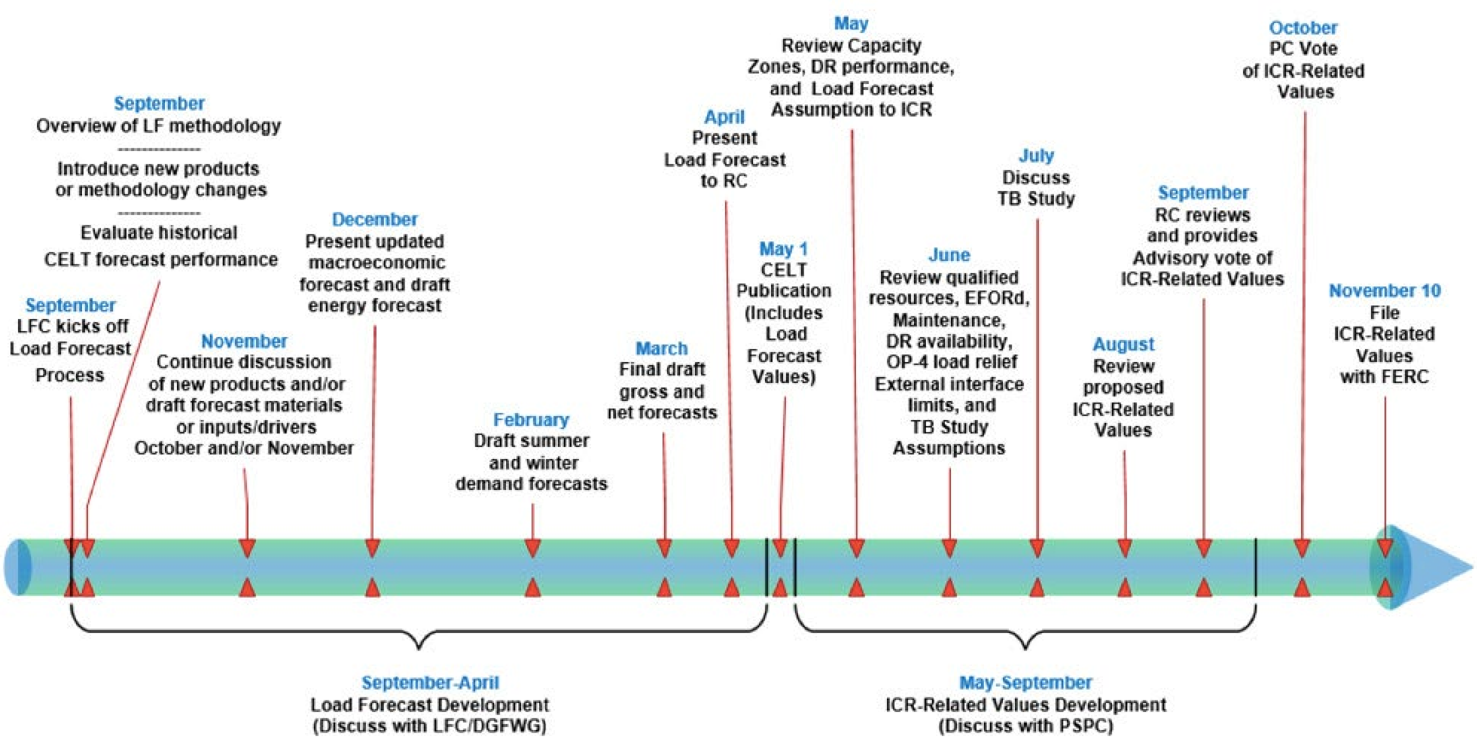
The RC approved pool transmission facility (PTF) cost allocation of $18.5 million to Eversource Energy for transmission upgrade costs associated with the replacement of wooden structures on the 115-kV 1655 line with steel poles.

Eversource also had $16.6 million in PTF cost allocation approved for work associated with the replacement of the high creep insulator system at the Millstone 15G substation in Waterford, Conn.

The RC approved National Grid PTF cost allocation of $212 million in transmission upgrade costs for work associated with the 345-kV 327 and 315 lines and asset condition refurbishment as submitted to ISO-NE by New England Power.

It also approved a revision to Operating Procedure 14 (*OP-14*) related to technical requirements for generators, demand response resources, asset-related demands and alternative technology regulation resources. ■

— Michael Kuser



Load forecast and FCA ICR values development timeline | *ISO-NE*

Overheard in International Partnering Forum 2020

The nascent U.S. offshore wind industry is faring better than the rest of the energy sector in the face of the COVID-19 pandemic, with no project delays yet attributable to the shutdown, participants in the virtual International Partnering Forum heard last week.

However, federal officials and project developers still differ on whether the status quo is good enough, industry stakeholders learned.

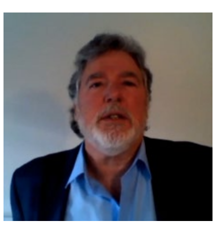
The Business Network for Offshore Wind postponed its premier event of the year until August, replacing the physical conference planned for Rhode Island with a two-day virtual event April 21-22.

Liz Burdock, president and CEO of the Business Network for Offshore Wind, at last year's IPF | *BNOW*

"Virtual really is the future," CEO Liz Burdock said. "Physical, in-person events will always have a place in our planning, but low-carbon conferences are going to play an important role in educational offerings starting on Earth Day 2020, as we help our members meet their CO_2 emission commitments."

Following is some of what we overheard at the virtual conference.

BOEM on Track



James Bennett, BOEM

James Bennett, chief of the Office of Renewable Energy Programs at the Bureau of Ocean Energy Management, took questions on the potential impacts of the pandemic on the federal permitting process for Vineyard Wind and other projects, as well as the impacts on federal leasing.

"The COVID-19 situation is certainly having its effect on just about all business processes everywhere," Bennett said. "We are in a full telework arrangement right now, and we're continuing to work according to the schedule that we have for Vineyard Wind.

"We don't anticipate any schedule slips just yet, and a lot of it will depend on how things work out with COVID and whether we're able to have the stakeholder involvement at the level that we'd like to, but overall, we're on track and on schedule for Vineyard Wind and the other projects as well," he said.

The demand for offshore wind has never been greater, and it's going to be a key component of a diversified national energy portfolio, Bennett said.

Through BOEM, the Interior Department has issued 16 commercial leases for offshore wind development. The department is reviewing seven construction and operation plans and anticipates seeing another five in the next year or so, Bennett said.

Aggressive renewable energy goals by the states, followed up by solicitations for offtake — about half of which have been awarded — have combined with federal leasing to create a tremendous market opportunity, he said.

"Hopefully starting next month, we will have steel in the water with the Virginia offshore wind project, and over the course of the decade, we're looking at 12 to 15 or even more projects just on existing leases," Bennett said. "This represents a massive amount of economic activity, in the neighborhood of $25 billion per year by the end of the decade."

The Jersey Pinch

Bennett said BOEM faces immediate challenges, such as keeping up with plan approvals and permitting, and ensuring robust, informative environmental analysis. It also faces long-term challenges.

"How much leasing is enough, and will procurements keep pace, not only with the demand from the states, but with our industrial capability to develop offshore wind?"

Technological issues include developing transmission in an efficient and cost-effective way. Procurements need clarity to address the maximum complexity, and "we need one right of way for each development," he said.

Bill White, CEO of project developer EnBW North America, said the industry's main challenge is getting BOEM to pick up the pace on approving permits and processing lease areas.

"We see a real significant opportunity that the Department of the Interior and BOEM can help relaunch this economy in the months ahead" after the pandemic lockdown, White said.

"There are no-cost initiatives that our friends at Interior and BOEM can move forward that would unleash this offshore wind opportunity," White said. "These are multibillion-dollar projects, and when they're constructed, they'll be among the largest construction projects in the United States, and they will mobilize thousands of workers. So moving ahead with the contracted projects ... is urgent."

White hypothesized about a number of new contracts being awarded in New Jersey and New York.

"It's theoretically possible, I would say quite likely possible, that in 2022, there could be only one project that competes in the New Jersey solicitation for 1,200 MW," White said. "That could just be Ørsted, or possibly could be just Shell, if Ørsted wins the next New Jersey procurement."

Few developers are eligible to bid into the New Jersey solicitation in 2022, and no bidders will be able to compete in the procurements for 2024, 2026 and 2028 without additional offshore wind lease areas, he said.

"Our current projections indicate that 2022 will be New Jersey's last competitive solicitation this decade, and moving forward, New Jersey could fall behind and see more than half their goal [7.5 GW by 2030] not being met," White said. "It's trying to demonstrate the urgency for our friends at BOEM ... to really move forward this leasing process sooner rather than later."

Benefits and Reliability

John Dalton, president of energy consultant Power Advisory, said the New York State Energy Research and Development Authority has been very transparent in its offshore solicitation processes and elected to *assign* 20% of total points to economic benefits.

NYSERDA has developed a 100-point scoring system for project candidates that awards 10 points for viability, 20 points for economic benefit and 70 points for offer prices.

"What this means essentially is that a bidder who is participating in the NYSERDA [request for proposals] is more likely to be in a position where it can make explicit tradeoffs between price and delivering greater economic development benefits to the state of New York," Dalton said.

Burdock said she would like NYSERDA's figure for economic benefits to be higher.

ISO-NE News

Clockwise from top left: Bill White, EnBW North America; Eric Hines, Tufts University; John Dalton, Power Advisory; James Bennett, BOEM; and Brandon Burke, BNOW.

"I was a little surprised that it was only 20%," she said. "There should be more emphasis now on encouraging small businesses to get into the supply chain."

Eric Hines, director of the Offshore Wind Energy Engineering graduate program at Tufts University, presented the two scenarios common to discussion of transmission buildout. In the first, generators develop the transmission, creating the generator lead line, or radial system. In the second — favored by Hines — an independent transmission developer creates a network system. (See *Mass. DOER Explores Transmission for OSW*.)

"The interest that we have here is in reliability as we move more and more of the electricity to the grid," Hines said. "Right now, we're talking about 30 GW, but if we start talking on the scale of 2050, it would not be at all strange to start talking about 300 GW" or more.

New England has been down this road before when developing land-based wind, he said.

"The idea of a backbone loop is not strange," Hines said. "In 2009, the New England governors were talking about 12,000 MW of land-based wind plus offshore wind, and now we're talking about 12,000 MW of offshore wind."

Much of the region's thinking about the grid dates back to the blackout of 1965 and experiencing rare, large-scale events, he said. "This is what drive the concepts of reliability, resiliency and our need for a reliable system at times like now, during a pandemic," Hines said. "This doesn't happen every year, but these are the things we have to pay attention to in terms of thinking about the long-term infrastructure."

When people talk about onshore and offshore grids, they're talking about the same thing, he said.

"The question is, how are we going to generate a whole bunch of power in the ocean and send it across the coastline onto the land?" Hines said. "The biggest issues we have right now are with the points of interconnect, and if we go at the pace we're going, the developers who have the leases are going to grab all the key points of interconnect, and this is really going to strangle the ability to get electricity onshore." ■

— Michael Kuser

ISO-NE News

ISO-NE Planning Advisory Committee Briefs

NESCOE Economic Study Update

New England's grid will see diminishing returns from the incremental addition of offshore wind as more megawatts are added, with as much as 13.9% spilled annually, analysis from ISO-NE shows.

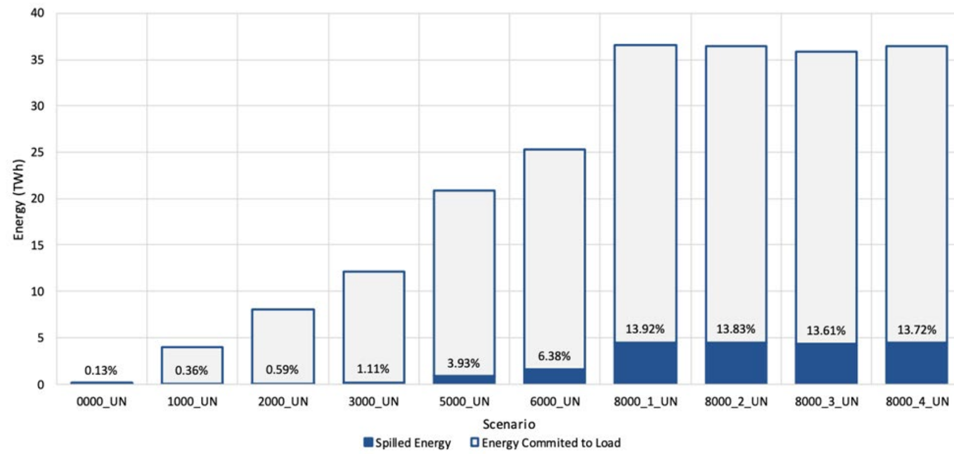
The yearly production pattern does not follow the pattern of load, causing spillage to be highest during low-load months and lowest during high-load months, according to Richard Kornitsky, ISO-NE assistant engineer for system planning.

Kornitsky was *presenting* a follow-up to questions from last month's meeting related to the economic study conducted for the New England States Committee on Electricity. The organization, Anbaric and RENEW Northeast last year each requested separate studies from ISO-NE. (See "Modeling More Offshore Wind, Slowly," *ISO-NE Planning Advisory Committee: March 18, 2020*.)

Kornitsky's presentation focused on spillage stemming from oversupply, building on analyses performed for the NESCOE study for the year 2030.

Theodore Paradise, Anbaric senior vice president for transmission strategy, asked about the assumptions around the dispatch of the non-wind resources.

"Have we taken off all the oil units and any remaining coal, which is barely any, and all the natural gas we can, save for the stuff that needs to ramp and load follow? Or are we keeping a fair bit of that on, causing more spillage than you might have if it was off?"



Annual spilled energy vs. total available energy of offshore wind for all scenarios, as shown in the NESCOE study (0 to 8,000 MW) | *ISO-NE*

"It more depends on how the wind is behaving at that specific hour, since in some hours, even in months such as April or May, you'll have moments when you'll have quite a bit of offshore wind," Kornitsky said. "So, there might be hours where offshore wind is the main generation that's serving load and you won't have much of that conventional natural gas generation online."

But Kornitsky also pointed to situations where the system will have very little or no offshore wind, at which point natural gas will be coming back online — and points in between.

"The main thing, especially when you get up to 8,000-MW cases, is there wind available, and that really dictates what other generation is online," Kornitsky said.

The RTO's next steps are to complete the ancillary services component of the NESCOE study for presentation in May and to publish the final report by June 1. The final Anbaric study will be published by June or July.

RENEW Study Shows Minimal Spillage

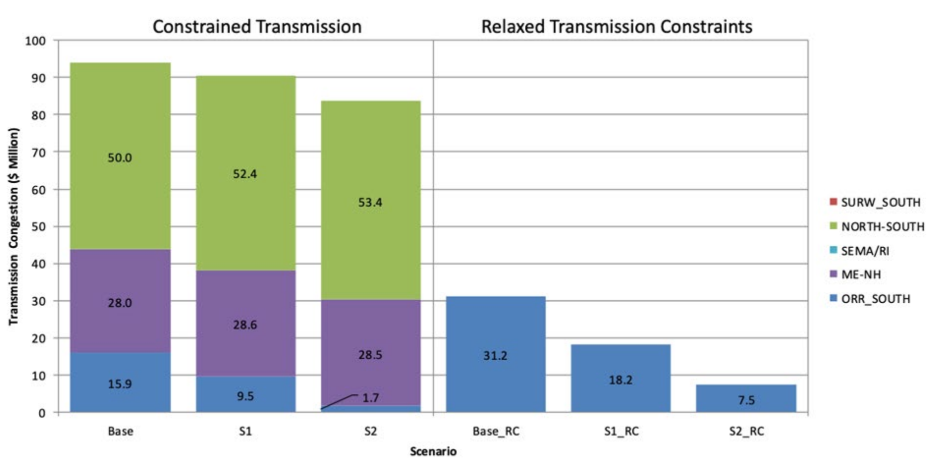
Kornitsky also *presented* the preliminary RENEW study results for 2025, reminding participants the study does not focus on offshore wind additions "but rather the impacts of the conceptual increases in hourly operating limits of the Orrington-South interface from conceptual transmission upgrades."

