RTO Insider

Your Eyes and Ears on the Organized Electric Markets

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

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Dems' Senate Gains Raise Hopes for Biden Agenda

By Rich Heidorn Jr.

The Democrats' victory in Georgia's U.S. Senate runoff elections Jan. 6 means President-elect Joe Biden will have an easier time winning confirmation for his cabinet nominees and could open the door to some form of climate legislation.

The victories by Democrats Jon Ossoff and Raphael Warnock leave the Senate split 50-50, with incoming Vice President Kamala Harris able to break the tie. But unless the Democrats decide to eliminate the filibuster, they will need to win support of at least 10 Republicans to pass most legislation.

During the campaign, Biden proposed a $2 trillion plan to eliminate power sector carbon emissions by 2035 and make the U.S. the leader in electric vehicle production. (See *Biden Offers $2 Trillion Climate Plan*.)

Biden has not endorsed calls to end the filibuster. But in a note to clients Wednesday,

Raphael Warnock and Joe Biden | *Warnock for Georgia*

ClearView Energy Partners suggested efforts by some congressional Republicans to contest the presidential election results might prompt Democrats who have opposed elimination of the filibuster, such as Sen. Joe Manchin (D-W. Va.), to reconsider their position.

"A post-filibuster Senate might not give Democrats party-line powers to enact a carbon tax or a sweeping climate law. But a filibuster-free Senate might still be able to enact transition-accelerating stimulus spending on re-

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Mass. Lawmakers Pass Sweeping Climate Law

By Jason York

Massachusetts lawmakers passed a sweeping climate *bill* Jan. 4 that would provide the state another path to reach net-zero carbon emissions by 2050.

The bill, which passed both the state House and Senate, still requires sign-off by Republican Gov. Charlie Baker, who recently released his own legally binding *plan* to achieve net-zero emissions in the same time frame.

It also comes just weeks after the state joined Connecticut, Rhode Island and D.C. in launching the Transportation and Climate Initiative Program (TCI-P), which aims to cut greenhouse gases from vehicles by 26% over the next decade and invest in cleaner transportation choices and public health improvements. (See *NE States, DC Sign MOU to Cut Transportation Pollution*.)

The new law will require Massachusetts to reduce emissions to 50% below 1990 levels by 2030, 75% by 2040 and 85% by 2050.

Emissions targets must be reviewed every five years to ensure the state is making sufficient progress. The bill additionally establishes mandatory emissions limits for electricity, transportation, commercial and residential heating and cooling, industrial processes, and natural gas distribution and service.

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Summer Readiness Sought by CAISO, CPUC

RA Enhancements and Additional Procurement Among Efforts

By Hudson Sangree

CAISO and the California Public Utilities Commission entered the new year trying to get ready for summer and avoid the shortfalls and rolling blackouts that plagued the state in August and September.

The CPUC on Friday *proposed* ordering the state's three big investor-owned utilities — Pacific Gas and Electric, Southern California Edison and San Diego Gas & Electric — to contract for additional "incremental" capacity that can be ready this summer to meet heavy demand.

On Wednesday, CAISO held a meeting on the schedule and scope of a series of upcoming sessions to address "market enhancements for summer 2021 readiness." Substantive

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newables and electric vehicles with a price tag in the triple-digit billions (or maybe even single-digit trillions) of dollars. A national Clean Energy Standard might prove viable, too."

The Democrats' flip of the Senate "will translate into a bold centrist clean energy agenda focused on economic recovery and job creation," Third Way's *Climate and Energy Program* said. "Moving on this agenda is something, for example, that not only Sens. Manchin, [Mark Kelly (D-Ariz.), Kyrsten Sinema (D-Ariz.) and Jon Tester (D-Mont.)], but also Sens. [Ed Markey (D-Mass.) and Jeff] Merkley (D-Ore.) can take back to their constituents and demonstrate real progress, particularly on climate change and recovery from the COVID-19 recession."

One thing for certain — assuming the preliminary vote counts in Georgia are confirmed — is that Sen. Mitch McConnell (R-Ky.) will not be able to block or slow-walk confirmation hearings on Biden's nominees, including Rep. Deb Haaland (D-N.M.) as Interior secretary; former Michigan Gov. Jennifer Granholm as Energy secretary; Michael Regan, EPA administrator; Janet Yellen, secretary of the Treasury; and Neera Tanden, director of the Office of Management and Budget.

Jon Ossoff and Raphael Warnock | *Warnock for Georgia*

Role for FERC

There are also implications for FERC, which could remain controlled 3-2 by Republicans until Commissioner Neil Chatterjee's term expires.

"The decisive FERC seat that will shift [the commission] from majority R to D will be open no later than July 1," Ari Peskoe, director of the Electricity Law Initiative at the Harvard Law School Environmental and Energy Law Program, tweeted after the Georgia races were called. "Presumably, the nominee will be not be held up by the Senate majority leader, as I had anticipated."

FERC will have a central role in implementing Biden's energy agenda, whether or not Congress passes a clean energy standard (CES) such as he's proposed, Peskoe said. In a *paper* published in November, Peskoe called for FERC transmission and market policies that support wind and solar power.

Although a CES would not direct FERC to take action, "Congress's policy choice should lead FERC to ensure that its regulation is compatible with the national mandate," he wrote. "If Congress passes a CES, FERC may be more likely to go further [than its proposed policy statement on carbon pricing] and declare that existing energy market rules are unjust and unreasonable because they do not include a carbon price." (See *Wide Support for FERC Carbon Pricing Statement*.)

A CES would also increase demand for transmission, he said. "Under the current regime, utilities participating in a regional planning process face different renewable energy obligations or none at all. Utilities that do not need or want renewable energy may be reluctant to plan and pay for transmission expansions designed to facilitate new wind and solar. A federal requirement, such as the 100% clean energy by 2035 mandate that Biden proposed during the campaign, might eliminate or at least reduce the impact of such disparities among utilities and make it more likely that regional planners could reach consensus among their utility members on projects designed to unlock clean energy resources."

Peskoe predicted a Democratic FERC majority will likely consider changes to the PJM, ISO-NE and NYISO capacity markets to eliminate barriers to renewables such as the minimum offer price rule. But he noted, "There is no consensus on what new state procurement program or RTO market design should replace or supplement FERC's capacity market rules."

'High Hurdle'

The Democrats' narrow Senate edge also means Manchin will assume chairmanship of the Energy and Natural Resources Committee.

"I think a Marshall Plan-like Clean Energy Plan for rural America is a must to maintain broad support — 50 votes — politically smart and allows Joe Manchin to deliver a win for West Virginia," tweeted David Littell, senior adviser to the Regulatory Assistance Project and a former member of the Maine Public Utilities Commission.