The study has two scenarios based on estimated 2016 limits, which were modified to approximate the addition last year of a voltage regulating system at the Cooper Mills substation in Windsor, Maine.

Scenario 1 shows the same limits as the base case but has a transmission device at the Orrington-South interface with the equivalent impact of a large synchronous generator dispatched nearby, meaning all monthly limits are equal to or higher than the base scenario.

Scenario 2 also shows similar limits to the base case but includes a new 345-kV transmission path from the Orrington substation to the Maine Yankee station, with monthly limits higher than base or Scenario 1.

"We use threshold prices to decrease production of $0/MWh resources during oversupply and use of different threshold prices than indicated will produce different outcomes, particularly spillage by resource," Kornitsky said.



Congestion cost by interface, as shown in the RENEW study | *ISO-NE*

ISO-NE News

"Under our base assumptions, we see New Brunswick imports, Hydro-Quebec imports, native New England hydro and utility PV would be all curtailed before curtailing NECEC [New England Clean Energy Connect], and finally, behind-the-meter PV would be curtailed last," he said.

NECEC is a $950 million project to deliver 1,200 MW of Canadian hydropower to the New England grid in Lewiston, Maine, along a 145-mile transmission line controlled by Avangrid subsidiary Central Maine Power.

A set of NECEC sensitivity scenarios were performed assuming a higher threshold price of $11/MWh, which results in the curtailment of the line before other resources.

However, raising the NECEC threshold price from $2/MWh to $11/MWh does not greatly change the amount of total spilled energy systemwide.

Among the key observations: Systemwide production costs and load-serving entity energy expenses are similar among all the scenarios, and varying price separation is seen in LMPs at Bangor Hydro because of congestion at the Orrington-South interface.

Also, the base case provides the most congestion at the Orrington-South interface, while Scenario 2 provides the least congestion. Spillage is minimal across all scenarios.

"The scale of what's being changed in this study is very different and smaller than the scale of what was being changed in the other two studies here, so there won't be much impact on the total system," Boreas Renewables President Abigail Krich said. "We're looking at a very small pocket of the system, so in terms of looking at the results, I would hesitate to describe them as not significant on a system scale and more look at the impacts it has on the local area being studied."

The RTO will publish the final RENEW report by July.

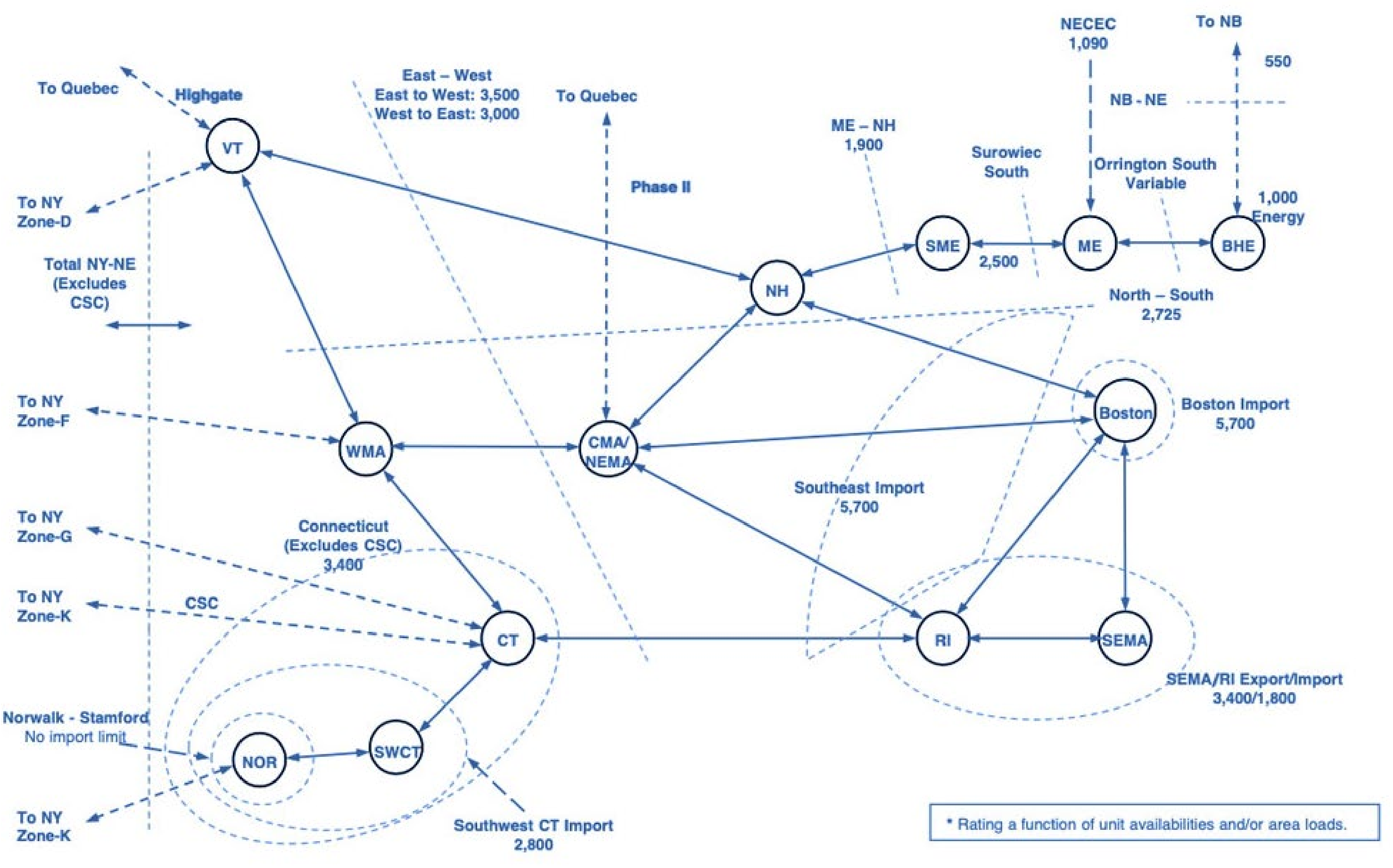
National Grid Study Request

National Grid lead analyst Kai Van Horn presented a new economic study *request* that would aim to build on earlier studies, modeling year 2035 to provide insight on wholesale energy market impacts, unit economics, utilization of resources, and the role of transmission and battery storage on a system with a high proportion of variable resources.

"The significant decarbonization targets are being set at the state level, which have major ramifications for the energy system," Van Horn said. "Meeting those targets is going to require a lot of changes, and there are a lot of ways to get there. The broader set of solutions that we can consider, the better outcome we can get to in terms of meeting those targets."

The proposed study focuses on two pathways: the efficient use of clean energy resources, and leveraging transmission and storage in order to do so, Van Horn said. ■

— Michael Kuser



The RENEW study's assumed "pipe and bubble" New England system representation for 2025 | *ISO-NE*

MISO News

MISO Weighs Rule on Consultant Transparency

By Amanda Durish Cook


The January PAC meeting before MISO closed its offices to stakeholders. | © RTO Insider

MISO's Steering Committee is debating whether to propose a new rule that would require consultants to identify the clients they represent when participating in stakeholder meetings.

A number of stakeholders have pressed for the rule, but the Planning Advisory Committee has reported that some consultants are reluctant to reveal their clients before offering comments or criticisms on MISO presentations. (See "SC Mulls Consultant Transparency," *MISO Steering Committee Briefs: Feb. 19, 2020*.)

The Steering Committee again took up the issue during a Wednesday teleconference.

"This is not an issue that I'm personally raising; I'm raising it on behalf of several stakeholders," said PAC Chair Cynthia Crane, of ITC Holdings.

"This is beyond simple courtesy. It's so we can understand the perspective of the requests being made," Crane said. "These consultants are making significant requests of MISO staff to change analyses and processes. … Other stakeholders can't identify the driver of comments being made, and essentially those remarks are being made in a vacuum."

The PAC currently requests that all meeting attendees first identify themselves and companies they represent before speaking — a request that is not always followed.

"There are a whole range of vested interests in the PAC. And some are asking to change the inputs to planning analyses. And when you change the inputs, you change the outcome," Crane said. "This is a very specific example of why this matters."

"We all hammer MISO for transparency. And I guess I'll say turnabout's fair play," Reliability Subcommittee Vice Chair Ray McCausland, of Ameren, said at the subcommittee's Feb. 27 meeting.

Some stakeholders have pointed out that MISO has a loose definition of "stakeholder": anyone with an interest in the RTO's workings. Customized Energy Solutions' David Sapper asked how MISO could require individuals to state affiliations when stakeholder meetings are open to "all interested participants," according to the RTO's *Stakeholder Governance Guide*.

However, the Organization of MISO States (OMS) argued the guide should be revised with the expectation that all meeting participants be prepared to announce their affiliation.

"To foster openness and transparency, the MISO Stakeholder Governance Guide should be amended to add language that defines a set of expectations for stakeholder identification in the stakeholder process," OMS *said* in comments to the RTO. "These revisions should include details addressing how consultants identify who they represent when participating in any MISO meeting or process. When consultants fail to disclose this information, it puts other stakeholders and the entire stakeholder process at an informational disadvantage and does not foster a fair and level playing field."

OMS said its members frequently announce in meetings whether they're offering their personal opinion or the view of their states.

"Some consultants currently do effectively communicate their affiliation(s) during a wide range of stakeholder proceedings, and the OMS believes that applying a consistent rule requiring all consultants to identify their clients would not be unnecessarily burdensome," OMS said.

Finding the Balance

But Advisory Committee Chair Audrey Penner, of Manitoba Hydro, said she wasn't sure how far stakeholders can go in insisting that consultants divulge the identities of clients given the "stakeholder" definition and the fact that consultants can maintain that they're sharing their personal views, not those of the company they represent.

Some stakeholders have raised the issue of consultants executing nondisclosure agreements with clients. Crane said in those situations, consultants could still announce the sector affiliation of their clients. Others have said that any new identification rule shouldn't have a chilling effect on open discussion in meetings.

"I don't want this to become so restrictive that good ideas are stifled out," said Resource Adequacy Subcommittee Chair Chris Plante, of Wisconsin Public Service. He reminded other committee chairs that they can always step in to prevent a stakeholder from dominating a conversation. He also said that most consultants already notify attendees of their affiliation before making comments.

"If we're getting someone with lots and lots of pushback, it would be nice to know who they represent to determine whether they have standing as a stakeholder — whatever that means," MISO Director of Planning Jeff Webb said.

As an independent entity, MISO applies its own discretion in taking stakeholder suggestions, no matter the source, he said. "I think we can live with it either way. We have for a long time already."

"I feel it would be easier for us in the stakeholder process if we knew from what perspective comments are coming from," Clean Grid Alliance's Natalie McIntire said. ■

MISO News

MISO Extends COVID-19 Measures

RTO Rolls Out Self-commitment Data

By Amanda Durish Cook

MISO will extend its COVID-19 response measures of holding virtual stakeholder meetings and restricting access to control rooms to at least June 1, RTO executives announced April 21.

Additionally, the next quarterly MISO Board Week — originally scheduled for June 16-18 in Milwaukee — will also take place via teleconference. The RTO's Advisory Committee is currently looking for ways to improve experiences during teleconferences and afford all stakeholders an opportunity to speak.

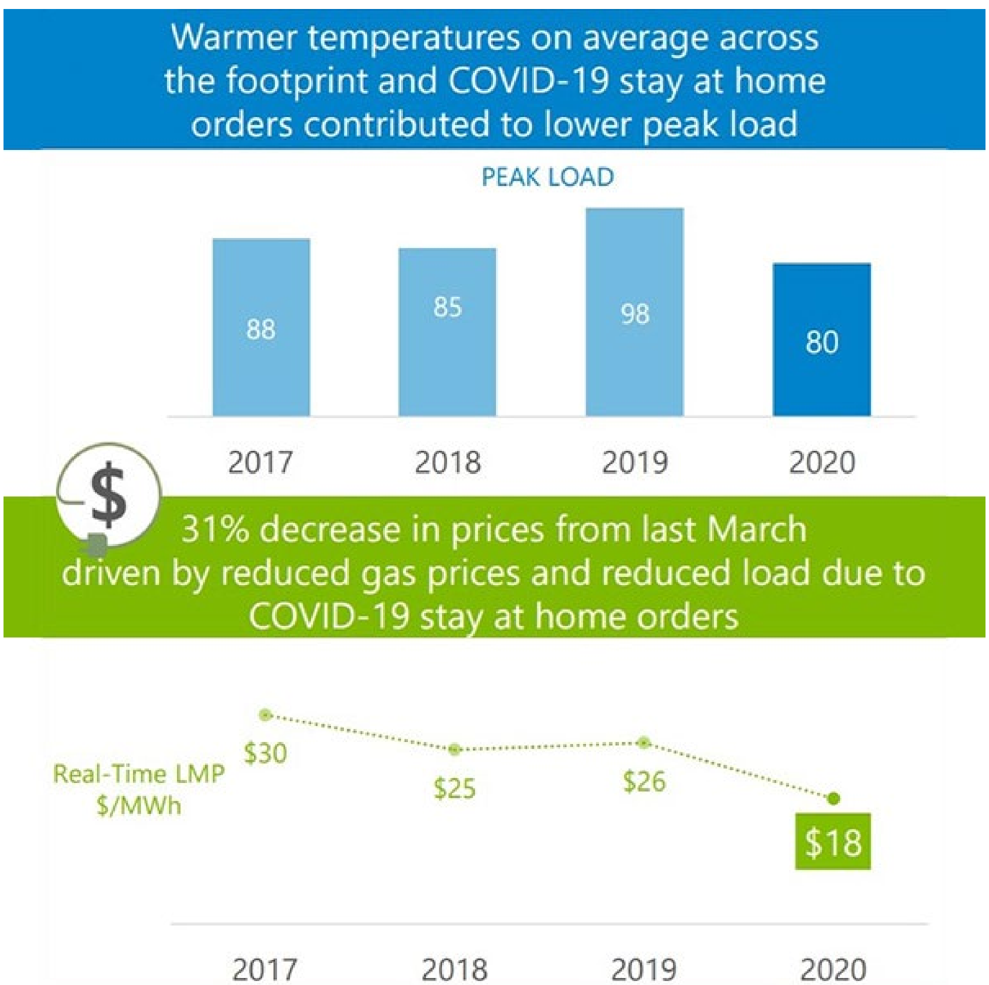
"What happens after June 1 is currently under discussion," Vice President of System Planning Jennifer Curran said during an Informational Forum conference call.

The pandemic "hasn't distracted us from reliable operations," Curran added.

"The last time we held an Informational Forum, we were just learning about COVID-19," CEO John Bear said, adding that no one in January could have anticipated how much the coronavirus would impact business operations and individuals' lives.

Bear said day-ahead load forecasts remain difficult to pin down and that MISO is evaluating the possible impacts of continued outage deferrals. (See *COVID-19 Transforming MISO Load, Outage Schedules*.) Utilities have so far shifted about 18 GW of generation outages to later dates in response to the pandemic.

MISO has also explored the possibility of sequestering its essential control room employees to protect their health.



MISO March load and price comparisons | *MISO*

"We've decided not to sequester at this time," Curran said, adding that the RTO relied on risk analyses from epidemiologists in deciding against that measure for the time being.

MISO began physical separation of its staff on March 9, with all non-control room staff working virtually.

Curran said it's difficult to predict when employees will be able to return to on-site work, adding that it would undoubtedly occur "in phases" and depend on the availability of testing. She said MISO's return to normal business operations involves "risks and tradeoffs."

"I think the new normal will look different than the old normal," Curran said.

With most of MISO's 15 states under lockdown orders, load is down about 10% relative to historically normal conditions. Eleven *states* in the footprint are currently under explicit lockdown orders, compared with eight at the end of March.

MISO in late March began seeing loads down about 7% compared to normal conditions, Executive Director of Market Operations and Resource Adequacy Shawn McFarlane said.

"The past two weeks have been pretty close to 10%. We may have bottomed out depending on further developments," McFarlane said. "I feel like we're in a steady state unless something else changes."

MISO experienced an 80-GW peak in March, down 18 GW from 2019. It has said that some of the load decline can be attributed to higher temperatures this year.

Energy prices in March fell more sharply than load, with real-time LMPs averaging $18/MWh for the month compared with $26/MWh a year earlier. MISO said the more than 30% drop can be chalked up to falling natural gas prices and reduced load stemming from the stay-at-home orders.

MISO Now Displaying Self-commitment Data

MISO has begun publicly *displaying* information about must-run resources in response to concerns about self-commitment of coal plants, a practice that some in the industry criticize as expensive and inefficient. (See *Enviros, States*

Continued on page 21

MISO Advisory Committee Briefs

AC Begins Long-term Sector Solution

MISO's Advisory Committee is beginning work on a possible new process for prospective members to join the RTO.

The AC is considering whether the newly formed Affiliate sector will serve as an "incubator" for designing new sectors that will allow a more diverse set of companies and organizations to join MISO. The committee plans to examine how the Competitive Transmission Developer sector was formed in 2014.

MISO's Board of Directors last month cleared the AC to create an 11th sector while instructing the committee's to come up with a longer-term solution that guarantees members full participation in the stakeholder process. The new sector serves as a home for any member that isn't participating in another sector, but it lacks voting power in the AC and the Planning Advisory Committee. Prospective members must declare a sector affiliation before they can join the RTO. (See *Board OKs 11th MISO Sector, Orders Redesign*.)

The AC will consider whether sectors should develop charters and bylaws, and how it will divvy up voting rights among new — and possibly even existing — sectors. The committee votes by sector when it decides to send recommendations to the board.

"The voting in my view is the most sensitive and possibly even contentious issue," AC Chair Audrey Penner said.

The AC has a year from late March to draft a solution.

AC Hears LMR Saturation Concerns

The AC also briefly touched on a conversation brewing in the Reliability Subcommittee about how to set limits for load-modifying resources participating in MISO's markets.

Some stakeholders have expressed concern about an overreliance on LMRs and are seeking analysis exploring the potential for oversaturation in the footprint. (See *MISO Group to Probe LMR Saturation*.)

RSC Chair Bill SeDoris said the subcommittee is asking whether there should be a limit on how many LMRs can clear in the capacity auction — or even in the day-ahead market.

"Are we there with demand response, LMRs and distributed resources?" SeDoris asked rhetorically. "Do we have enough steel in the ground generating electricity?"

Eligible End-User Customers sector representative Kevin Murray said LMRs are essential because they're designed to be the first load in line to be interrupted during emergencies.

"Are we making sure we have the right resource mix to maintain the system reliability? Load can be cut, but the system's designed to keep the lights on," SeDoris said.

MISO will likely file a proposal with FERC in May for a more stringent LMR capacity accreditation that's based on the number of calls the resources can respond to in a year and their unique lead times. Under the plan, LMRs that can respond to 10 or more calls in a year and have a lead time of six hours or less would receive full credit. In many cases, the new accreditation will reduce an LMR's existing capacity credits. (See *MISO Offers Concession on LMR Capacity Credit Plan*.)

Stakeholders in the Resource Adequacy Subcommittee have since voted to formally oppose the LMR filing.

Murray called the accreditation proposal "arbitrary."

SeDoris said he can't tell if the leaner accreditation will cause some LMRs to walk away from the MISO capacity market. "I'm working under the assumption that the LMRs will adapt to the changing rules."

North Dakota Public Service Commissioner Julie Fedorchak pointed out that state regulators consider the effectiveness of LMRs when appraising their utilities' integrated resource plans.

The RSC will continue to discuss the upper limits of LMR participation in its upcoming meetings. ■

— Amanda Durish Cook

MISO Extends COVID-19 Measures

RTO Rolls Out Self-commitment Data

Continued from page 20

Question Coal Self-commitments.)

The RTO has added self-commitment data to its monthly operations reports, including both monthly and 13-month charts to presentations.

MISO executives said the data were requested by stakeholders and will be broken down by category: economically committed and economically dispatched by the RTO; self-committed and economically dispatched; and self-committed and non-economically dispatched.

In March, MISO reported 14 TWh of economically committed and economically dispatched self-committed coal and gas generation; 17 TWh of self-committed and economically dispatched generation; and 12 TWh of self-committed and non-economically dispatched generation.

Independent Market Monitor David Patton said his group continues to evaluate must-run patterns of behavior in MISO, though he's not "nearly as concerned as others" about the issue. He said MISO resources "are being offered economically more often and more frequently not being scheduled day-ahead."

Patton said must-run designations are being used less frequently. When they are used, it's to prevent units from cycling uneconomically.

"It's rational not to give MISO the opportunity to shut them down when their cycle is eight to nine days," Patton told executives and stakeholders in March during a winter operations review.

"I think the concern that has jumped up recently is disproportionate compared to what it is. … We don't see the same concern as we monitor the operation of these units," Patton said.

A few years ago, coal resources provided more than half of all MISO's energy, compared with about a third today. Patton said coal resources tend to set prices at night, while natural gas resources set them during the day. ■

MISO News

Mid-Grid Panelists Call for Long-term Midwest Tx Plan

By Amanda Durish Cook

The Midwest requires a more comprehensive approach to transmission planning to meet the region's varied goals, industry experts said last week during a Mid-Grid virtual meetup.

The Midwestern Governors Association (MGA) formed the Mid-Grid collaboration to examine the Midwest's long-term transmission system design and planning. The group is currently focused on a vision for 2035.

MGA Executive Director Jesse Heier joked that the 200-strong turnout for the virtual meeting was either a sign that the 2035 vision is important work or people "had finally run out of things to watch on Netflix."

The association was supposed to hold the panel session April 2 in Des Moines but was prevented by the ongoing COVID-19 pandemic.

Heier said that while different Midwestern states have different goals, he believes they can find common ground in transmission planning. States involved in Mid-Grid include Arkansas, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, North Dakota and Wisconsin.

ITC Holdings Senior Vice President Krista Tanner said the pandemic demonstrates how crucial the grid is. "Everything we do from caring for the ill, keeping people fed and letting the videos run to keep the kids occupied underscores the importance of the grid."

ITC Holdings Senior Vice President Krista Tanner

But long-term RTO transmission planning, especially in the upper Midwest, has "slowed to a crawl," she said, and that FERC's Order 1000 has resulted in sluggish electricity infrastructure growth in a "natural monopoly."

"I believe the answer is once again for states to step forward and take responsibility," Tanner said.

"The current system is at capacity or perhaps beyond," American Wind Energy Association Central Region Director Daniel Hall said.

MISO must develop a long-term transmission study and stop relying on interconnection customers' network upgrades to expand transmission capacity, he said. The RTO's reliance on network upgrades is a "haphazard" approach that results in an "inefficient system," according to Hall. In his previous role at the Missouri Public Service Commission, Hall similarly pushed MISO to create another long-term plan.

Holly Lahd, Target's lead energy program manager, said the retailer has similarly encountered prohibitively expensive network upgrade costs for grid access.

"We're setting clean energy goals, and yet, how are we going to get there?" she asked. "We're making plans, but we don't have the energy infrastructure to meet them."

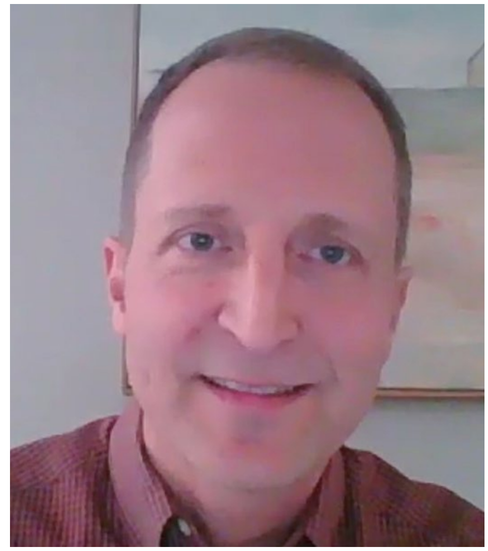
Target, headquartered in Minneapolis, has *committed* to completely sourcing its electricity from renewable sources by 2030.

Hall said the corporate community should make appeals directly to regulators and elected officials for more transmission to support their clean energy goals. He also said that if network upgrades can show wider benefits, costs should be shared among beneficiaries and not solely be the responsibility of the generation developer.

"We think, in fact, it might be required by the [MISO] Tariff," Hall said.

Scott Blankman, Clean Wisconsin's Energy & Air Program director, said the sites of retired coal generators could be "repurposed" because they already contain grid infrastructure.

Michigan Public Service Commissioner Dan Scripps said his state is beset by limited import and export capability, which came into sharp focus in MISO's recent Planning Resource Auction, where the Lower Peninsula's capacity prices *cleared* at the cost of new entry because the region fell short of its local clearing requirement. Scripps said Michigan's transmission needs are complicated by its two-peninsula geography and seams with PJM and Ontario's Independent Electricity System Operator.



MGA Executive Director Jesse Heier on MGA's Zoom call

"Transmission is front of mind in Michigan right now," Scripps said.

Former MISO staffer Matt Ellis, now policy program manager with Great River Energy Regional Transmission and Policy, said his company hopes the recent CapX2050 study eventually prescribes transmission projects. (See *CapX2050 Calls for More Tx, Dispatchability in Midwest*.)

"Optimal solutions are not going to occur with each of us working in a vacuum," Ellis said.

He said people sometimes ask, referring to the first CapX 2020 effort, "Didn't we do this 10 years ago?" He said planners should take a look into long-term transmission needs every decade.

"Technology continues to evolve, and it's imperative as planners for us to explore all options," he said.

Several panelists brought up the idea of stitching together CapX studies with network upgrade studies, MISO's ongoing renewable integration impact *assessment* and annual Transmission Expansion Plan studies to identify long-term transmission needs. ■

MISO News

FERC Denies Rehearing of Affected-system Order

By Amanda Durish Cook

FERC on Friday denied rehearing of a 2019 order that directed MISO, PJM and SPP to shine more light on how they perform their affected-system studies (*EL18-26*).

The commission last September told the three RTOs that their joint operating agreements don't provide enough clarity on how they handle the study of generator interconnections along their seams. (See *Affected-system Rules Unclear, FERC Says*.) It ordered them to update their JOAs and tariffs to make the queue priority process more transparent.

A handful of renewable generation developers in the RTOs called for rehearing on the grounds that FERC's order didn't go far enough to unify their affected-system studies. Invenergy argued that FERC should order all RTOs to use energy resource interconnection service (ERIS) — as opposed to network resource interconnection service (NRIS) — as the modeling standard to determine affected-system impacts.

But FERC noted that its September order "did not make a final determination as to the justness and reasonableness of the use of either an ERIS or NRIS modeling standard to study impacts as an affected system by any RTO."

"Consequently, we dismiss as premature Invenergy's rehearing arguments as to the RTOs' use of an ERIS or NRIS modeling standard to study impacts as an affected system," the commission said. It said it will individually evaluate MISO, PJM and SPP's modeling standards for affected-system studies in the RTOs' compliance filings.

FERC also declined to adopt a specific timeline for RTOs to make their affected-system study modeling available. The commission said the deadline issue was already addressed in FERC Order 845, which requires transmission providers to maintain network models, "including all underlying assumptions," on either password-protected sites or their Open Access Same-time Information System sites, FERC said.

Multiple renewable developers questioned why FERC directed SPP and MISO to revise their JOA to include timelines for the sharing of affected-system information but didn't require the same timeline alterations to MISO and PJM's.

FERC said the end goal of the directive to MISO and SPP was to heighten transparency, something that was already written into the MISO-PJM JOA.

"The commission found that the MISO-PJM JOA met the goal of transparency because it detailed the process, including target dates for information exchange, and consequently did not warrant further modification," FERC said, adding that the generation developers knew that the RTOs already had information-sharing timelines in place but were seeking changes out of scope to speed up the interconnection process.

FERC similarly didn't require MISO and PJM to add a description of how they study impacts on affected systems, as it prescribed for the MISO-SPP JOA.

The same developers asked FERC to require the same descriptor in the MISO-PJM JOA, but FERC said it continues to find that JOA "includes sufficient detail on how each RTO studies affected-system impacts."

The developers took a final shot at rehearing when they argued the commission should have required PJM to include affected-system study results with interconnection study results, something that MISO and SPP already try to do.

The commission pointed out that MISO and SPP only include affected-system study results in respective interconnection studies "if they are available." It said the attachment of results in all interconnection studies would take a monumental alignment effort from the three RTOs.

"We reiterate that in order for the RTOs to include affected-system RTO information with their own study results, the cycles would essentially have to be aligned, as the affected-system RTO information would have to be available at the time the RTO's study results conclude," FERC said. "There are significant differences between the processes and time frames used by the various RTOs, and we do not find that a realignment of these processes is necessary to ensure that interconnection customers have time to review affected-systems studies before making further financial commitments." ■

| © RTO Insider

NYISO News

NYPSC Greenlights 2,500-MW Offshore Wind RFP

By Michael Kuser

The New York State Energy Research and Development Authority was authorized Thursday to solicit up to 2,500 MW of offshore wind energy this year — the largest such procurement in the country to date.

The New York Public Service Commission granted NYSERDA's January *petition* to solicit "at least" 1,000 MW of offshore wind energy in 2020 and be granted the "flexibility" to evaluate a range of bids for up to 2,500 MW (*18-E-0071*).

"This is an important step forward to advance the opportunity for New York state's next offshore wind solicitation," PSC Chair John B. Rhodes said. "We received important inputs in the recently concluded comment period, and this order properly considers those, as well as the principal aspects of the public interest."

Environmentalists and labor groups were quick to laud the state's action.

"The PSC order will help ensure that New York is able to take maximum advantage of expiring federal tax credits, limited offshore lease areas and the developing offshore wind supply chain," New York Offshore Wind Alliance Director Joe Martens said in a statement.