Even without the Senate victory, Biden was expected to use his executive powers to reverse many of President Trump's environmental policies. ClearView Energy said that reversing proposed rules that are not yet final, such as the revised 2008 ozone federal implementation plans, will likely be easy to accomplish. In contrast, undoing Trump's replacement of the Obama Clean Power Plan with the Affordable Clean Energy Rule will be a relatively "high hurdle" because the matter is already under judicial review, ClearView said. ■

FERC/Federal News

'Participant Funding' Violates FPA, Grid Groups Say

ACORE, ACEG: Planning Reforms Needed

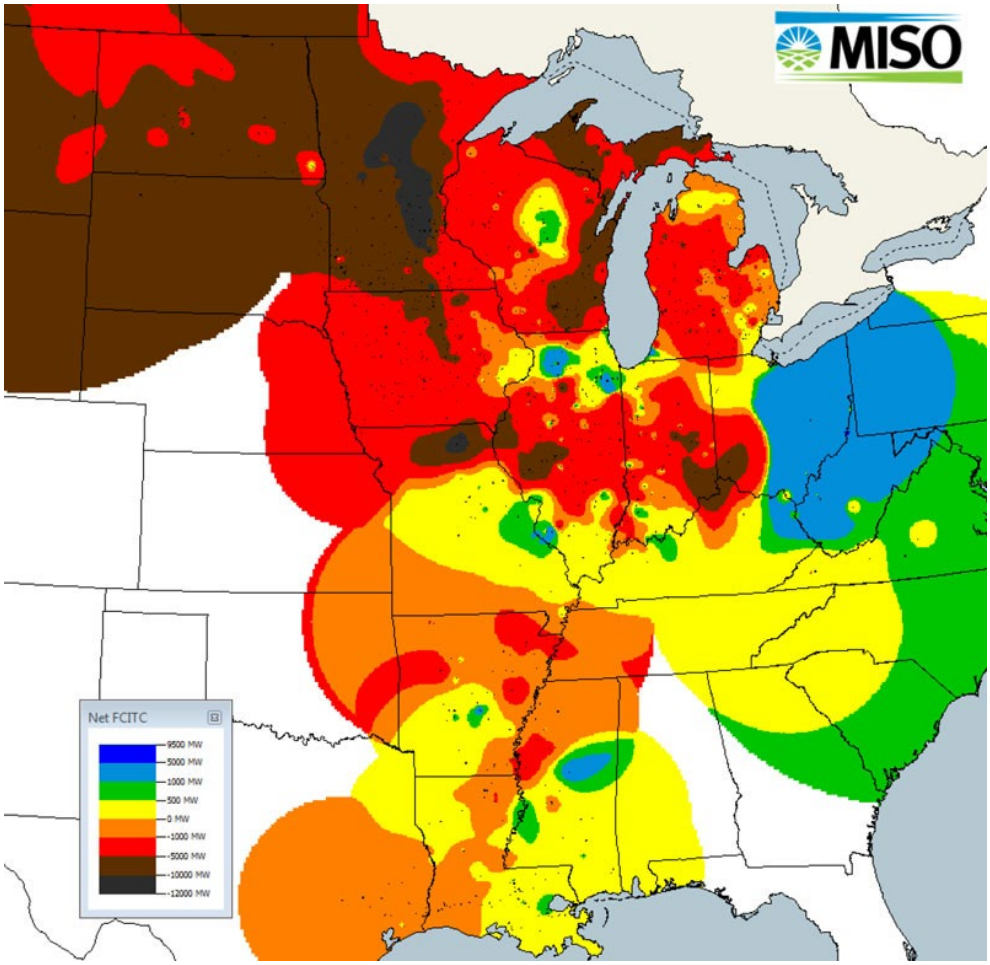
By Rich Heidorn Jr.

RTO policies assigning most costs of large network upgrades to interconnection customers violate FERC's "beneficiary pays" principle and are no longer just and reasonable, renewable advocates said in a new report.

The *report* by the American Council on Renewable Energy and Americans for a Clean Energy Grid (ACEG) contends that the "participant funding" policy under FERC Order 2003 is "obsolete" and is hampering the transmission expansion needed to accommodate growing renewable generation.

Before the 2003 order, FERC required generators to pay 100% of "interconnection facilities" needed to establish the connection between the generator and the transmission network. The costs of "network facilities" — those at or beyond the point of interconnection needed to address stability and short-circuit issues — were initially funded by the generator but repaid through transmission credits. Order 2003 ended the crediting, which critics said diminished the incentive for interconnection customers to make efficient siting decisions.

The report's authors said the order worked for gas-fired generation, which can interconnect in locations that avoid transmission constraints. "Transmission planning is less important with gas generation, as locational wholesale market prices and network upgrade costs assigned to interconnecting generators are able to direct gas generation investment to economically efficient locations," they said.



This heat map shows MISO's net first contingency incremental transfer capability (FCITC) as of 2016. Most of western MISO had an estimated deficit of 5 GW or more of transfer capacity to the rest of the region. "This means that at least that amount of transmission capacity must be constructed across MISO and into the PJM region before any new generation can be added," says a report by ACORE and ACEG. | *MISO*

But the authors said the policy doesn't work for location-constrained wind and solar generation that now dominate interconnection queues. "Wind turbines located near the best wind resources are several times more productive than wind turbines at a typical site selected at random, while the best solar resource sites are about twice as productive as less optimal sites," the authors said. "Wind and solar are also scalable and benefit from economies of scale, so most projects are large and built in remote areas where large amounts of land are available at low cost. As a result, these renewable projects often require larger transmission upgrades to serve load."

Free Riders

The report contends the policy violates the Federal Power Act and results in "inefficiently small upgrades, raising costs to consumers."

However, Rob Gramlich, executive director of ACEG and one of the authors of the report, said the two organizations have no plans to make a formal complaint to FERC. "We plan to issue another report in a week or so with what we think the real solution is — a comprehensive transmission planning rule," he said. "It has been 10 years since the last such rule, Order 1000, which followed [Orders] 890 and 2000. ACEG will be sharing ideas broadly and hoping to stimulate discussion."

The current policy means that after one project is assigned high-cost network upgrades, subsequent projects could use the additional capacity created without paying a fair share for the improvements. "Project developers, knowing there was a chance of getting lucky with a lower network upgrade cost assignment, had an incentive to enter multiple project proposals and multiple locations," the report said. "Thus, many projects would enter queues, and many projects would cancel, leading to a cycle of continuous churn."

Increasing Costs

In the past, interconnection charges for new renewables represented less than 10% of renewables projects' total cost. Now, however, interconnection costs have risen so much they can represent 50% or more of project costs, according to the report.

"The system has reached a breaking point recently as spare transmission has been used up. Presently in most regions, new network

FERC/Federal News

capacity is needed for almost all of the projects in the queues," it said. "When an increasing amount of location-constrained generation applies for interconnection in the same area, the grid begins to require not only 'driveway' type transmission facilities, but also bigger roads and highways. … What we are observing is that interconnection studies for individual generators (or groups of generators) are increasingly identifying costly regional upgrades."

The authors cited research from Lawrence Berkeley National Laboratory that they said show that costs to integrate new generation "have reached levels that are unreasonably high for a developer to proceed in MISO and PJM."

After Order 2003, MISO required generation owners to pay 100% of costs of network upgrades for lines below 345 kV and 90% for those above 345 kV. Wind projects in MISO, which historically paid about $66/kW to interconnect, are now being billed at $317/kW, five times as high.

MISO reported last year that it needs network upgrades exceeding $3 billion to accommodate the initial queue volume in its West region, a trend it expects to also hit its Central and South regions. (See *MISO West Risks Becoming 'Dead Zone,' Stakeholders Warn*.)

In PJM, interconnection costs for wind projects has risen to $54/kW from $19/kW while that for solar has more than doubled to $132/kW, from $62/kW. In 2019, a 120-MW solar-plus-storage project in southern Virginia was told it would face as much as $1.5 billion ($12,086/kW) in system upgrades, including the demolition and rebuilding of several 500-kV lines.

"The construction of large transmission lines required by some interconnection studies, which leads to such high network upgrade costs, are not isolated incidents," the report said. "A number of offshore wind projects in PJM, for example, are expected to build long, 500-kV lines that are clearly network elements that benefit the entire region and should be planned and paid for through the regional planning process."

Order 2003 allowed participant funding only in RTO and ISOs territories. In non-RTO areas, "where transmission upgrade costs are rolled into rates for all users, we do not find evidence of similar problems," the report said.

Planning Reforms Needed

The authors said RTOs' "siloed" transmission study processes, which consider reliability, economic and public policy transmission projects separately because of their different cost allocation methods, result "in a race that no one wants to win, as it will result in them bearing the cost for the transmission upgrades."

"Each group of stakeholders attempts to free ride on other groups of stakeholders by failing to plan transmission that they would have to pay for, in the hope another group of stakeholders will plan and pay for it. Unfortunately, the typical result is that nobody builds the transmission, and all customers suffer from increased congested and reduced reliability."