Gary LaBarbera, president of the Building and Construction Trades Council of Greater New York, said the decision "paves the way for thousands of good jobs and billions in economic development for New York. We applaud this order and look forward to building New York's offshore wind industry for years to come."

Following the commission's decision, NYSERDA said in a *statement* that it would not be rushing amid the coronavirus pandemic to put out a request for proposals.

"While NYSERDA fully supports and is poised to execute on this authorization, given the current circumstances, we feel issuing a near-term solicitation would not be responsible nor advisable. ... Given the dynamic nature of the situation, NYSERDA is closely monitoring the crisis and stands ready to launch the solicitations when the associated activities can responsibly begin," the agency said.

Gov. Andrew Cuomo in January announced that NYSERDA would solicit at least 1 GW of offshore wind energy this year. The state last July awarded offshore wind contracts to Equinor's 816-MW Empire Wind project and to the 880-MW Sunrise Wind, a joint venture of Ørsted and Eversource Energy. (See *Cuomo Sets New York's Green Goals for 2020*.)

Among other targets, New York's Climate Leadership and Community Protection Act (*A8429*), signed into law last July, nearly quadrupled the state's offshore wind goals to 9,000 MW by 2030.

Burman Dissents

All five PSC commissioners met via teleconference for its regular monthly session in Albany; only one voted against the offshore wind order.

Commissioner Diane Burman said "that while we are looking to give direction and regulatory certainty to NYSERDA and to those involved in offshore wind, and giving a nod that we are supportive of moving forward in 2020 on an offshore wind solicitation," she was concerned that the funding of NYSERDA "fails to set conditions on the authorization."

Burman said that as "stewards of the ratepayer dollars and stewards of the state's environmental goals," commissioners "need appropriate information in real time to make those decisions, not in a vacuum; not crossing our fingers and hoping it all works out."

"We have at times looked at modifying a petition, or asking those petitioners to provide more information," Burman said. She said it was reasonable to seek "more clarity and information" as "the comments on the petition only came in this week."

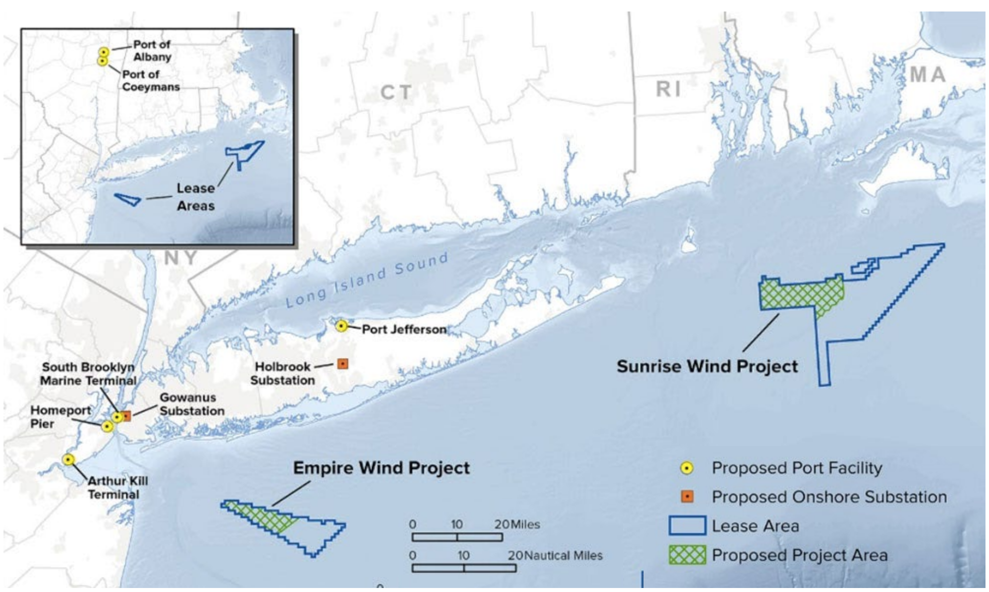
Burman said there are "significant under-the-hood issues. ... Commenters repeatedly discuss the transmission study ... and yet many times we are left not necessarily having those studies completed in time to inform our decisions."

"I'm struck by how we're not demanding real information from NYSERDA," she said. "I'm not opposed to giving authority, but I am opposed to being kept in the dark from the beginning."

Burman also noted the *concerns* raised last week by the Long Island Commercial Fishing Association (LICFA), which as a member of NYSERDA's Fisheries Technical Working Group (F-TWG) requested an extension of the April 20 deadline to submit comments.

"Though an email was sent on Jan. 30 notifying the F-TWG members of NYSERDA's petition, no email chain, meeting or webinar was conducted by NYSERDA to discuss the proposal specifically, and as such, none of the fisheries stakeholders from multiple states who fish in the Atlantic from the Mid-Atlantic New York Bight area off of New Jersey to the Southern New England/South of Massachusetts waters have had the opportunity to address or comment as a group on this issue," LICFA said.

Burman said the order doesn't properly address the fishermen's concerns "but says they should not have waited so long, which is not the appropriate approach for a regulator. ... We should be seeking how to incorporate their concerns on the front end." ■



NYSERDA 2019 OSW contract awards, lease and project areas, and proposed points of interest | *NYSERDA*

PJM News

Stakeholders Appeal Expansion of PJM MOPR

Continued from page 1

Resources Defense Council, Sierra Club, Environmental Defense Fund and the Union of Concerned Scientists (UCS) — filed a joint petition April 20 with the D.C. Circuit Court of Appeals. Also filing petitions with the D.C. Circuit were the North Carolina Electric Membership Corp. and the American Public Power Association (APPA), *filing* jointly with American Municipal Power.

The Illinois Commerce Commission filed a petition with the 7th U.S. Circuit Court of Appeals in Chicago.

The New Jersey Board of Public Utilities and the Maryland Public Service Commission filed a joint petition with the D.C. Circuit on April 27 and Energy Harbor, the former FirstEnergy Solutions, weighed in on April 21.

John McCaffrey, APPA's senior regulatory counsel, said he wasn't certain if petitions would come from other organizations but noted that several other stakeholder groups previously filed protective appeals of the December order that were to be held in abeyance until after FERC's ruling on rehearing.

State consumer advocates from New Jersey, Maryland, Delaware and D.C. asked the court on Feb. 29 to hold their *petition for review* in abeyance, acknowledging that it could be dismissed under the court's "current precedent," which holds that the commission's rulings are not "final" orders ripe for judicial review while rehearing is pending. (See *Consumer Advocates Appeal MOPR Order to DC Circuit*.)

Also filing petitions for review in abeyance with the D.C. Circuit were the Natural Rural Electric Cooperative Association on *March 31*, Old Dominion Electric Cooperative on *April 13* and the East Kentucky Power Cooperative on *April 14*.

As is customary, though, the petitions for review identify only the orders being challenged. The grounds for the challenges will be spelled out later in briefs. But the rehearing requests that FERC rejected outlined several potential lines of attack. One is whether the commission is intruding on state regulation of generation in violation of the Federal Power Act. The commission also is likely to be challenged on its decision to apply the MOPR to state-subsidized resources but not those benefiting from federal subsidies.

In a strongly worded joint press release, the environmental groups said the commission's rulings could force 65 million customers in the Mid-Atlantic and Midwest to pay billions of dollars more for electricity while undermining state efforts to promote carbon-free resources.

"FERC has overstepped its jurisdiction with its reckless MOPR decision, which will worsen the dangerous health impacts of fossil fuel combustion in communities from Virginia to Illinois," said Casey Roberts, senior attorney with the Sierra Club. "We plan to aggressively pursue FERC's harmful orders through the courts and to support states in exiting PJM's capacity market so they can pursue the affordable clean energy policies needed to protect communities."

Mike Jacobs, senior energy analyst at UCS, said, "FERC's choice to overlook numerous existing energy subsidies and attack states' explicit efforts to reduce air pollution and carbon emissions is bad policy based on flawed and legally questionable reasoning. Every state in PJM has something to lose, and it's a shame this must now be resolved in court."

The court filings come even as PJM plans to implement the December order and reschedule the 2019 capacity auction. Comments on PJM's compliance filing in response to the December order are due May 15.

In its ruling April 16, FERC agreed with PJM's interpretation that voluntary renewable energy credits and participation in the Regional Greenhouse Gas Initiative will not subject capacity resources to the expanded MOPR. (See *FERC: RGGI, Voluntary RECs Exempt from MOPR*.) ■

PJM MRC Preview

Below is a summary of the issues scheduled to be brought to a vote at the PJM Markets and Reliability Committee meeting on Thursday. The Members Committee will next meet May 4.

Each item is listed by agenda number, description and projected time of discussion, followed by a summary of the issue and links to prior coverage in *RTO Insider*.

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

Consent Agenda (9:05-9:10)

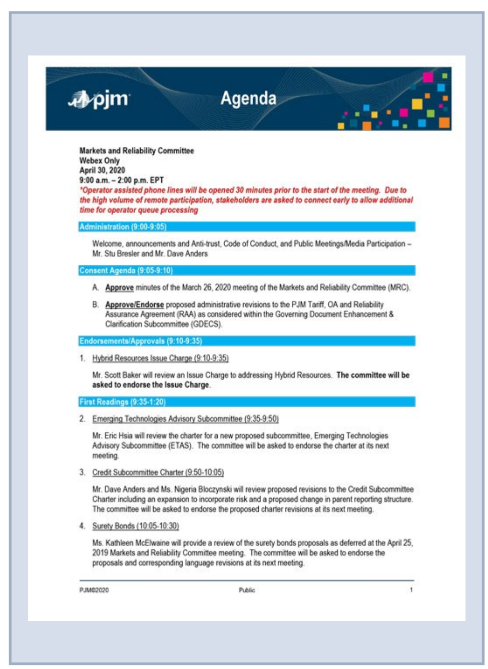
Members will be asked to approve the following revisions to the PJM Tariff and other documents:

B. Administrative *revisions* to the PJM Tariff, Operating Agreement and Reliability Assurance Agreement as recommended by the Governing Document Enhancement & Clarification Subcommittee.

1. Hybrid Resources Issue Charge (9:10-9:35)

PJM will seek approval of an *issue charge* to create a new senior task force to clarify how existing rules for intermittent and energy storage resources would apply to inverter-based solar-battery hybrids. Some stakeholders at the March 26 MRC meeting questioned why some areas of hybrid resources are being considered out of scope for the proposed task force, including PJM's compliance with FERC Order 845. (See *PJM MRC Moves Forward on Storage, Hybrids*.)

— Michael Yoder


pjm Agenda

Markets and Reliability Committee
Webex Only
April 30, 2020
9:00 a.m. – 2:00 p.m. EPT
****Operator assisted phone lines will be opened 30 minutes prior to the start of the meeting. Due to the high volume of remote participation, stakeholders are asked to connect early to allow additional time for operator queue processing***

Administration (9:00-9:05)

Welcome, announcements and Anti-trust, Code of Conduct, and Public Meetings/Media Participation – Mr. Stu Bresler and Mr. Dave Anders

Consent Agenda (9:05-9:10)

A. **Approve** minutes of the March 26, 2020 meeting of the Markets and Reliability Committee (MRC).

B. **Approve/Endorse** proposed administrative revisions to the PJM Tariff, OA and Reliability Assurance Agreement (RAA) as considered within the Governing Document Enhancement & Clarification Subcommittee (GDECS).

Endorsements/Approvals (9:10-9:35)

1. Hybrid Resources Issue Charge (9:10-9:35)

Mr. Scott Baker will review an Issue Charge to addressing Hybrid Resources. **The committee will be asked to endorse the Issue Charge.**

First Readings (9:35-1:20)

2. Emerging Technologies Advisory Subcommittee (9:35-9:50)

Mr. Eric Hsia will review the charter for a new proposed subcommittee, Emerging Technologies Advisory Subcommittee (ETAS). The committee will be asked to endorse the charter at its next meeting.

3. Credit Subcommittee Charter (9:50-10:05)

Mr. Dave Anders and Ms. Nigeria Bloczynski will review proposed revisions to the Credit Subcommittee Charter including an expansion to incorporate risk and a proposed change in parent reporting structure. The committee will be asked to endorse the proposed charter revisions at its next meeting.

4. Surety Bonds (10:05-10:30)

Ms. Kathleen McElwaine will provide a review of the surety bonds proposals as deferred at the April 25, 2019 Markets and Reliability Committee meeting. The committee will be asked to endorse the proposals and corresponding language revisions at its next meeting.

PJM©2020 Public 1

PJM News

'NextGrid' Goes off the Rails

ICC Disavows Study; Ex-Chair Gave ComEd, Ameren Veto Power

Continued from page 1

was complete. And on Friday, the ICC quietly agreed to settle a lawsuit that claimed Sheahan had allowed Commonwealth Edison and Ameren, the state's two dominant distribution utilities, to exclude some consumer advocates and others from participating in the study.

Although the ICC did not admit wrongdoing in the settlement, it agreed to pay $220,000 in plaintiff legal fees and to add a disclaimer that the study is "not a consensus document, and it is not intended to advise or guide legislators, regulators or other policymakers, or to otherwise be used as a basis for legislation, regulation, policy or ratemaking."

The disclaimer appears to be moot, however: "The ICC will not be releasing the study," spokeswoman Vicki Crawford told *RTO Insider*.

Then-ICC Chair Brien Sheahan at the NextGrid kickoff event in 2017 | *Illinois Commerce Commission*

A Case Study in Regulatory Capture

While the study may be a dead letter, Sheahan's stewardship of *NextGrid* could provide lessons for public policy classes on the subject of regulatory capture. The ICC's disavowal of the report also leaves uncertainty about the state's plans for addressing issues such as vehicle electrification, energy storage and ratemaking. Crain's Chicago Business headlined its story on the settlement: "Plaintiffs win unusual concession from ICC: Please disregard our report."

The Illinois Public Interest Research Group's (PIRG) Education Fund and *GlidePath*, an energy storage developer and independent power producer, sued Sheahan and the ICC in June 2018, complaining they had been excluded from NextGrid working groups.

The suit also accused Sheahan and the ICC of violating the Illinois Open Meetings Act by refusing to allow the public to attend working group meetings. Days after the suit, the ICC admitted that its meetings did not comply with the law and agreed to open meetings going forward. (See *Groups Sue ICC over NextGrid Study Process*.)

Utilities Dominated Membership

Although the commission had publicly *invited* applicants to volunteer for the seven NextGrid working groups, the plaintiffs said depositions and discovery showed that ComEd and Ameren worked with Sheahan to determine which companies and individuals would be allowed to participate. ComEd, a PJM member, serves 4 million customers in Chicago and Northern Illinois; Ameren Illinois, a MISO member, serves 1.2 million electric customers in Central and Southern Illinois.

Of the 196 task force members, 19 were from the utility sponsors: nine each from Ameren and ComEd, and one from ComEd parent Exelon, according to a count by *RTO Insider*. No other organization had more than four representatives.

Interestingly, Sheahan's three-page *introductory letter*, which described the purpose of the study and the roles of the participants, made not a single mention of Ameren or ComEd.

"The documents in this case show a state regulator working to benefit the very utilities it should be regulating by cherry-picking utility-friendly participants and excluding those that would challenge the utilities' control," GlidePath founder Dan Foley, a former ComEd risk manager, said in a statement Friday.

"When utilities are allowed to shape energy policy and regulation, the public suffers," said Abe Scarr, executive director of Illinois PIRG.

Scarr said PIRG agreed to sue after it, like GlidePath, was initially blocked from participating in the working groups.

"We have been one of the most outspoken utility critics in the state. Our positioning in the policy debate had taken a stronger line than even some of the other consumer groups," he said, noting that PIRG opposed the 2016 *Future Energy Jobs Act*, which the state's Citizens Utility

Of the 196 task force members, 19 were from the utility sponsors: nine each from Ameren and ComEd, and one from ComEd parent Exelon, according to a count by *RTO Insider*. No other organization had more than four representatives.

Board and major environmental groups joined ComEd in supporting. In addition to increasing energy efficiency requirements and creating a community solar program, the act authorized $2.4 billion in zero-emission credits (ZECs) for Exelon's Clinton and Quad Cities nuclear units.

PJM News

Foley had *clashed* with ComEd in 2014 over the utility's fees for its "Smart Grid Test Bed," and in 2017, he *challenged* its application to construct a microgrid in the Bronzeville area of Chicago.

When the lawsuit was filed, Crawford, the ICC spokeswoman, *denounced* it as "frivolous."

She had a different message Friday, after the commission voted unanimously to approve the settlement.

"The current administration had no part in the formation or implementation of the NextGrid process and inherited this legacy litigation," she said. Sheahan, who had been appointed by former Republican Gov. Bruce Rauner, was replaced as chairman in April 2019, when Democratic Gov. J.B. Pritzker tapped current Chair Carrie Zalewski. His term expired in January 2020.

Crawford said the commission approved the settlement "so that ICC efforts and resources may be better spent dealing with our response to the COVID-19 pandemic and other emergent issues. The commission is committed to fortifying openness and transparency as we move forward."

Sheahan declined to comment. "Unfortunately, I cannot comment while the litigation is pending, but I would be happy to discuss after the case is finally resolved," he told *RTO Insider* on Saturday.

Sheahan's 'Pet Project'

The ICC approved the NextGrid study in a *resolution* in March 2017. Although it was to be led by facilitators from the University of Illinois at Urbana-Champaign, it was to be funded by ComEd and Ameren.

Peter Gray, a spokesman for GlidePath, said attorneys in the case would not release documents obtained during discovery. But he shared some of the highlights, including testimony by the head of a local business

"I think [the report is] a very complete and thorough representation of all the views that were aired. We didn't try to hold back anything," said University of Illinois electrical engineering professor George Gross, one of the lead facilitators for the project. | *Commonwealth Edison*

Commonwealth Edison, a PJM member, serves 4 million customers in Chicago and Northern Illinois; Ameren Illinois, a MISO member, serves 1.2 million electric customers in Central and Southern Illinois. | © *RTO Insider*

group who said Sheahan told him, "I choose the participants in the working groups, and [your chosen representative] will not be allowed to participate."

Gray said ICC attorneys acknowledged that commission staff met with ComEd and Ameren representatives to select the working group facilitators and advisers. Staff testified that ComEd objected to the participation of specific employees from independent energy businesses, Gray added.

ICC staff also testified that they were directed by Sheahan to disconnect the phone line of an individual during a working group meeting.

Ameren and ComEd did not respond to requests for comment Friday.

The lead facilitators for the study were UIUC professors George Gross, a Ph.D. in electrical engineering and computer sciences, and Peter Sauer, a Ph.D. in electrical engineering. Sauer did not respond to a request for comment.

Gross said in an interview that he and Sauer worked with Sheahan and two ICC staffers to select the working group members. He said he worked to ensure a diversity of interests, including the American Petroleum Institute on a panel discussing electric vehicles, and technology experts in addition to regulatory "policy wonks."

"We basically met and talked about the candidates and then we came up with a list," Gross said. "The chair had two assistants put full-time on this. … I'm sure the chairman was informed about all of those developments because he

PJM News

took a personal interest in this. This was basically his pet project, and he was shepherding it through."

Gross said he did not recall Ameren or ComEd making any comments about the composition of the working groups and had no knowledge if Sheahan gave the companies veto power.

"They did not veto anything I did," he said. "The contract said the veto power came from the commission. The commission had to bless with their holy water the work that we did."

Despite the controversy, Gross said, "I thought we had a very good representative segment of the industry. … I think [the report is] a very complete and thorough representation of all the views that were aired. We didn't try to hold back anything. This was not supposed to be a consensus document."

The seven working groups looked at subjects including new technology deployment and grid integration, metering, electricity markets and environmental issues. After more than 40 meetings over 21 months, the ICC opened the *final draft report* to public comments on Dec. 14, 2018, with plans to release the final report a month later. But the plaintiffs won an injunction from the Cook County Circuit Court preventing the release until the litigation was resolved.

The disclaimer the ICC agreed to states in part: "This report was funded by Commonwealth Edison and Ameren at a cost to the ratepayers of Illinois. The contract executed as part of the process states that the report is to be compiled for the ICC, under the direction of Commonwealth Edison and Ameren, and requires prior review by Commonwealth Edison and Ameren to be deemed complete."

Reports Paved Way for Utility Spending

Reports like the NextGrid study have been used to justify several major spending initiatives that benefited ComEd and Exelon. In 2014, the ICC and other state agencies prepared a *report* on potential nuclear plant retirements that helped build support for the ZEC subsidies.

In 2010, the Statewide Smart Grid Collaborative *issued* a report that provided the foundation for the Energy Infrastructure Modernization Act, which *authorized* ComEd and Ameren to spend $3.2 billion over 10 years for upgrades, distributed automation and smart meter implementation. The spending was done under a streamlined formula rate process to reduce regulatory lag and allow quicker inclusion of costs into rates. The rate

Then-Commonwealth Edison CEO Anne Pramaggiore was promoted to CEO of Exelon Utilities the year after the NextGrid launch. She abruptly retired last October, less than a week after the company disclosed it had been subpoenaed in an FBI pay-for-play investigation involving state legislators. | *Commonwealth Edison*

of return on equity, incentive compensation, rate-case expense and other variables were set in advance. ROEs could be reduced for failing to meet performance targets.

An analysis by Scott Madden management consultants after the first six annual formula rate filings *concluded* that the utilities had increased their earnings despite below-average ROEs. It said ComEd and Ameren Illinois' rate bases had increased by 34% and 24%, respectively, boosting their authorized earnings by 16% and 6% since 2012.

PIRG's Scarr said he believed ComEd hoped to use the NextGrid report to justify additional smart grid investments and to extend the formula ratemaking.

"They seemed to make headway until mid-May 2019," he said, when news broke of an FBI investigation into "pay-to-play" allegations involving state House Speaker Mike Madigan and lobbyists for ComEd and Exelon. Last October, Exelon Utilities CEO Anne Pramaggiore — who had been a featured speaker at the NextGrid kickoff as ComEd's CEO — abruptly retired, less than a week after Exelon disclosed it had been subpoenaed in the probe. (See *Exelon Pledges Reforms amid Grand Jury Probe*.)

"Had the study been published," Scarr said, "they would have used that to say, 'Here's all this stuff we need to do. That's why we need to continue regulatory treatment.'"

Three Recommendations

The final draft report made three main recommendations, at least two of which could result in new revenue streams for ComEd and Ameren if they are endorsed by the ICC.

In addition to calling for enhanced privacy protections in response to the growing digitalization of the grid, the report urged an expansion of EV-charging infrastructure to address climate change and "to maintain Illinois' leading position in grid modernization."

"For many years now, a major causal factor of the slow growth in EV sales has been tied to the lack of an adequate EV-charging infrastructure," it said. "There is a need to put an end to this chicken-and-egg syndrome so that the rapid adoption of EVs can proceed in order to remove the millions of polluting fossil-fueled internal combustion engine vehicles from the roads."

The report also bemoaned the "slow pace" of energy storage resource (ESR) development in Illinois, saying the need for storage is increasing with the rising penetration of renewable energy resources in the distribution network.

"There is the opportunity to formulate meaningful incentives for utilities or other entities" to install storage, it said, adding that the ICC "can play a leadership role" in increasing ESR deployment.

The report did not, however, endorse continuation of Ameren's and ComEd's formula rates, which have been extended twice beyond their initial sunset in 2017. The current extension ends in 2022.

"Some contend that utility customers have benefited from formula rates through improved resiliency and stable rates [while maintaining the ICC's ability] to review the prudence of all costs included in customer rates," the report said. "There is a contention by others that rate stability has been due primarily to wholesale power costs, not delivery-service rates, which are the only component covered by formula rates. …

"Some stakeholders expressed concerns that formula rates have allowed utilities to pass through costs without adequate review, and that utilities are effectively guaranteed their authorized rate of return. In effect, they argue that formula rates have shifted risks from utility shareholders to customers. This was an issue over which different [working group] members strongly disagreed." ■

PJM News

Ohio OKs FirstEnergy Brokerage Despite Protests

FirstEnergy Advisors Approved as Competitive Retail Electric Service Provider

By Michael Yoder

Ohio regulators last week approved the application of a FirstEnergy subsidiary to operate as an energy broker and aggregator despite protests from consumer advocates and competitors over what they called a conflict of interest.

The Public Utilities Commission of Ohio on Wednesday *granted approval* for Suvon, doing business as FirstEnergy Advisors, as a competitive retail electric service (CRES) provider to help customers select electricity suppliers. FirstEnergy filed its application in January, and PUCO staff recommended approval of it earlier this month.

Critics, including the Ohio Consumers' Counsel and the Northeast Ohio Public Energy Council (NOPEC), challenged the filing, saying use of the FirstEnergy name provided an unfair advantage and represented "too great a threat" to Ohio consumers in the retail electric market.

The OCC and NOPEC argued that having Suvon's offices in the same building as the FirstEnergy's headquarters in Akron, and having the company controlled by members of the same management team that controls the FirstEnergy utilities, violates state law requiring that a competitive retail electric supplier be "fully separated" from its regulated utilities.

FirstEnergy owns three utilities — Ohio Edison, Toledo Edison and The Illuminating Co. — with monopoly electricity distribution services regulated by PUCO.

NOPEC and the OCC argued that barring the use of the FirstEnergy name was consistent with a 2018 *report* filed by SAGE Management Consultants, PUCO's outside auditor, in the commission's corporate separation audit. The report recommended disallowing a former FirstEnergy affiliate, CRES provider FirstEnergy Solutions (FES), from using the FirstEnergy name.

FES recently emerged from bankruptcy under a new name, Energy Harbor, but the corporate separation case remains pending before the commission (*17-974-EL-UNC*).

The commission said that issues regarding Suvon's use of the trade name and compliance with corporate separation requirements "are best raised" in that proceeding, noting that the commission has not adopted the SAGE report's conclusions. "The finding and conclusions of the auditor should be litigated in that proceeding rather than this case," it said.

PUCO also determined that the shared service arrangement between FirstEnergy and Suvon does not present a conflict of interest and is permissible under federal law. The commission cited other utility subsidiaries that have been certified as CRES providers, including a *case* involving Interstate Gas Supply's (IGS) DPL Energy Resources in 2000.

"We note that the existing requirements for proper disclosure of the affiliate relationship has been considered to be a necessary and sufficient protection in all prior cases," the commission ruled. "We expect Suvon to include and present the required disclosure in a conspicuous and efficacious manner in all communications with consumers."

The OCC, Vistra Energy and NOPEC, Ohio's largest nonprofit energy aggregator, filed motions opposing the certification. The Northwest Aggregation Coalition called for a hearing on it.

"In the long run, what we know in Ohio is when there is no competition, prices go up," Chuck Keiper, NOPEC's executive director, said in an email to *RTO Insider*. "We'll be moving back to a toxic environment where the utilities control the marketplace."

In a separate *request*, NOPEC and the OCC also asked PUCO to release public records of any communications the commissioners or staff had with FirstEnergy Advisors. Keiper said his concern that the commission did not hold a hearing in the case led to the public records request.

"We're not afraid of another electricity broker coming into the market," Keiper said. "In fact, we welcome it. But bring it on in a fair, honest, legal and transparent way. Let everyone see communications, if any, between FirstEnergy Advisors and the public body PUCO. Taxpayers and electricity consumers in Ohio are owed that and a fully public process to investigate this application."

The commission noted that several of those intervening in the case were competitors of Suvon. "Competition should be determined ultimately by acumen in the marketplace, not by presumptive inhibition through a commission certification proceeding," it said. "Although we have granted intervention in this case to Suvon's competitors, we will carefully monitor the practice of competitors intervening in certification proceedings to ensure that this does not become a widespread, abusive practice and that competition is not unduly stifled by unnecessary litigation."

FirstEnergy's Akron, Ohio, headquarters

PUCO denied the public records request, saying the staff determination that Suvon has the capabilities to serve as a power broker make the request "moot."

"Staff has thoroughly reviewed Suvon's managerial, technical and financial capability and has recommended that Suvon's application should be approved," the commission said. "Upon review of the many motions and memoranda filed in this case, we find that no other parties have raised material issues regarding Suvon's managerial, technical and financial capability."

J.P. Blackwood, a spokesperson for the OCC, said Thursday the organization was not satisfied by the decision.

"The Ohio Consumers' Counsel is disappointed that the PUCO granted FirstEnergy Advisors' operating certificate without imposing the conditions that we and many local governments recommended for consumer protection and fair competition," Blackwood said. ■

FirstEnergy Sees Modest Earnings Impact from Pandemic

By Rich Heidorn Jr.

FirstEnergy said last week it remains confident in its earnings projections despite lower electricity demand and the likelihood of a recession from the coronavirus pandemic.

During a first-quarter earnings call Friday, the company said weather-adjusted load in its territories was down by almost 6% from mid-March to mid-April compared with last year.

Smart meter data from Pennsylvania showed residential loads up by 6% because of Gov. Tom Wolf's stay-at-home order, while commercial and industrial load is down almost 13% compared to the company's prior four-year average.

CEO Chuck Jones said the company's rate structure and scale — with operations across 65,000 square miles in five states — will cushion it from the impact of the economic slowdown.

"We believe our distribution and transmission investments will continue to provide stable and predictable earnings," Jones said. "As the situation continues to develop, the diversity and scale of our operations gives us the flexibility to shift our investments if needed and continue deploying capital throughout the system."

Almost two-thirds of the company's base distribution revenues are from higher-margin residential customers, with 28% from commercial and 7% from industrial customers, which are lower margin. About 80% of commercial and 90% of industrial distribution revenue is from customer and demand charges, not energy consumption.

FirstEnergy CEO Chuck Jones | *FirstEnergy*

One-fifth of its retail load — in Ohio — is decoupled, insulating the company from revenue losses because of energy efficiency and peak demand reductions. "This mix partially insulates FirstEnergy from recessions," CFO Steve Strah said.

Protecting the Workforce

The company has increased cleaning and disinfecting measures at its locations and has 7,000 employees — more than half its workforce — working remotely, including its call center employees.

Workers unable to work remotely have been issued surgical masks, thermometers and other protective equipment and are reporting to locations that permit social distancing.

"We have positioned crews so they are working with the same small group of people each day on what we call pods. They're consistently using the same vehicle and the same equipment to limit exposure. And we are managing our work to minimize potential exposure with the public," Jones said.

The company has reported nine COVID-19 cases among its 13,000 employees. "One of those cases in New Jersey unfortunately resulted in a death," Jones said. "But we've had zero cases where the disease has been transferred at work."

Results

The company reported first-quarter 2020 GAAP earnings of $74 million ($0.14/share) on $2.7 billion in revenue, down from $315 million ($0.59/share) on revenue of $2.9 billion a year earlier. Operating (non-GAAP) earnings for the first quarter were 66 cents/share versus 67 cents/share in 2019.