"Cluster" studies that analyze groups of generators simultaneously are an improvement, the authors said, but are limited because they consider only what is in the current queue. The report called for "proactive" transmission planning like the Competitive Renewable Energy Zones (CREZ) in ERCOT, Multi-Value Projects in MISO and priority projects in SPP that incorporate assumptions about wind and solar development and can maximize economic and reliability benefits. ■

CAISO/West News

Calif. Governor Proposes $1.5B for ZEVs

Plan Includes $1B for Fueling Stations, Needs Legislative Approval

By Hudson Sangree

California Gov. Gavin Newsom proposed investing more than $1.5 billion in zero-emission vehicles to accelerate their adoption as part of his $227 billion budget plan released Friday.

Newsom's proposed *budget* for fiscal year 2021-22 would allocate $1 billion to ZEV infrastructure, including charging and fueling stations for battery powered electric vehicles and hydrogen fuel cell electric vehicles (FCEVs).

The spending plan calls for securitizing revenues from vehicle registration fees to support the expansion of the California Energy Commission's Clean Transportation Program. A portion of the proceeds would fund loans "to leverage additional private sector capital to build the necessary infrastructure," the governor's office said in its summary of the plan.

Another Newsom budget provision would allocate $465 million in one-time cap-and-trade funds for incentives, rebates and financial assistance "to improve access to new and used zero-emission vehicles," including heavy-duty equipment and buses, it said. The plan would put $50 million toward the installation of ZEV charging stations at state-owned facilities.

The huge cash infusion is meant to help the state meet Newsom's *order* in September that all new passenger cars sold in the state must be emissions-free by 2035 and that all new medium- and heavy-duty vehicles sold in the state must be ZEVs by 2045.

It comes on top of hundreds of millions of dollars already invested by the state to bolster ZEV adoption.

The Energy Commission (CEC), for example, allocated $116 million for hydrogen fueling stations in December. And in August, the California Public Utilities Commission *authorized* $437 million to fund the installation of 38,000 charging ports for EVs through Southern California Edison. (See *Hydrogen for FCEVs Gets Big Boost in California* and *CPUC OKs 1.2 GW of Storage by 2021, 38,000 EV Chargers*.)

To meet Newsom's mandate — and to comply with a 2018 executive order by former Gov. Jerry Brown of having 5 million EVs on the road by 2030 — the state needs to install millions of chargers and double its pace of electric vehicle sales, researchers told the CEC in August. (See *California Needs Huge Number of EV Chargers*.)

The proposed funding would boost the scale of ZEV adoption and allow lower-income residents to drive EVs, the budget summary says.

"A focus on equity prioritizes public investments in communities suffering most from a combination of economic, health and environmental burdens," it states. "A focus on scale brings down the transition cost, accelerates private capital investment and reduces the need for direct public investment."

The plan also recommends doing away with property taxes for ten years on new ZEV charging stations completed by Jan. 1, 2024.

The California Hydrogen Coalition, among others, praised the governor's plan, saying its "recommendations for hydrogen infrastructure are an important investment in this practical, zero emission technology."

Newsom's plan will be subject to revisions in May and needs approval from the heavily Democratic state legislature by June 15. ■

Part of the $1.5 billion proposed by the governor would fund hydrogen fueling stations, as seen in a rendering. | *Iwatani Corp. of America*

CAISO/West News

Summer Readiness Sought by CAISO, CPUC

RA Enhancements and Additional Procurement Among Efforts

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meetings are scheduled to begin this week, with topics that include export and load scheduling priorities and resource sufficiency in the ISO's interstate Western Energy Imbalance Market.

In the first week of 2021, CAISO conducted three days of meetings on its Resource Adequacy Enhancements stakeholder initiative, which started in 2018 but took on new urgency after last summer's energy emergencies.

The ISO and stakeholders weighed a final draft proposal on the first phase of RA enhancements and a six-time-revised straw proposal on the initiative's second phase. Items under discussion include RA import requirements, activating storage resources and rules on planned generator outages.

CAISO's Board of Governors is scheduled to vote on the phase-one changes in March and on phase two in May and September.

The ISO proceedings address issues raised in the preliminary root-cause analysis of the blackouts on Aug. 14-15 that affected more than 1 million residents during a severe heat wave that encompassed the Western U.S. Shortages occurred as solar power waned in the evening and there was insufficient capacity to meet continued high demand from air conditioning.

The October preliminary analysis, and a subsequent report by CAISO's Department of Market Monitoring, identified problems that included inadequate RA planning, forced outages at power plants, a lack of storage for solar and wind resources, transmission constraints, imports that did not materialize and exports that should not have occurred in strained conditions. (See *CAISO Wasn't Gamed in Blackouts, Watchdog Finds*.)

"The most significant and actionable of these factors involve California's resource adequacy program," the DMM's November report said. "To limit the potential for similar conditions in future years, system level resource adequacy requirements should be modified to ensure more capacity is available during net load peak hours," as solar ramps down but demand stays high.

Supply is tightening across the West as coal and "older baseload" fossil-fuel and nuclear plants retire, CAISO staff members noted during an RA enhancements meeting Wednesday.

"Severe weather events have become more common and have impacted … several BAs at the same time, further tightening system conditions," said Milos Bosanac, CAISO lead infrastructure and regulatory policy developer. Heat waves could continue to pummel the West in the future and limit imports, Bosanac said in his *presentation*.

To head off shortfalls, RA imports must be linked to specific generating resources in other states, he said. That is not the situation now. If supply is not connected to a physical source, "it poses a risk to supply not being committed to the CAISO when it matters most, when conditions are tight," he said.

In addition, the ISO wants firm commitments from transmission owners to prioritize RA imports during times of tight supply. Transmission lines from the Pacific Northwest to California can become nearly maxed-out during heat waves, Bosanac noted.

Much of California's import RA capacity comes from the Bonneville Power Administration over the California-Oregon AC intertie (COB) and the Nevada-Oregon Border DC Intertie (NOB), he said. Those interties will require the highest guarantee of transmission capacity, he said.

"Looking at particularly the COB and NOB interties, usually on those last legs of those interties … especially in the summer months, flows tend to reach or be very close to the limits of those path, Bosanac said. "[With] a higher likelihood of curtailment … it's important that these deliveries be on the highest priority transmission service to minimize that risk of curtailment so that those imports can be delivered to the CAISO."

Some stakeholders question the plan because they worry it could lead to the exercise of market power. (See *CAISO Seeks 'Firm' Tx for Resource Adequacy*.)

During an RA meeting Thursday, Doug Boccignone, a principal at Flynn Resource Consultants representing the California Community Choice Association, said only five parties control half the transmission import capability on COB and NOB.

"The rights are really concentrated," Boccignone said. "It makes me concerned that if California is dependent on imports from the Northwest to meet the resource adequacy requirements … there's the potential for those parties that control those rights to be in a much different position than they are today."

CAISO said there are 21 parties that hold transmission rights on the two interties. Bridget Sparks, infrastructure and regulatory policy developer, said the ISO's analysis did not show a high risk for the entities to exert market power.

"If we think of the market as COB and NOB combined … there is a slight market concentration, [but] it's nowhere near a monopolistic control," Sparks said. ■

CAISO wants firm transmission committments to avoid a repeat of last summer's blackouts.

CAISO/West News

Hairston Appointed BPA Administrator

By Robert Mullin

BPA Administrator and CEO John Hairston | *CREPC-WIRAB*

Bonneville Power Administration acting administrator and CEO John Hairston will officially assume the top job at the federal power marketing agency, the U.S. Department of Energy said Thursday.

Hairston stepped into the role on an interim basis in September after former chief Elliot Mainzer left BPA to become CEO of CAISO. (See *CAISO Names Bonneville Power Administrator as New CEO*.)

Like his predecessor, Hairston rose through the ranks during a long career at BPA, most recently working as chief operating officer and chief administrative officer.

"John has made a lasting and significant impact on the Bonneville Power Administration over the past 29 years, and I am proud to announce him as the new administrator," Energy Secretary Dan Brouillette said in a statement. "BPA is an important provider of reliable, renewable hydroelectric and clean nuclear power to the Pacific Northwest, and John's commitment to serve BPA will support the Department's critical energy mission."

"I am truly honored and humbled by the opportunity to lead Bonneville during this dynamic time, when we are not only challenged to meet the pressing needs of our customers but must also position BPA to be their long-term provider of choice for low-cost, reliable and responsible carbon-free power," Hairston said.

At a November webinar hosted by the Committee for Regional Electric Power Cooperation (CREPC) on "Diverse Energy Leadership in the West," Hairston said BPA has undertaken an "aggressive" program of cultural transformation. (See *Industry Leaders Talk Diversity in the West*.)

"Part of that change was my ascent into the front office, which I think allowed … for folks to kind of see someone different in the front office and see themselves and maybe aspects of their culture reflected in the leadership," said Hairston, who is African American.

Hairston takes over at BPA as the Pacific Northwest and broader West face looming capacity shortages, a fact made evident last August when a persistent heat wave forced CAISO to initiate rolling blackouts while other balancing authorities teetered on the brink of doing the same.

A joint analysis by CAISO and California agencies placed part of the blame on a growing shortfall in resource adequacy. (See *CAISO Says Constrained Tx Contributed to Blackouts.)* WECC has warned the problem will only worsen as the Western Interconnection relies increasingly on variable renewable resources. (See *WECC Says Extreme Events Require Forecast, RA Changes*.)

"For us and our customers, resource adequacy is a pretty big deal," Hairston said during the CREPC webinar.

He said the agency must find ways to work with its Western neighbors on RA; "for others to go through blackouts means [the region is] not cooperating."

The Northwest Power Pool's effort to create a formal RA program is a "really great opportunity" to collaborate with other regional utilities, he said. (See *NWPP RA Effort Quickly Ramping Up*.)

Hairston will also shepherd BPA through the final stages of a complex entry process into CAISO's Western Energy Imbalance Market (EIM). BPA has a go-live date targeted for March 2022, pending the outcome of an extended stakeholder proceeding.

In November, Hairston said the EIM offers resource diversity and the ability to offset risk. It also provides BPA the opportunity to utilize its extensive hydroelectric system. Regarding the expansion of the EIM into a full RTO, he said "the governance issue is a challenge for us in the Pacific Northwest."

Hairston's appointment received praise from key stakeholders in the region.

"We are thrilled by the naming of John Hairston, and look forward to his continued leadership at the helm of BPA," environmental group Northwest RiverPartners tweeted.

"Looking forward to working with John on building out our region's clean energy future," clean energy advocate Renewable Northwest tweeted. ■

ISO-NE News

Report Outlines NEPOOL 'Pathways' to a Future Grid

By Jason York

A new *report* explores ways for New England to overcome the growing conflicts between states' clean energy goals and the functioning of ISO-NE wholesale markets.

The "Pathways to the Future Grid Process" report, part of New England's *Future Grid Initiative*, focuses on four approaches that could potentially smooth tensions between the states and RTO. It was presented to the NEPOOL Participants Committee last week.

The New England States Committee on Electricity, ISO-NE and NEPOOL commissioned Rutgers University Professor Frank Felder to review "a multitude of potential pathways" for resolving differences and assess tradeoffs "between achieving the clean energy policy objectives of the New England states and maximizing the benefit of efficient, regional wholesale markets."

Felder identified four approaches that have been thoroughly discussed in more than a dozen presentations to the PC: a Forward Clean Energy Market (FCEM) or Integrated Clean Capacity Market (ICCM), an Energy Only Market (EOM), carbon pricing and alternative resource adequacy constructs (ARACs).

Felder's report points to "the importance of defining the criteria for determining the types and quantities of balancing resources needed to reliably plan and operate the regional power grid as the penetration of renewable energy resources increase."

Most New England states are pursuing aggressive decarbonization. They have goals or policies that envision replacing existing power generation with variable renewable energy resources "whose output is intermittent, and many of these new resources, such as offshore wind, are likely to be at different locations than existing power plants."

Frank Felder, Rutgers | *ISO-NE*

A further challenge for ISO-NE is the minimum offer price rule (MOPR) for new resources bidding into its capacity markets. Although the MOPR addresses potential adverse impacts from out-of-market, state-sponsored contracts on price formation in the competitive wholesale markets, it also prevents state-sponsored resources from clearing the Forward Capacity Market (FCM) and being counted toward the RTO's resource adequacy requirements.

Felder wrote that New England states "would like to achieve their specific policy objectives cost-effectively, whereas wholesale electricity markets are designed to maximize economic efficiency.

"Although there is some substantial overlap between the states' objectives of decarbonization and environmental enhancements, economic development, and political acceptability, and the objective of efficient, regional wholesale electricity markets, these objectives are not necessarily reconcilable."

Comparing Pathways

Felder said the four pathways cut across two comparative frameworks: regional vs. state-specific measures and planning vs. markets. For example, carbon pricing and EOM represent pathways consisting of regional measures paired with a market-based solution. Planning refers to the process of states setting types, quantities and timing of clean energy investments, whether through specific mandates or market mechanisms. By that description, FCEM, ICCM and ARACs are more planning-based than carbon pricing and EOM.

Of the pathways identified, FCEM, ICCM and carbon pricing are primarily directed at reducing greenhouse gas emissions. EOM and ARACs are different ways to provide resource adequacy, although some ARACs are directed at advancing or supporting states' clean energy objectives.

Both carbon pricing and EOM pathways rely on short-term, wholesale energy prices — augmented by longer-term forward bilateral markets — to drive capital investment decisions. The FCEM and certain ARACs provide longer-term commitments as part of their constructs. However, the report warned that stakeholders should carefully consider whether these constructs would withstand FERC scrutiny after a December commission ruling that ordered ISO-NE to remove FCM new-entrant rules from its Tariff, prohibiting resources from locking in their prices for seven years. FERC said the rules resulted in "unreasonable price distortion" and that locked-in prices are "no longer required to attract new entry, with the benefits provided by price certainty no longer outweighing their price-suppressive effects." (See *FERC Orders End to ISO-NE Capacity Price Locks*.)

More on Carbon Pricing

The report explores alternatives to using FCEM or ICCM to acquire clean energy resources via regional market mechanisms. One alternative would supplement the Regional Greenhouse Gas Initiative (RGGI) carbon price with an additional regional carbon cost, a move favored by ISO-NE and adamantly opposed by the states. This could be achieved through net carbon pricing, which would require agreeing on a social cost of carbon, subtracting the RGGI price, having ISO-NE charge emitting generators the resulting additional cost of carbon, and rebating the carbon revenue back to load-serving entities. Net carbon pricing mitigates — but doesn't necessarily solve — the double payment issue that arises when clean resources earn payments from both subsidies and market revenue. It also reduces the states' ability to control the specific timing and type of clean energy resources to meet their individual policy objectives. And it also fails to explicitly address the balancing resource issue.

Though it is not mentioned in Felder's report, Connecticut, Massachusetts, Rhode Island and D.C. last month signed a *memorandum of understanding* to launch the Transportation and Climate Initiative Program (TCI-P), which aims to cut GHG emissions from vehicles by 26% from 2022 to 2032. A cap-and-invest program like RGGI, TCI-P is another step away from carbon pricing in three New England states. (See *NE States, DC Sign MOU to Cut Transportation Pollution*.)