Strah said 2020 GAAP results included a $318 million non-cash mark-to-market adjustment on the company's pension and other post-employment benefit plans that it was required to recognize when its former merchant company, FirstEnergy Solutions, emerged from bankruptcy at the end of February. FES is now an unaffiliated independent company, Energy Harbor.

"In February, we used the proceeds from our senior note issuance, together with cash on hand, to fund the final settlement payment of $853 million to Energy Harbor upon their emergence," Strah added.

"The diversity and scale of our operations gives us the flexibility to shift our investments if needed and continue deploying capital throughout the system."

—Chuck Jones,
FirstEnergy CEO

The company affirmed its 2020 earnings guidance of $2.40 to $2.60/share and its expected compound annual growth rates (CAGR) of 6 to 8% through 2021 and 5 to 7% through 2023.

Capital Expenditures and Supply Chain

Jones said that much of the company's guidance in its CAGR is driven by capital expenditures. "We don't see any supply chain interruptions that we're worried about right now. And that includes the workforce supply chain, because most of the significant capital investment that we're making is being done with a contracted workforce that we lined up many, many years ago," he said.

The company's Buy America strategy, implemented about four years ago, has the company purchasing more than 80% of its supplies domestically, Jones added. "When you put that all together, I'm confident that that there's not going to be any material swing in weather-adjusted revenues that are going to take us off track from delivering on our guidance … or I wouldn't have reaffirmed guidance."

Jones noted that the company has more than

PJM News

$2 billion in operations and maintenance expenses. "If we need to get a little more diligent at O&M discipline to offset some of what might be happening on the meter side of things, we'll do that," he said. "We can work to deliver on our commitments."

Analyst Stephen Byrd of Morgan Stanley asked whether the company might have to slow its capital expenditures next year to reduce costs for its customers if the economic recovery is slow. "Is that viewed as … critical work that needs to be done? Or is there any consideration of customer ability to pay?" he asked.

"The impact on customers is always something that we're very thoughtful about as we make these investments," Jones responded. "But I do believe these investments are investments that are needed. The transmission and distribution infrastructure we have at FirstEnergy is old. It's in some cases in need of repair and modernization."

Bad Debts?

Jones said he wasn't concerned about cash flow problems resulting from the company's announcement last month that its 10 utility companies had temporarily discontinued power shutoffs for customers who are past due on their electric bills.

He thanked the Maryland Public Service Commission for issuing an order allowing utilities to defer for future recovery of prudent, incremental pandemic-related costs. The company can also recover incremental uncollectible expenses through existing riders in Ohio and New Jersey, he said.

"I've been in this business for 40 years; I don't think it's fair to assume that every customer who can't pay their bill today is going to end up being a bad debt," he said. "My experience is customers want to pay their bills; they don't want a black mark on their credit history. And as long as we're flexible and work with them the right way, we can generally get to where we don't end up writing off a lot of what's going to get backed up here today." ■

Earnings transcript courtesy of Seeking Alpha.

| FirstEnergy

| FirstEnergy

NJ Solar Program Amended for COVID-19 Interruptions

By Michael Yoder

The New Jersey Board of Public Utilities acted Monday to help solar project developers who face a looming registration deadline at the end of the month despite continued interruptions from the COVID-19 pandemic.

The BPU unanimously passed *special procedures* for registrants in the Solar Renewable Energy Certificate (SREC) program who would have completed all necessary steps to secure eligibility by April 30 but were prevented by the pandemic from obtaining municipal code inspections or permission to operate from their electric distribution companies.

The board announced April 6 that it was directing its staff to close the SREC program by the end of the month because it was about to achieve a Clean Energy Act of 2018 (*AB-3723*) requirement that it be ended when 5.1% of electricity sold in the state was generated by solar. (See *Solar Subsidy Program Ending in New Jersey*.)

The BPU established the SREC program in 2004 to complement the state's existing solar rebate program. The program helped the state become one of the leading solar energy producers in the country.

BPU President Joseph L. Fiordaliso said the measure was "certainly appropriate" in light of the emergency. He noted that New Jersey utilities have been cooperative during the pandemic and toward the state's ratepayers.

BPU President Joseph L. Fiordaliso | © *RTO Insider*

"The least we can do is to try to make some accommodations in order to relieve some of the pressure and stress that some of these developers have been experiencing," Fiordaliso said. "I believe that this action will certainly do that."

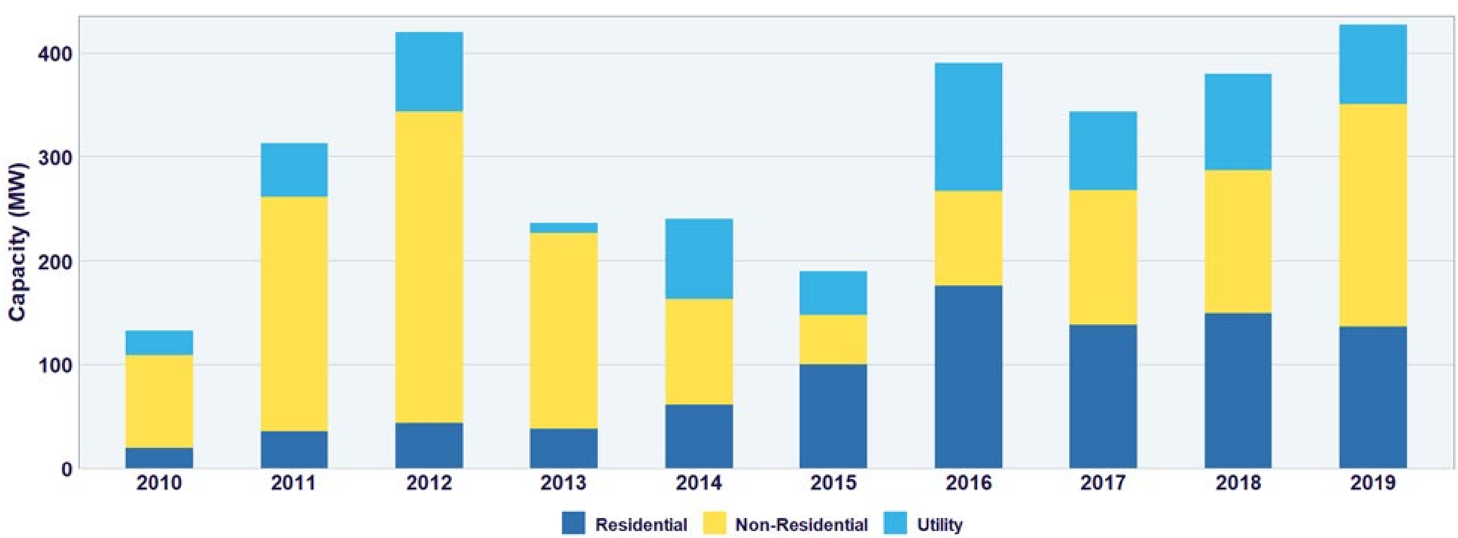
Scott Hunter, manager of the BPU's Office of Clean Energy, presented the rule waiver to the board, saying the measures were necessary to give the SREC administrator flexibility in determining when projects have commenced commercial operations to qualify for the program.

The waiver extends the due date of finalized SREC paperwork to 90 days from the date when New Jersey's emergency declaration is rescinded. Hunter said eligibility is limited to projects that are currently enrolled in the program and have been kept them from receiving final approval from local inspectors because of the pandemic.

"We've heard anecdotes from solar developers and the electric distribution companies [EDCs] through connections to staff representatives of local municipal inspection processes slowing down," Hunter said. "And since municipal compliance is a prerequisite to EDCs granting permission to operate, the result has presented a barrier for some projects to achieve their commencement of commercial operations despite being mechanically complete."

The new process creates a procedure to show the SREC projects were mechanically complete by April 30. Hunter highlighted six requirements:

- An affidavit from the project owner that the failure to obtain permission to operate was because of pandemic-related closures of local government offices or delays in the issuance of permission to operate from the EDC.
- An affidavit signed by a person with direct personal knowledge of the solar project stating the project was complete except for final inspections or final permission to connect to the grid prior to April 30.
- Date-stamped pictures of the array, inverter and balance of system.
- Date-stamped evidence that project representatives attempted to communicate with local code officials, including emails requesting an inspection, or communication with the EDC to connect if the project had already been inspected.
- A milestone report form that reflects the status of the project, including request dates for inspection or an application to connect to the grid.
- Any other evidence BPU staff or the SREC administrator may request.



Annual solar installations in New Jersey | *SEIA*

PJM News

Replacement Solar Program

The board also unanimously voted to consider amendments to the proposed renewable portfolio standard rules approved at its March 27 meeting and create new rules establishing the solar Transition Incentive Program.

The BPU is replacing the SREC program in two phases, beginning with the Transition Incentive Program, designed to serve as a bridge between the SREC and a yet-to-be determined successor program. The board is issuing fixed-price, 15-year Transition Renewable Energy Certificates (TRECs) to projects that entered the SREC pipeline after Oct. 29, 2018, but had not reached commercial operation as of April 30.

SREC Program Administrator Ariane Benrey said that following the board's vote, staff posted an advance copy of the proposal to the BPU website, which received questions and comments from stakeholders.

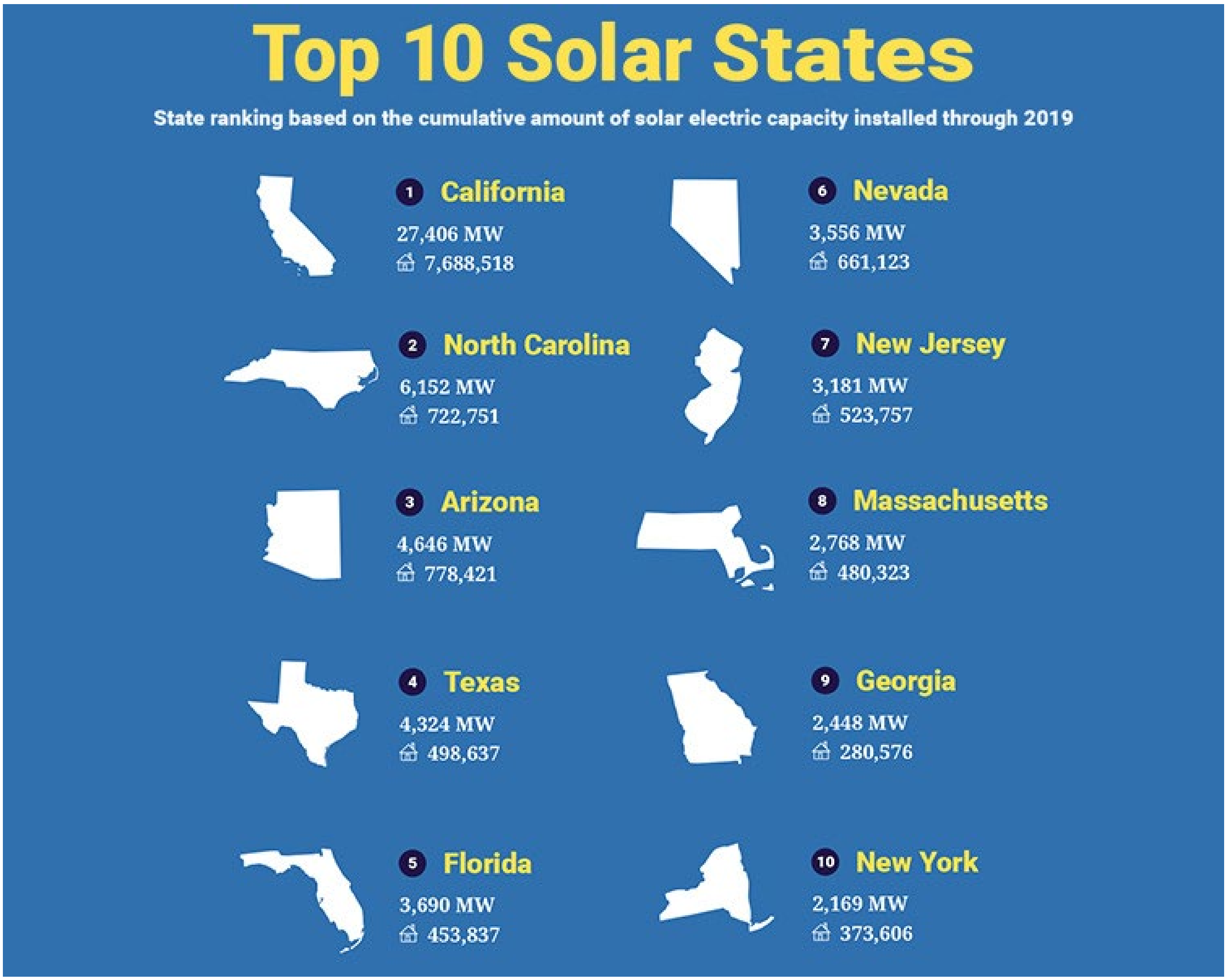
Staff proposed approving a new version of the proposal that includes modifications intended to clarify certain elements of the transition program related to the length of time and process for project registration, Benrey said.

The rule proposal will now move to the Office of Administrative Law, Benrey said, where it will be open to public comment for 60 days before returning for final board approval.

"Staff continues to learn from the implementation of the Transition Incentive Program prior to the close of the SREC registration program on April 30," Benrey said.

Stakeholders said after the meeting that the amendments were a positive step in keeping solar projects thriving in New Jersey. Solar advocates also pointed out the new program needs improvements.

"The transition program will allow some solar to move forward, but we need a long-term solution," said Jeff Tittel, director of the New Jersey Sierra Club. "We need to move quickly to develop a new program and come up with a new funding mechanism so that the solar program can come back." ■



| SEIA

SPP News

SPP Western Markets Briefs

The Rocky Mountains loom large in SPP's WEIS footprint. | *Rocky Mountain National Park*

Implementation Project on Time, on Budget

SPP's effort to stand up the Western Energy Imbalance Service market is on budget and on schedule, the grid operator's staff told the Western Markets Executive Committee last week.

"It's going to take all of us to make that happen," SPP's David Kelley, director of seams and market design, told the WMEC during a conference call Thursday. "Understand when we're pushing you and you're pushing us, it's to keep us marching to the same objective, and that's to get the market up and running."

SPP plans to begin operating the WEIS in February 2021. Modeled on the Energy Imbalance Market the RTO operated from 2007 to 2014, the WEIS has attracted eight participants. (See *SPP Board OKs $9.5M to Build Western EIS Market*.)

Kelley said that while the overall market development project's status is yellow because some tasks are behind schedule, the project's end date is "not in jeopardy."