The report is available for comment until Jan. 22, and all comments will be publicly posted on the NEPOOL website. Felder concluded that detailed evaluations of the pathways will be necessary in 2021, including potential quantitative analysis, which will require greater specificity regarding design and the interaction with other regional policies such as transmission planning. ■

ISO-NE News

Mass. Lawmakers Pass Sweeping Climate Law

Continued from page 1

Dan Dolan, president of the New England Power Generators Association, said the climate bill and Baker's plan "dovetail largely together." Both efforts show that states are starting to do "more than pay lip service" to electrification on an economy-wide basis, he said.

The bill also calls for utilities to procure an additional 2,400 MW of offshore wind power, raising the state's total to 5,600 MW.

Francis Pullaro, executive director for RENEW Northeast, said his organization's members are not just renewable energy developers; "they're environmental advocates and I think, generally speaking, they're extremely pleased with this bill."

"It's an attention-getter for the offshore wind sector," Pullaro said. "With the climate ambitions that Massachusetts has, it's going to need offshore wind; it's going to need small solar and it's going to continue to need to take advantage of the land-based wind and larger solar potential in the region, as well as the transmission to get some of these renewables, including offshore wind, from remote areas to the load centers."

Dolan expressed disappointment that the bill contains an OSW procurement — but "not because offshore wind is a bad resource." Instead, he wants to see how the first set of offshore projects perform and allow the region "to then make some of the market changes necessary to be able to finance the next wave of new energy through the market, rather than continued reliance on the long-term contracts."

"That's probably the single biggest element that was of concern to us in the legislation itself," Dolan said.

'No Way Around It'

Tamara Small, CEO of *NAIOP Massachusetts*, which represents commercial real estate developers, said her organization is troubled by a bill provision that allows for the development and adoption of "opt-in" building codes for municipalities that could require buildings to have net-zero emissions. Small said the bill's language is "unclear" about which cities and towns would opt-in and when they would do it. She added that the bill "does not define what net-zero means, and interestingly net-zero is a term that means very different things to very different people."

"We don't know what building types will be affected, whether it be all types of real estate or segments," Small said. "We don't know if the technology even exists to get to the goals that may be included in this undefined term. We know that certain properties have really struggled to get to net-zero, particularly large office buildings and lab buildings. Right now, we have a global health pandemic that has resulted in a significant impact on the entire commercial real estate industry and the greater economy."

Small said NAIOP is "very concerned" the bill creates uncertainty for the building permit process and the cost of construction, "so we are very much opposed to the language in the bill right now."

To be clear, she said, NAIOP recognizes the effects of climate change, and its 1,700 members are "supportive of net-zero within a timeline that makes sense," but "one year is not that timeline."

"We have regulations getting ahead of technology, in addition to the fact that it's just so unclear what's going to be required in the industry right now," Small said. "I think for real estate developers, and the greater real estate industry, predictability and certainty are critical, and this [bill] does not provide that."

Jacob Stern, deputy director for the Massachusetts chapter of the Sierra Club, likened the builders' reaction to reaching net-zero emissions to the past attitude of automakers toward manufacturing electric vehicles.

"I kind of see it as something a little similar," Stern said. "We know that we cannot continue to do gas infrastructure. … It's going to affect the building sector. It's a situation where we're either going to have to start rethinking about how we construct buildings and how we put a gas infrastructure in buildings, or we're not going to be able to effectively fight climate change. It's just a part of the puzzle. There's no way around it." ■

| *Vineyard Wind*

ISO-NE News

FERC Fines Algonquin Plant $1M for Bungled Offers

By Michael Kuser

FERC on Jan. 5 approved a civil penalty of $1 million against Algonquin Power & Utilities' Windsor Locks gas plant in Connecticut for mishandling its multiple generators when offering into the ISO-NE markets in 2012-2013 (*IN21-2*).

The settlement between the commission's Office of Enforcement and Algonquin also entails the plant disgorging $1.1 million in capacity payments to ISO-NE and being subject to compliance monitoring for up to two years.

The Windsor Locks plant is a 71-MW combined cycle cogeneration facility, with a 40-MW dual-fuel generator, a 16-MW steam turbine and a 15-MW Solar Titan 130 generator, the last of which, despite its name, is a gas turbine. The first two units came online in 1990, while the third was installed in 2012.

The plant sold excess power under a Public Utility Regulatory Policies Act agreement until 2010, after which it became a dispatchable resource in the ISO-NE energy markets and an intermittent power resource in the Forward Capacity Market. Algonquin initially hired a third party to serve as its lead market participant (LMP) and to provide bidding strategies and guidance on compliance matters.

But the company later moved this function in-house to subsidiary Algonquin Energy Services (AES), which "did not have sufficient experience scheduling resources in the ISO-NE markets or managing the attendant tariff obligations at the time," the commission said.

Algonquin Power & Utilities' Windsor Locks gas plant primarily serves the Windsor Locks Paper Mill (above) in Connecticut, but it also bids its excess power into ISO-NE's markets. | *Ahlstrom-Munksjö*

After the plant installed the 15-MW generator, ISO-NE's grid monitoring software recorded the electricity being generated by all three generators as one resource, instead of recording separate meter data for each of the generation facilities. As a result, ISO-NE's software was not able to distinguish which generator was operating absent additional communication from the plant or AES and was unable to confirm how many megawatts of incremental energy would be available in a certain time period.

Meanwhile, plant staff and AES tried to continue operating according to the procedures that the third-party LMP had designed before the new generator was added, assuming that the ISO-NE control room would alert them if the plant was violating its compliance obligations.

But because of the mismanaged modeling, ISO-NE found that the plant was underbidding its capacity into the day-ahead energy market, Forward Capacity Market (FCM) and Forward Reserve Market (FRM).

"Windsor Locks and AES lacked the internal knowledge, personnel and experience necessary to understand and manage compliance obligations after Windsor Locks added the Solar Titan generator," FERC said. "Enforcement determined that the offers did not reflect the resource's unit-specific operating characteristics. Moreover, it determined that Windsor Locks should be required to disgorge a portion of the capacity payments it received during the relevant period commensurate with the degree to which the offers fell short of the FCM offer obligation." ■

ISO-NE News

NEPOOL Participants Committee Briefs

ISO-NE Board Vacancies Upcoming

ISO-NE's Board of Directors deals with turnover every year, but two board members will retire in both 2021 and 2022. According to *materials* presented to the NEPOOL Participants Committee last week, these departures will create expertise and leadership gaps on the RTO's board.

Board Chair Kathleen Abernathy gave a presentation — originally delivered to the Joint Nominating Committee (JNC) in December — on ISO-NE's "roadmap" for future director appointments.

Abernathy (2021) is one of the four retiring directors in the next two years, along with Philip Shapiro (2021), Barney Rush (2022) and Vickie VanZandt (2022). Rush is chair of the board's Markets Committee and an electricity markets expert, which makes it critical to replace with him, according to Abernathy's presentation, as New England's future grid priorities rely on "innovative, reliable, well functioning markets." The region also depends on having a robust transmission network, and VanZandt is a national transmission expert who has planned, built and operated bulk power transmission systems.

The retirements of Abernathy and VanZandt additionally result in the board's loss of two of its three female directors. "Board diversity has been a core tenet of ISO New England and has been present since its inception," Abernathy said. "We are focused on ensuring we have the necessary range of technical and life skills to provide proper oversight as we address the issues of reliability and the clean-energy transition."

Improving Nomination Transparency

ISO-NE General Counsel Maria Gulluni and NEPOOL Secretary David Doot followed Abernathy with a general overview of the JNC's process for selecting candidates, as well as options to improve its transparency.

The JNC comprises seven board members, NEPOOL's six sector leaders and a representative of the New England Conference of Public Utilities Commissioners (NECPUC). With input from the board, state representatives and market participants, the committee identifies the types of expertise that ensure ISO-NE has "sufficient knowledge and expertise to act as the RTO for New England," according to the Participants Agreement (PA) between ISO-NE and NEPOOL.

Then-Maine PUC Commissioner Mark Vannoy (left) and ISO-NE CEO Gordon van Welie at NECPUC's 71st annual symposium in 2018 | © *RTO Insider*

JNC members sign a nondisclosure agreement that prohibits sharing nonpublic information. The NDA is primarily intended to protect the identity of unsuccessful candidates, but it does not include, for example, role descriptions and search criteria.

Transparency of the search process became an issue in September, when former Maine Public Utilities Commission Chair Mark Vannoy was elected to the board on a slate with incumbent Directors Brook Colangelo and Roberto Denis. The slate was approved by the RTO's board and endorsed by the PC.

Although the JNC approved the slate unanimously, stakeholders at the time told *RTO Insider* the leaders of NEPOOL's End User and Alternative Resources sectors attempted to withdraw their support for Vannoy after hearing negative feedback from their sector members. The sector leaders were not permitted to identify Vannoy until after the JNC voted under RTO rules. (See *Consumer Advocates Upset with Pick for ISO-NE Board*.)

Gulluni and Doot said that the JGC could improve transparency through more "robust reporting" of, for example, what happened at its meetings. But other changes may require amendments to the PA and need both ISO-NE and NEPOOL approval. NEPOOL needs a 70% vote for endorsement, and FERC must additionally review and approve any changes.

Any renegotiation of the PA may also open it to unrelated issues raised by participants, states or the RTO, they said.

Energy Market Value Rises

ISO-NE COO Vamsi Chadalavada *reported* the energy market value for December was $426 million (through Dec. 29), up $181 million from November and down $42 million from the same month last year.

Natural gas prices were 120% higher than November average values, which pushed the average real-time hub LMPs to $42.04/MWh, up 71% from the prior month. Average natural gas prices and real-time hub LMPs were down 7.5% and 1.7%, respectively, from the same period last year.

Average day-ahead cleared physical energy during the peak hours as a percentage of the forecasted load was 98.5% during December, down from 99.6% during November, with the minimum value for the month of 93.5% posted Dec. 5.

Daily uplift, or net commitment period compensation (NCPC) payments, in December totaled $3.4 million over the period, up $1.4 million from November and down $1.3 million from December 2019. NCPC payments were 0.8% of the energy market value. ■

— *Jason York*

MISO News

MISO Intends to Add Seasonal Capacity Auction

By Amanda Durish Cook

MISO said it plans to subdivide its annual capacity auction by seasons so it can better manage budding reliability risks brought on by renewables' growing share of the resource mix.

Jessica Harrison, the RTO's senior director of research and development, said leadership is leaning toward a four-season capacity auction, though two or three seasons is still possible. (See *MISO Nearing Decision on Seasonal Capacity Auction*.)

"There's still a range of preferences on the number of seasons," Harrison said during a Resource Adequacy Subcommittee (RASC) meeting Jan. 6.

The grid operator intends to conduct the independent seasonal auctions simultaneously.

"It's a proposal we'll put forward and then monitor the need to hold more auctions in a year," Harrison explained.

MISO's decision will bring manifold implications and have it crunching separate planning reserve margins and local clearing requirements based on seasons.

The RTO will conduct the loss-of-load expectation (LOLE) study on a seasonal basis to determine how risk is spread across the year. Senior Manager of Resource Adequacy Coordination Lynn Hecker said it will assign seasonal reliability requirements based on the study results.

Stakeholders asked what MISO will do if it can't detect loss-of-load risk within a particular season.

"That's a question we're discussing," Hecker said. She said staff is considering assigning seasons with a 0.01 LOLE risk target to determine resource adequacy requirements for those seasons.

"The idea that resources are fully available year-round with only some small outages is frankly being tested by the industry," Harrison said. "We are getting requests to operate resources during [only] portions of the year."

MISO will impose a must-offer requirement on planning resources only for the seasons they clear in the capacity auctions.

Stakeholders asked whether the RTO will establish separate seasonal capacity import and export limits for its 10 local resource zones.

Lynn Hecker, MISO | © *RTO Insider*

"That's another design element to consider that we haven't spent a lot of time on yet," Hecker said.

Some attendees urged MISO to make sure its model can handle multiple reserve margin requirements and that the new seasonal requirements work with state integrated resource planning.

Minimum Capacity Requirement for LSEs

The grid operator also proposed a minimum capacity requirement for load-serving entities participating in the seasonal auctions. The LSEs would be expected to procure at least half of their planning reserve margin requirement before the auctions.

Entities could be faced with a "penalty mechanism" for not meeting the 50% requirement, MISO said.

The proposal seemed unpopular with stakeholders. Several appeared taken aback at the rule, with some saying it was only mentioned in passing in stakeholder meetings before being unveiled.

MISO's Independent Market Monitor also expressed its displeasure.

"We don't support this 50% requirement. We think it's a bad idea," Monitor staffer Michael Chiasson said.

But a few stakeholders said the requirement will end an overreliance on the MISO capacity auction and the free ridership some utilities enjoy.

"This might be scaled to the size of the utility," Customized Energy Solutions' Ted Kuhn suggested, adding, "If you're a 10-MW utility, I don't think anyone cares where you procure. But if you're DTE Energy, it's a different story."

Minnesota Public Utilities Commission staff member Hwikwom Ham said the requirement might tread on states' jurisdiction in RA matters.

"MISO can limit its auction to an LSE, but it cannot tell an LSE what to procure," he said.

Staff said they would reconsider language around the requirement.

Availability-based Accreditation Too

The grid operator will unsurprisingly pivot to a seasonal capacity accreditation for planning resources, matching the capacity auction. It is also proposing to adopt the Monitor's recommendation to pivot to an accreditation based on resource availability.

While MISO will adopt an availability-based resource accreditation (ACAP), it will still establish seasonal reliability requirements on an unforced capacity (UCAP) basis. It said it will use a conversion calculation to align the ACAP-based capacity accreditation with UCAP-based planning reserve margins.

The Monitor's David Patton pressed MISO to rework its capacity accreditation, pitching an accreditation that relies on the system's megawatts on hand during the operating year's tightest hours. MISO leadership said it will adopt some — but not all — design elements from the Monitor's availability-based accreditation recommendation.

Patton said resources that have long startup

MISO News

times and expensive startup costs aren't able to provide the reliability that fast-ramping and online resources will. He said that currently, MISO's market doesn't properly value more agile resources and suggested the RTO could adopt a "sliding scale" of capacity accreditation based on a rolling, three-year average of the resources' response time.

"The uncertainties around the output of intermittent resources are going to expand the tightest hours of the year beyond those that are easy to see coming," Patton warned.

He argued that it's becoming more important for conventional resources to prove availability as the fleet adds more renewable energy. However, he said conventional generation's availability is shrinking and its undeclared outages are becoming commonplace.

"In theory," Patton said, "compared to an energy-only market, capacity payments should reflect elements of shortage pricing," where the units that help most are appropriately compensated.

He said MISO's current UCAP-based accreditation overlooks facility derates and unreported outages.

"A lot of the lost megawatts come from outages that are not reported, so they wouldn't be reflected in UCAP," he said.

Patton said he also took issue with MISO's current construct that effectively assumes no planned outages happen during summer peak conditions. He said the assumption does a disservice to reality.

"If you're a 10-MW utility, I don't think anyone cares where you procure. But if you're DTE Energy, it's a different story."

—Ted Kuhn, Customized Energy Solutions

"When you look, we have 10-plus GW of outages in the hottest conditions of the year. You wonder how they occur because we seemingly have enough capacity," he said.

Some stakeholders complained about the suddenness of MISO's pivot to an availability-based accreditation.