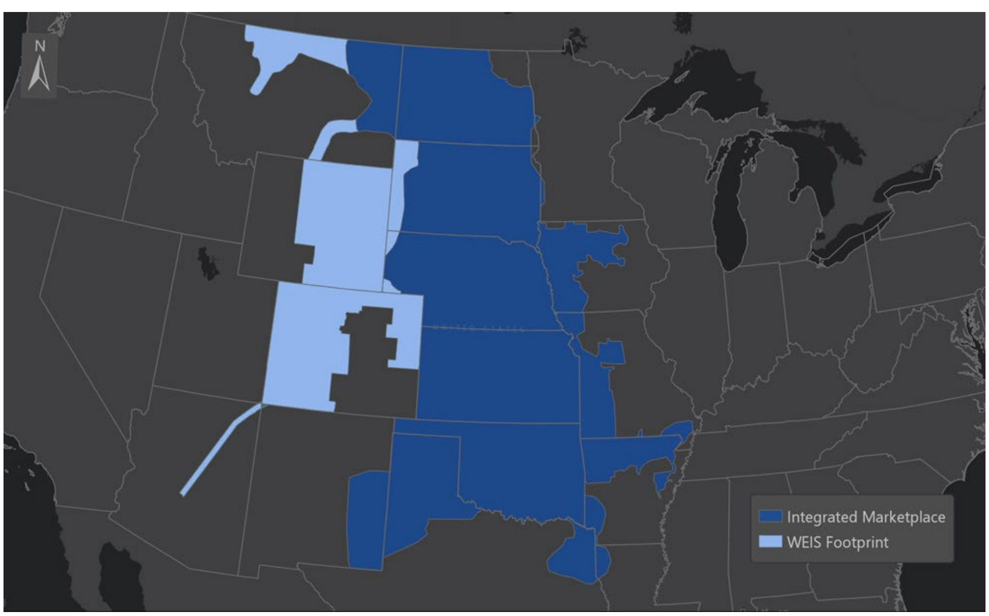
"We've been able to make up lots of lost ground we had early in the project," Kelley said. "I'm still comfortable with where we are. The delays in some of the tasks won't affect the overall health of the program."

SPP staff are currently testing the first markets release from its vendor and have taken delivery of two key software systems. They are also preparing for various system tests, with market trials scheduled for the month of October. Parallel operations are scheduled to begin Dec. 10.

Kelley said SPP has yet to fill five of the 13 positions necessary to run a Western markets desk in its operations center because the RTO's two control rooms have been "basically" locked down during the COVID-19 pandemic to protect the operators, he said.

"We have ample time to get the desk stood up and tested," Kelley said.

The pandemic has also caused a change in training WEIS participants. SPP originally planned for in-person training in July but has now shifted to virtual, instructor-led classes.



SPP's legacy and WEIS footprints | *SPP*

FERC Finds SPP's WEIS Tariff Deficient

FERC on April 20 issued a letter notifying SPP that its proposed WEIS Tariff, Western joint dispatch agreements and WMEC charter are deficient and requested additional information for the filings (*ER20-1059, ER20-1060*).

The commission asked for a response to 12 different categories by June 4, throwing into doubt SPP's original requested effective date of May 21. The RTO filed the *Tariff* and other documents in February.

FERC asked SPP to break down the six categories of costs included in both its projected $9.5 million implementation costs and its ongoing administrative costs to be recovered through the WEIS rate. The RTO has proposed a WEIS rate of 22 cents/MWh of net energy for load, based on an estimated annual $5 million operating cost. That number includes the annualized payback of implementation costs.

FERC also asked SPP to explain why using its Integrated Marketplace market power mitigation thresholds are appropriate for the WEIS. The RTO said the market will be subject to market power monitoring and mitigation performed by its Market Monitoring Unit.

The proposed Tariff includes provisions for demand response and notes that aggregators of retail customers "shall be treated comparably to other market participants offering resources." FERC said there was no mention of compensation for DR resources and asked the RTO to clarify whether those resources would be compensated at LMP like other participants; "if not, please explain how they will be compensated and why." ■

— Tom Kleckner

SPP News

FERC Rejects 4 SPP GIA Requests

FERC on Thursday rejected without prejudice four unexecuted generator interconnection agreements (GIAs) filed by SPP, finding that the RTO had not shown the agreements with four proposed wind farms to be just and reasonable (*ER19-2747*, *et al.*).

The commission found the allocation of costs for a shared network upgrade under each of the GIAs should not have been included because a restudy of the interconnection requests determined the upgrade was no longer needed and would not be built.

The Emporia upgrade "is no longer a 'but for' facility that is needed for the interconnection" of the affected interconnection customers, FERC said.

The four interconnection customers, all wind farms in Oklahoma and Kansas, submitted their requests to SPP before a 2016 deadline to be included in a study queue. The RTO performed five restudies following the initial study, one of which identified a shared network upgrade necessary to accommodate the wind farms. The fifth restudy concluded that the upgrade was no longer needed because of the pending development of the Wolf Creek-Blackberry competitive transmission project, approved by SPP's Board of Directors in January.

SPP filed the GIAs in September. The requests were filed as unexecuted because the wind farms disagreed with the proposed cost allocation provisions.

The Skeleton Creek and Wheatbelt wind farms both plan to use GE's 2-MW turbines. | *GE*

The RTO told FERC it is revising the unexecuted GIAs to reflect the fifth restudy's results and that none of the GIAs have been executed by the wind farms.

The proposed wind farms are Frontier Windpower (141.8 MW), Skeleton Creek Wind (250 MW), Wheatbelt Wind (220 MW) and Chilocco Wind Farm (200.1 MW).

The Wolf Creek-Blackberry project, a $152 million, 105-mile, 345-kV upgrade project in Kansas and Missouri, was approved as part of the SPP's 2020 *Transmission Expansion Plan*. (See "Directors Approve $545M Transmission Expansion Plan," *SPP Board of Directors/MC Briefs: Jan. 28, 2020*.) ■

— Tom Kleckner

Company News

NextEra Plans to Combine FPL, Gulf Power Utilities

By Tom Kleckner

NextEra Energy said Wednesday that it will combine its two Florida utilities into a single entity that will stretch from the Panhandle to Miami Beach.

During its first-quarter earnings call, Florida-based NextEra said it has filed with the Public Service Commission to reflect the expectation that Florida Power & Light and Gulf Power will begin to operate as an integrated system in 2022. The utilities plan to file a combined rate case in the first quarter of 2021 for new rates that begin in 2022, NextEra said.

In its *earnings release*, NextEra said, "The companies expect that a merger will create both operational and financial benefits for customers."

FPL serves more than 5 million customer accounts along Florida's Atlantic coast and is the nation's largest rate-regulated electric utility, as measured by retail electricity produced and sold. Pensacola-based Gulf Power has more than 460,000 customers. NextEra struck a $6.5 billion deal with Southern Power in 2018 to acquire the utility. (See *FERC Approves NextEra's Gulf Power Acquisition*.)

The companies filed a "Ten Year Site Plan" that projects an approximately 70% increase in zero-emission electricity that is generated in 2029, relative to 2019, largely through solar power. NextEra said FPL expects to have more than 10 GW of installed solar capacity, including nearly 1.6 GW within the current Gulf Power service territory, by the end of the decade.

CEO Jim Robo said FPL has six new solar energy centers operating, with four more scheduled to enter service in May. The 10 solar centers, FPL said, represent 745 MW of new capacity.

NextEra plans to connect the two systems with a new 161-kV transmission line. According to the PSC filing, the project will be completed before 2022.

The company's first-quarter earnings surpassed expectations. NextEra reported earnings of $421 million ($0.86/share), compared to $680 million ($1.41/share) for the first quarter of 2019.

NextEra Energy, headquartered in Juno Beach, Fla., released its first-quarter earnings April 21. | *© RTO Insider*

When adjusted for nonqualifying hedges, net investment gains and other impairments, and profit from disposal of a business, NextEra's earnings were $2.38/share. Analysts polled by Zacks Investment Research had projected adjusted earnings of $2.21/share.

NextEra said it continues to expect year-end adjusted earnings of $8.70 to $9.20/share.

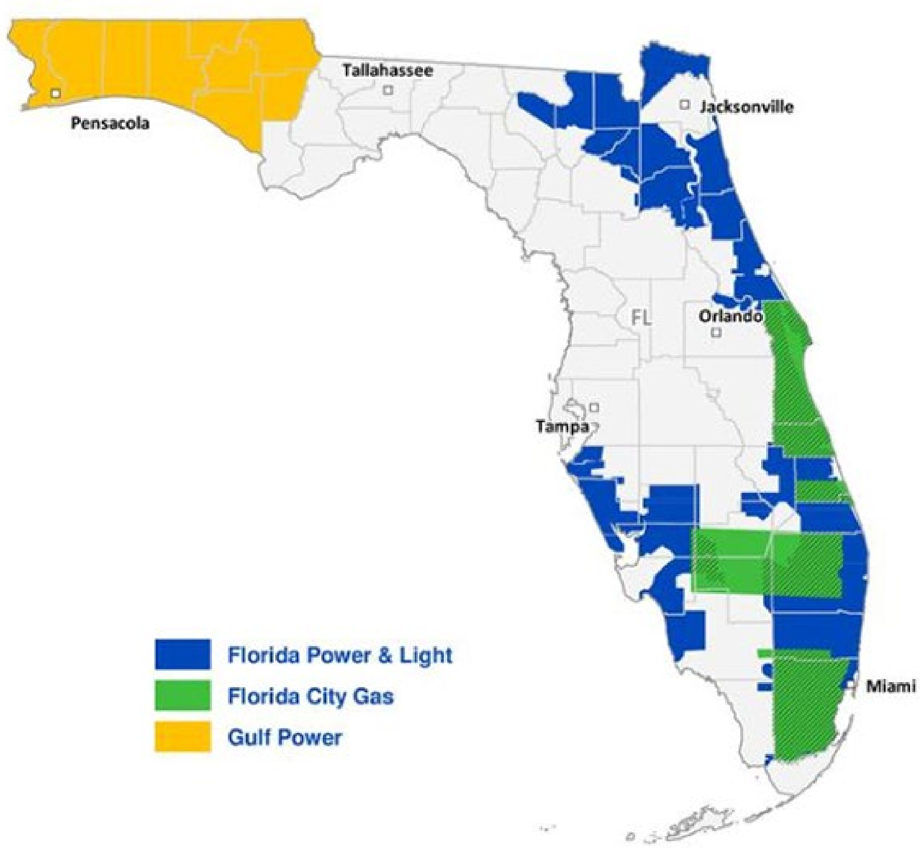
"While our expectations always assume normal weather and operating conditions, I have confidence in our ability to meet these expectations even when accounting for a reasonable range of impacts and outcomes that may result from the COVID-19 pandemic," Robo said.

Robo did not address recent market rumors about an acquisition of Kansas City-based Evergy. (See *NextEra Said to be Eyeing Evergy as Acquisition Target*.)

Asked about another target, South Carolina's state-run Santee Cooper utility, which the state's governor has *called* a "rogue agency," Robo said state lawmakers are in a budget standoff over the utility's "hotly debated" sale.

"By no means is Santee Cooper done. There remains a lot of energy still behind wanting to sell Santee Cooper," Robo said.

NextEra's share price gained $11.75 on Wednesday, closing at $247.17 as Wall Street stopped a two-day slide. ■



NextEra Energy plans to merge its Gulf Power and Florida Power & Light utilities. | *NextEra*

Company Briefs

AMP Names New Chief Operating Officer

American Municipal Power (AMP) last week announce that Pamala Sullivan has been named the company's new chief operating officer.

Sullivan has held a leadership position with AMP for nearly 20 years and most recently served as executive vice president of power supply and generation. She also serves as president of AMP Transmission. As COO, Sullivan will work with the CEO to implement business operations and strategic goals, and represent AMP on various boards and committees.

More: *AMP*

Dominion, Ørsted Plan to Finish Coastal Offshore Wind Pilot this Year

Dominion Energy and Ørsted announced last week they are on track to implement their offshore wind energy pilot project in Virginia by the end of this year despite disruptions from the COVID-19 pandemic.

Construction of the Coastal Virginia Offshore Wind project, which consists of two 6-MW turbines, began last June.

More: *Power Engineering*

First Solar Signs PPAs in California

First Solar last week said it has come to terms for two 15-year power purchase agreements with Monterey Bay Community Power and Silicon Valley Clean Energy. The deals are tied to the output of the 100-MW Rabbitbrush solar plant to be built in California.

First Solar developed the solar park in Kern County with the goal of completing it in the second quarter of 2022. The plant will include a 20-MW battery storage component capable of delivering electricity for 2.5 hours.

More: *Renewables Now*

General Mills Pledges 100% Renewables by 2030

General Mills last week said it has joined the RE100 global corporate initiative and set an objective to source 100% renewable power by 2030.

The company has a 15-year virtual power purchase agreement with RES Americas for a 100-MW portion of the Cactus Flats wind farm in Texas, and a 15-year off-take contract with a joint venture of RES and Steelhead Americas for 200 MW of the Maverick Creek wind park. The projects will generate enough renewable energy credits to cover 100% of General Mills' power usage in the U.S., according to the company.

More: *Renewables Now*

GM's Detroit Operations to Run on Wind, Solar Energy in 3 Years

General Motors said last week it expects all its facilities in southeast Michigan to run on clean and renewable energy in three years as it has purchased 500 GWh of solar energy from DTE Energy's MIGreenPower program.

GM said its investment in the program should deliver enough clean energy to run the company's southeast Michigan facilities by 2023, which includes its global headquarters in Detroit, the GM Global Technical Center in Warren, the Milford Proving Ground in Milford and its Orion and Detroit-Hamtramck assembly plants.

More: *Detroit Free Press*

Google, Amazon Sign on for New Renewable Deals

The first quarter of 2020 had more than its fair share of corporate renewable procurement deals despite the economic disruption caused by the COVID-19 pandemic. Companies announced deals for at least 1.6 GW of capacity, more than Q1 or Q4 in 2019.

The largest deal of the quarter was done by Google, whose contract included 250 to 280 MW of storage. The hybrid resource project, which will power the company's new data center, was procured through a partnership with NV Energy. The agreement is pending approval from Nevada regulators.

Meanwhile, Amazon entered a partnership with Dominion Energy and Arlington County to power its East Coast headquarters in Virginia. Dominion will build a new 120-MW solar facility with 68.3% of its power going to Amazon's HQ2.

More: *GreenBiz*

NIPSCO Plans to Retire Coal Ash Pond at Michigan City Plant

Northern Indiana Public Service Co. last week announced plans to retire its five coal ash ponds at the Michigan City Generating Station in Indiana.

NIPSCO intends to remove the material from the on-site ponds and replace it with clean fill. The move will align the company more closely with EPA's Coal Combustion Residuals rule, while also moving it closer to retiring all its remaining coal-fired plants by 2028.

The Indiana Department of Environmental Management will consider the plan after the required public comment period.

More: *Daily Energy Insider*

NYISO Names Hill as Board Chair

The NYISO Board of Directors last week announced it had named Daniel C. Hill as its chair. Hill will take over for Ave Bie, whose term concluded on April 21. Bie will assume Hill's former role as vice chair.

Hill has served on the board since April 2013. Prior to that, he was the senior vice president and chief information officer of Exelon from 2003 to 2012.

More: *NYISO*

PG&E Installs LNG Site on Calistoga Vineyard Property

Pacific Gas and Electric has begun work on an LNG supply site in Calistoga, Calif., to keep natural gas flowing to customers over the next two years as the company upgrades a 90-year-old pipeline that stretches from Napa to Calistoga.

The LNG facility is being installed on Terry Gard's private vineyard property against his wishes. In January, Napa County Superior Court Judge Victoria Wood granted a temporary ruling in favor of PG&E for a permanent easement of 1.4 acres of Gard's land on Dunaweal Lane. As a public utility, PG&E is entitled to seek prejudgment possession of property under eminent domain, court documents state. "PG&E has shown it has an overriding need to possess the property prior to the issuance of final judgment in the case and that it will suffer a substantial hardship if the application for possession is denied or limited," according to the court.