"I feel like our conversations [in] spring, summer have been grounded in availability. That's exactly what we've been trying to get at all year," MISO RASC liaison Scott Wright said.

Harrison and Hecker asked for written stakeholder opinions and said more details and analyses will be shared in future RASC meetings.

Mississippi Public Service Commission consultant Bill Booth asked whether MISO hadn't already taken care of some of the availability problems with 2019's stricter outage-scheduling rules and its recently approved short-term reserve product.

Patton responded by drawing a distinction between energy and capacity and said capacity revenues should naturally decline when "more of the heavy lifting" of providing reserves is handled by shortage products.

Wright said MISO needs to employ tactics in both its operating and planning horizons to address the footprint's changing risk profile.

"We've got to be on all sides of it," Wright said, adding that an effort to more accurately measure capacity is a valuable planning tool.

CEO John Bear warned members early last year that MISO is pivoting from on a summer loss-of-load emphasis to an "all-hours-matter focus" because of the generation fleet's "increasingly distributed and intermittent nature." ■

MISO News

MISO Holds 1st DER Task Force Meeting

By Amanda Durish Cook

MISO on Jan. 4 again explained its lack of insight into the system's distributed energy resource numbers while stakeholders asked for simpler interconnection studies during the inaugural meeting of the Distributed Energy Resources Task Force (DERTF).

The task force will meet monthly, ultimately furnishing recommendations to the Market Subcommittee on how to best approach FERC's *Order 2222*, which allows DER aggregators to compete in organized wholesale electric markets.

Minnesota Public Utilities Commission Planning Director Tricia DeBleeckere and Xcel Energy's Diane Watkins were selected as the group's chair and vice-chair, respectively.

Timothy Caister, MISO's DER program lead, said during the meeting that staff is considering asking FERC for an extension of Order 2222's July 19 compliance deadline. He said MISO hasn't settled on how much more time to request. (See *Members Counsel MISO on Order 2222 Prep*.)

Laura Rauch, the RTO's director of settlements, said the goal is to "allow near-term DER integration with minimal system impacts." She said staff will examine existing ways DER aggregators can participate in the markets through its predefined dispatchable intermittent resource, demand-response resource and energy storage resource categories. MISO will then perform analyses to pinpoint long-term system needs to facilitate DER participation.

Rauch asked stakeholders for written opinions on the action plan through Jan. 18.

"We're still struggling at MISO, as I expect others are, to quantify DER growth in the MISO region. That's something we're going to focus on," DER Program Director Kristin Swenson said. "Projecting how much DER is going to be in the footprint is a perennial question, [and] we're working on it. … MISO has no real visibility into the distribution system."

Swenson noted that the grid operator relies on load-modifying resource registrations, its member utilities' integrated resource plans and the Organization of MISO State's annual DER survey estimates for an initial understanding of the resources' penetration. However, she said the data remains too spotty and inconsistent to accurately model and appropriately plan "as the generation fleet goes onto rooftops." She also said DER visibility is key to MISO's reliable operations.

The RTO could employ an affected system study to gauge how distribution interconnections will impact the transmission system, Swenson said. The mention of "affected system studies" struck a nerve with some stakeholders.

"As soon as you use the word 'affected system study,' you can expect people are about to faint," Madison Gas and Electric's Megan Wisersky said, alluding to MISO's and SPP's interconnection studies that produce prohibitively expensive transmission upgrades for prospective generation projects near the seams. (See *MISO West Risks Becoming 'Dead Zone,' Stakeholders Warn*.)

Wisersky urged that any MISO-designed DER impact studies "not be unduly restrictive, bureaucratic and always behind schedule."

MISO's managing assistant general counsel, Michael Kessler, said Order 2222 dictates coordination among distribution utilities, relevant electric retail regulatory authorities and grid operators to assess grid impacts.

"The commission has said those studies should not become barriers or impediments," he said. ■

Rooftop solar in Indianapolis | © *RTO Insider*

MISO News

MISO Questions VOLL Pricing During Abnormal Events

By Amanda Durish Cook

More than four months after Hurricane Laura's landfall in its South region, MISO is questioning whether its value-of-lost load (VOLL) should be used to price energy during extraordinary weather events.

During a Market Subcommittee teleconference last week, Director of Market Design Kevin Vannoy solicited stakeholder opinions as to whether the RTO's $3,500/MWh VOLL pricing is appropriate during *force majeure* events.

"What should the market reflect when we take actions to manage transmission, balance the system, balance the region?" Vannoy asked stakeholders during the call Jan. 7.

Vannoy also asked whether MISO's pricing logic for dead buses should be reviewed. Stakeholders have until Jan. 28 to submit their feedback.

MISO's Independent Market Monitor continued its call for a retroactive pricing change for the dead buses priced at VOLL in Hurricane Laura's wake. (See "Laura Pricing in Question," *MISO Monitor Reviews Blustery Fall*.)

The Monitor's David Patton said MISO's after-the-fact settlements produced $90 million in balancing congestion costs, which showed up on customer bills as uplift charges. He said approximately $10 million of the cost was because of dead-bus pricing at $3,500/MWh in Louisiana's Lake Charles area, where Hurricane Laura destroyed enough distribution and transmission lines to effectively create a dead zone.

"We're concerned about some of these settlements applying the VOLL pricing to dead buses," Patton said. "Load is not being served because the system effectively doesn't exist to serve it. The load is not being served because we lack sufficient resources to serve it. The load is not being served because the system is demolished."

He went on to say MISO's VOLL settlements near Lake Charles for Aug. 27 are "not consistent with how MISO settles dead buses in the day-ahead market, which would price such a load zone at basically $20/MWh."

MISO's day-ahead dead-bus pricing relies on prices from nearby live buses.

"That's what the Tariff calls for," Patton said.

Damaged transmission caused by Hurricane Laura | *Entergy*

Vannoy said an evaluation of MISO's pricing practices at dead buses will likely be rolled into MISO's existing scarcity pricing reconsideration, which was already poised to bring changes to the VOLL and operating reserve demand curve. (See *MISO Revisits Scarcity Pricing Rethink*.)

The grid operator is hosting a workshop on the scarcity price effort on Jan. 22.

Market participants impacted by Hurricane Laura had until December to initiate a settlement dispute with MISO. The RTO is now in confidential discussions over the disputes.

Customized Energy Solutions' Ted Kuhn asked whether MISO should pause collections on some Hurricane Laura-induced settlements until it determines whether VOLL pricing should apply to the event.

"What if we did that rather than everyone having to scramble and file legal briefs, so their rights are protected?" he asked.

Vannoy said he wouldn't comment on the Aug. 27 retroactive settlements. "I think the goal here is to look at future modifications and future event applications," he explained.

Laura Rauch, MISO's director of settlements, said if settlement changes are granted after dispute resolution, other affected market participants will be notified and invited to final discussions to hear the outcome.

"The Tariff is very clear that changes to historic settlements require disputes submitted in a timely manner," Rauch said. "To the extent that we make a determination that the historic settlements need modification, we'll review that for all impacted market participants."

MISO Corporate Counsel Jacob Krouse added that affected market participants can challenge the RTO's determinations even if they haven't filed dispute resolutions.

Patton said the hurricane's devastation might have been minimized if MISO had specifically assigned capacity to load.

"The South is one of the worst problems in this regard. In the Midwest region, we don't have as big a problem with this disconnect," he said, adding that load pockets in Louisiana and Texas are limited by transmission constraints.

"The capacity values do not correspond to the load pockets. It's all merged together," he said. "This might not have happened … if we defined our loads better." ■

NYISO News

NY Panel Rethinks Wastewater, Renewable Gas

By Michael Kuser

A panel of New York officials and industry experts last week discussed the basics of anaerobic digestion and the repurposing of wastewater treatment as a way to recover water resources and harvest renewable natural gases to help power the process.

The New York State Climate Action Council (CAC) Waste Advisory Panel met Jan. 5 for the third time since its founding in November.