The company was authorized to take possession of the property in February. A trial date is set for August.

More: *The Weekly Calistogan*

Siemens Gamesa Cancels Financial Forecast

Siemens Gamesa, the world's second-largest wind turbine manufacturer, last week pulled its 2020 financial guidance because of the COVID-19 pandemic.

Siemens said the degree of uncertainty caused by the pandemic means the company cannot make predictions on its performance for this year. It will report its next quarterly results on May 6.

More: *GreenTech Media*

TPI Composites Suspends Production

TPI Composites last week said it is suspending production of its composite wind turbine blades at its manufacturing plant in Newton to implement more COVID-19 testing.

The company will pause production until the middle of this week for a deep clean of the facility, as well as to test all associates. The company said it will pay workers during the hiatus.

More: *KCRG*

Vestas Cuts 400 Jobs

Vestas last week announced it will cut 400 jobs because of uncertainty caused by the COVID-19 pandemic.

The jobs affected, most of which are in Lem and Aarhus, Denmark, relate to "technology projects" that will be paused while the company focuses its resources on delivering turbines to customers through 2020. In addition to closing the projects at the Lem blade facility and in Aarhus, a temporary facility established for its offshore wind joint venture with Mitsubishi, MHI Vestas, will also shut down.

The executive management team also announced it would be taking a 10% pay cut.

More: *GreenTech Media*

Verizon Enters PPA with Clearway Energy Group, Invenergy

Verizon last week said it has entered into virtual power purchase agreements with Clearway Energy Group and Invenergy that will help finance the construction of new wind and solar farms.

The agreements add about 254 MW of capacity from two solar energy facilities being developed by Clearway in Texas. They are expected to become operational in 2023. Verizon's other agreement with Invenergy supports the development of an extra 130 MW of capacity at Invenergy's Blooming Grove Wind Energy Center in Illinois. The facility is expected to be operational by the end of 2020.

More: *Solar Power World*

Federal Briefs

Nuclear Fuel Working Group Outlines How US Can Regain Global Leadership

The White House's Nuclear Fuel Working Group (NFWG) last week released its "Restoring America's Competitive Nuclear Advantage: A Strategy to Assure U.S. National Security" report in which it details a strategy for the U.S. to attempt to regain its international standing as a leader in nuclear energy.

The group, which was convened by President Trump in July 2019, includes representatives from various executive branch agencies that are tasked with examining domestic nuclear fuel production and options to revive the nuclear fuel supply chain.

The report sets out three key priorities. First, it foresees the U.S. government taking action to revive and strengthen the domestic uranium mining industry and end reliance on foreign uranium-enrichment capabilities. The second aspect foresees a spate of government–leveraged efforts to advance nuclear research, development and demonstration investment. Lastly, the government plans to move into markets dominated by Russian and Chinese state-owned enterprises.

More: *POWER*

Oregon, Others Seek Jordan Cove Rehearing

The state of Oregon, along with Klamath Tribes, conservation and activist groups, and landowners along the proposed pipeline route, are seeking a FERC rehearing on the Jordan Cove LNG project following the commission's approval of the project in March. The project's owner, Pembina Pipeline., has also asked for a rehearing on certain details of the approval and a clarification or rehearing on others.

The groups' request asserts that FERC impermissibly issued authorizations "in a manner that both violates and allows violations of federal environmental laws" that the state implements. Another one of Oregon's challenges centers on whether the LNG terminal would make use of gas produced in the U.S. State agencies argue that in approving the project, "FERC improperly relies on economic benefits to American gas producers, despite that there is no evidence that any significant portion of the gas transported through the facility will come from American producers."

More: *The Daily Sentinel*

Sabal Trail Gets FERC's OK to Begin

FERC last week gave Sabal Trail Transmission approval to place two gas compressor stations into service despite objections from environmental groups that warned the approval would increase pollution. The compressor stations, both of which are 20,500 hp, are in Dougherty County, Ga., and Marion County, Fla.

Sabal Trail asked FERC for a six-month extension of its deadline to begin operating the stations out of concern the COVID-19 pandemic might affect the timeline for completing work. Staff approved the request after finding rehabilitation and restoration work was proceeding accordingly.

The Sierra Club and the WWALS Watershed Coalition have urged FERC to deny the request in separate filings. Sierra Club claimed the Albany station would increase air pollution in a predominantly African-American community that has one of the highest coronavirus infection rates in the country.

More: *S&P Global*

Supreme Court CWA Ruling May Impact Coal Plants

The Supreme Court's ruling setting a new standard for federal water permitting could result in tightened rules on coal ash impoundments, attorneys say. In a case involving a wastewater plant in Hawaii, the court *ruled* Thursday that water pollution that takes an indirect route from a discrete source to a federally regulated waterway needs a Clean Water Act permit when it's the "functional equivalent" of a direct discharge.

Coal-burning utilities have contended that pollution from coal impoundments through groundwater made the Clean Water Act's permitting program inapplicable, but the Supreme Court ruling "completely rejects" that argument, said Harvard Law School professor Richard Lazarus.

Earthjustice plans to ask the 7th Circuit Court of Appeals to remand its suit over *alleged pollution* from a Dynegy plant in Illinois to the district court to reconsider environmental groups' Clean Water Act claims.

More: *Bloomberg Environment*

FERC Accepts SPP's Order 841 Compliance

FERC on Wednesday accepted SPP's Order 841 compliance filing, pending a further compliance filing to correct a drafting error.

The commission opened a Section 206 proceeding under the Federal Power Act in October, when it found that SPP's initial proposal "generally" satisfied Order 841's directive to allow storage resources to derate their capacity to meet minimum run-time requirements. FERC ordered the RTO to incorporate into its Tariff rules and practices regarding run-time requirements for resource adequacy for all resource types. (See *FERC Partially OKs PJM, SPP Order 841 Filings*.)

NextEra Energy Resources and Western Farmers protested SPP's compliance filing, asserting that the proposed Tariff revisions failed to recognize that variable energy resources are exempt from the four-hour continuous minimum run-time requirement under the RTO's planning criteria. FERC directed SPP to correct what all agreed was a drafting error within 45 days.

More: *ER20-572, EL19-101*

State Briefs

COLORADO

State Unveils Roadmap for Move to EVs, Emission Reductions

The state released its "Colorado EV Plan 2020" last week, which seeks to add 1 million electric vehicles to the road by 2030, transition medium- and heavy-duty trucks and buses to electric options, add more charging stations and electrify the state's fleet of cars and trucks.

The state aims to reduce greenhouse gas emissions 50% over the next decade. However, an economic recession could make the goals more difficult to achieve as the state is facing a potential $3 billion budget shortfall that could dry up anticipated revenue streams needed to develop the plan.

More: *Colorado Public Radio*

ILLINOIS

ICC to Explore Process for Setting Solar, Wind Rebate Values

The Commerce Commission last week initiated an investigation into an annual process and formula for calculating rebate values for customers with solar, wind or other renewable systems within the Ameren Illinois territory.

A provision of the Future Energy Jobs Act requires the ICC to determine compensation for customers for the benefits provided to the grid by distributed energy resources. The reimbursement must reflect the value of the generation and consider geographic, time- and performance-based benefits.

Under the Public Utilities Act, the commission is required to initiate an investigation when the total generating capacity of the provider's net metering customers is equal to 3% of the total peak demand supplied by the electricity provider. Earlier this month, Ameren notified the commission that its total generating capacity had reached 3% and is expected to exceed 5% by the end of 2020.

More: *ICC*

MAINE

NECEC Proponents Appeal Decision to Allow Ballot Question

Opponents of a referendum aiming to defeat the New England Clean Energy Connect (NECEC) transmission corridor are appealing the secretary of state office's and a Superior Court judge's decisions to validate the referendum to the state's highest court.

Former Central Maine Power employee Delbert Reed, along with the Industrial Energy Consumer Group and the Maine State Chamber of Commerce, filed briefs appealing the decision Thursday with the Supreme Judicial Court. The parties are expected to hold oral arguments today via teleconference.

Opponents of the referendum will argue Secretary of State Matt Dunlap — and, by upholding his decision, Superior Court Judge Michaela Murphy — misinterpreted the intent of a 2017 state law that prohibits notaries from performing other duties for a referendum's signature-gathering campaign, according to filed briefs.

More: *Bangor Daily News*

MICHIGAN

Ann Arbor City Council Approves Funding for Carbon Neutrality Plan

The Ann Arbor City Council met virtually last week and voted to pass funding for its A2Zero Carbon Neutrality Plan.

Councilmember **Jane Lumm** suggested the council postpone passing the plan or amend it to integrate a full funding plan, but Councilmember Chip Smith said reducing carbon emissions by 2030 becomes increasingly expensive with every moment the council waited to take action. In the end, the council voted to implement the plan and approved an amendment included by Lumm to clarify funding sources.

More: *The Michigan Daily*

DTE Energy Activates Polaris Wind Park

DTE Energy last week announced it has activated the state's largest group of wind turbines, the Polaris Wind Park, in Gratiot County.

The 68-turbine park is the first of four new wind parks the company has planned to commission this year.

More: *Detroit Free Press*

MINNESOTA

Minnesota Power Rethinks Rate Increase

Minnesota Power last week said it is reducing its rate increase request to the Public Utilities Commission in response to "economic uncertainty related to the COVID-19 crisis," proposing an increase of $3.53/month instead of $11.66.

The company proposed a $66 million rate increase last fall, which would have been a 10.6% average increase across all customers. The new increase, a $35 million boost from 2019 levels, will cover lost revenue from a sales contract with Basin Electric Power Cooperative expiring at the end of the month.

If the PUC approves the proposal, $12 million in refunds will be issued later this summer.

More: *Star Tribune*

Xcel Energy Proposes Lower Rates Through Summer

Xcel Energy last week said that because of lower-than-expected fuel costs, it wants to give its customers a $25 million credit this summer.

Commercial customers may also see reduced bills if their energy usage was significantly lower because of the COVID-19 pandemic. If approved by the Public Utilities Commission, the rate changes would go into effect in a few weeks.

More: *Minneapolis/St. Paul Business Journal*

MONTANA

PSC Reverses Course on Colstrip Purchase Application

The Public Service Commission, going against its analysts' recommendation, voted 4-1 last week to reverse course on its decision from six weeks ago that required NorthWestern Energy to supply more details about its application to purchase more of Colstrip Power Plant.

NorthWestern plans to buy a 12.5% share of Colstrip Unit 4 from Puget Sound Energy. The agreement required the utility get preapproval from the PSC, which would lead to future costs being passed on to consumers. State attorneys from the Consumer Counsel argued NorthWestern's application did not provide enough information about the potential risks to customers and did not prove the purchase was in the public's interest.

More: *Billings Gazette*

NEW MEXICO

Regulators Delay San Juan Replacement Decision

The Public Regulation Commission last week delayed its decision to this Wednesday on the first wave of replacement energy once Public Service Company of New Mexico (PNM) vacates the coal-fired San Juan Generating Station.

PNM has proposed replacing the plant with a mix of natural gas, solar and wind projects that include a 300-MW solar project and a 40-MW solar battery storage project. Commissioner Stephen Fischmann suggested PNM could conduct a new round of bidding that specifically favors San Juan County as the preferred location. Western Resource Advocates spokeswoman Julianne Basinger, however, opposed the idea, saying doing so could jeopardize low-cost renewable projects and lead to higher costs for consumers. Still, Fischmann questioned whether the bidding process was fair and whether the commission should begin another process.

A recommendation on the second wave of energy that would replace the plant should come within the next few months.

More: *Santa Fe New Mexican*

NORTH DAKOTA

NextEra Redesigns Rejected Wind Project

The Public Service Commission last week heard from NextEra Energy Resources regarding its redesign of a proposed wind farm the PSC rejected last year over concerns about wildlife impacts.

NextEra Environmental Services Project Manager Dustin Jones said the company incorporated recommendations from state and federal wildlife authorities to lessen the 200-MW Northern Divide project's environmental impact by moving its 74 turbines "into areas less suitable" for wildlife, but he acknowledged all development projects have the potential to impact birds. NextEra also reduced the area to cover 11,000 acres of land, about half the size of the Burke Wind project that the PSC rejected.

The PSC is expected to vote on a permit for the wind farm at a future meeting.

More: *The Bismarck Tribune*

PENNSYLVANIA

DEP Projects State Could Cut Carbon Emissions

The Department of Environmental Protection last week said the state could reduce its carbon emissions 10-fold over the next decade if it joins the Regional Greenhouse Gas Initiative (RGGI).

Emissions are already projected to drop by 20 million tons (25%) between 2022 and 2030 as the state, which is the fourth largest greenhouse gas emitter in the country, shifts further away from coal. That said, DEP Senior Adviser on Energy and Climate Haley Book said participation in RGGI would create an immediate drop in emissions and prevent a total of 180 million tons of carbon emissions over the same time period.

The regulatory process is slated to start in July. The state plans to join the initiative in 2022.

More: *StateImpact Pennsylvania*

TEXAS

Houston Unveils Climate Action Plan

The city of Houston last week published its 97-page Climate Action Plan that calls on energy companies to lead a transition to renewable sources with the hopes of becoming carbon-neutral by 2050. The plan is a strategy, not an ordinance, so it does not enforce any new rules. Instead, it identifies four areas to target emission reductions.

The targets areas include transportation, energy transition, building optimization and materials management. It also identifies goals and targets for residents, businesses and the city to follow in each of those areas.

According to data in the plan, nearly all of the 34 million metric tons of carbon the city emitted in 2014 (the baseline) came from transportation and energy that powers homes, businesses and institutions.

More: *Houston Chronicle*

VIRGINIA

Regulator Recommends Approval of Dominion's Renewable Rate Scheme

Hearing Examiner Mary Beth Adams last week recommended the State Corporation Commission approve a "green tariff" proposal by Dominion Energy to offer a renewable energy package, but only if the utility can sign up at least 15,000 customers that account for 100 MW in six months.

Under a 2009 change to state law, the proportion of energy produced at a co-fired electric power plant from biomass was legally defined as "renewable energy," even if the plant otherwise relied on fossil fuels. That has meant that because roughly 7% of the fuel mix for Dominion's Virginia City Hybrid Energy Center is currently biomass, the utility can declare 7% of the plant's output to be renewable energy. But the company's decision to include that energy in its renewable package sparked a backlash with opponents arguing the plant has never operated without burning coal.

In her recommendations, Adams agreed with Dominion and noted that under state code, the portion of the plant's energy that comes from biomass "is eligible for inclusion" in the renewable portfolio. Adams offered the SCC two alternative portfolios it might consider: one eliminating the Virginia City energy and another eliminating all plants fired with biomass. Dominion has said it is willing to see energy center eliminated from the portfolio.

More: *Virginia Mercury*

WISCONSIN

Dane County Climate Plan Creates Path to Cutting Emissions

Dane County last week released the findings of its Climate Action Plan, which is a series of actions that could cut in half the county's estimated 7.5 million metric tons of greenhouse gas emissions over the next decade.

The plan calls for the county to develop enough solar and wind generation to meet 80% of its electricity needs, create county-wide energy efficiency programs for buildings and transportation systems, create programs to reduce driving and encourage the adoption of EVs, and for farming practices to capture more carbon. However, modeling shows it would fall "far short" of the goal of a carbon-neutral economy by 2050.

The plan has been developed over the past two years with a taxpayer cost of $194,260.

More: *Wisconsin State Journal*