Martin Brand, DEC | *NYDPS*

"There are so many cross-cutting issues; whether it's transportation, local land use, local government, large-scale versus small-scale ... the key is to keep focusing on the methane emissions reductions, and the hard part is going to be quantifying all of these things," said Department of Environmental Conservation (DEC) Deputy Commissioner Martin Brand, who chairs the panel.

The DEC last month *finalized* the regulations to reduce greenhouse gas emissions, the first regulatory requirement of the Climate Leadership and Community Protection Act (CLCPA). The state in October completed its public hearing process on the proposed (*Part 496*) emissions limits. (See *New York Holds Final CLCPA Emissions Hearings*.)

European Experience

George Bevington, senior project manager at construction engineering firm Barton and Loguidice, outlined the process of anaerobic digestion, which he said uses "organisms from the primordial ooze" to break down organic compounds.

Even a septic tank in the countryside is an anaerobic environment, but industrial-scale operations are much more controlled within a set range of temperature and acidity levels.

"Never look at a methanogen cross-eyed because they're very sensitive and everything has to be perfect," Bevington said.

Germany covers about triple the area geographically as New York but has 6,000 anaerobic digestors (ADs) compared to an estimated 200 in the Empire State, "so the technology basically starts out in Europe and then comes here because they are much more densely populated," Bevington said.

The New York City Department of Environmental Protection is halfway through a $300 million project to install five cleaner-operating cogeneration engines at the North River Wastewater Resource Recovery Facility in West Harlem. | *NYC DEP*

Casella Waste Systems CEO John Casella | *NYDPS*

Casella Waste Systems CEO John Casella said the existing ADs are not able to handle organics.

"When we talk generally about handling organics, that's a misnomer," Casella said. "We need high-quality, high-quantity materials. One of the reasons why the de-packaging is going to be successful is that you're going to be able to have that slurry supply where you've separated the packaging, the plastic and the other materials from that stream that could then go to a digestor. But to change culturally where we are right now to have a stream of organic directly to an AD would be pretty difficult."

Bevington said a simple look at recycling bins in the U.S. will show a 10% error rate in sorting, "but if you have that rate going into an AD plant, they will tell the hauler they don't want their product anymore."

The 22-member CAC is working toward a fall 2021 target for completing a scoping plan for achieving the state's energy and climate goals under the CLCPA, which mandates switching to 100% zero-emission electricity by 2040 and reducing GHG emissions to 85% below 1990 levels by 2050.

"Never look at a methanogen cross-eyed because they're very sensitive and everything has to be perfect."

—George Bevington, senior project manager at construction engineering firm Barton and Loguidice

NYISO News

Rethinking Wastewater

Jane Gajwani, NYC DEP | *NYDPS*

Jane Gajwani, director of energy and resource recovery programs for the New York City Department of Environmental Protection, reported on the wastewater subgroup, consisting mainly of her and Bevington working with staff from the New York State Energy Research and Development Authority (NYSERDA) and the DEC.

One task was to support the transformation of wastewater treatment into water resource recovery, "and we feel this is a really important goal," Gajwani said. "It's something that the wastewater industry rebranded itself as a few years ago, but it's not an instantaneous change. You can't just snap your fingers, but it really does acknowledge the potential within wastewater in trying to rethink how we go about treating water to create a circular economy."

The idea is to extract the full range of resources contained in wastewater as renewable bioproducts, displacing fossil fuel-based alternatives while minimizing GHG emissions, she said.

This requires maximizing recovery of the embedded energy and resources conveyed in wastewater; implementing systems to minimize fugitive methane and nitrous oxide emissions associated with wastewater; leveraging existing wastewater infrastructure to meet rising demand for organic management and co-digestion; recovering digestate and biosolids for beneficial use, leading to a significant reduction in the landfilling of these resources that contribute to methane emissions from those landfills. It also means distributing bioproducts and bioenergy that benefit communities, sequestering carbon and reducing GHG emissions throughout New York.

"That's a lot to talk about, and the first piece we tackled as a group was the minimizing of fugitive emissions," Gajwani said. "Wastewater in general has fugitive emissions associated with it of both methane and nitrous oxide, so the first thing is whether or not we should have reduction goals. We're trying to figure out realistically what we can obtain by 2030 and by 2050. It's actually a little bit easier for us to figure out how to reduce emissions of methane — we have our arms around this — than nitrous oxide, which we're in the middle of studying."

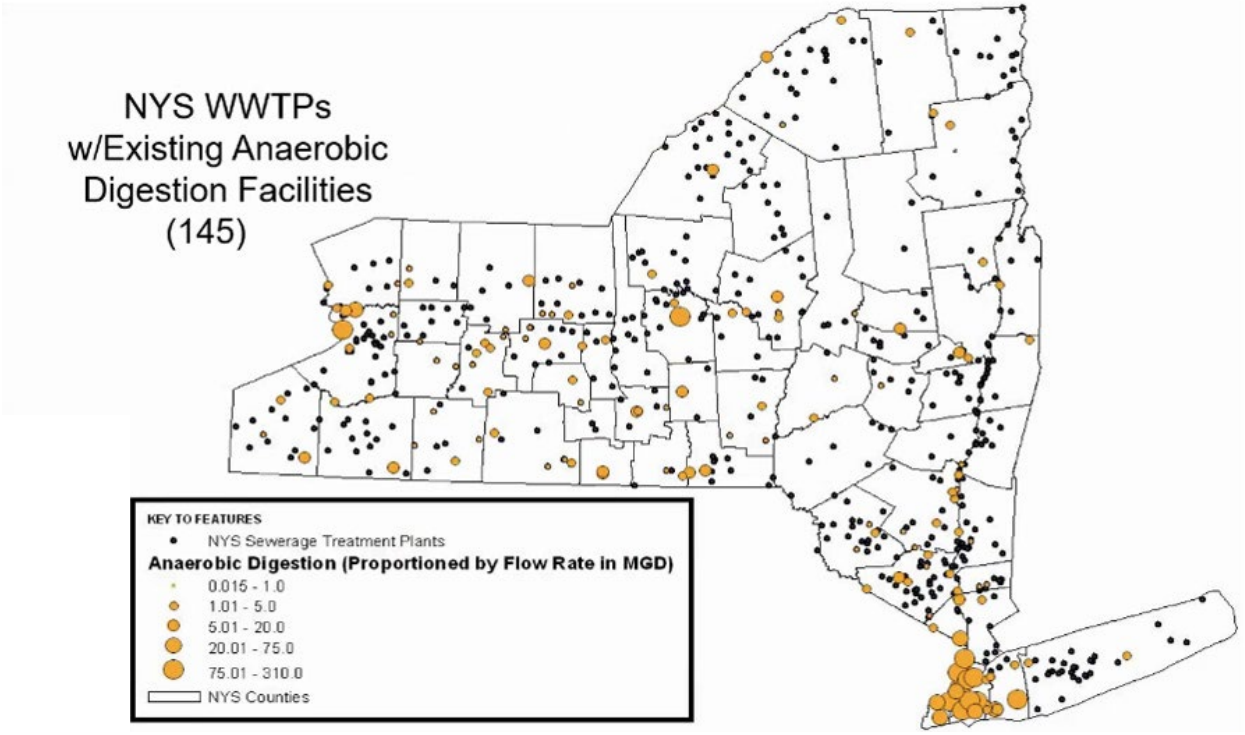
A few policies came to the forefront, such as comprehensive and continuous active monitoring for fugitive emissions, with full regulatory and financial implications; training of DEC inspectors to assess such emissions, which would not carve a regulatory change; and to urge conversion of home septic systems to sewer systems where feasible in densely populated areas, especially on Long Island, she said.

One important policy is to support the installation of anaerobic digesters at wastewater treatment plants throughout the state and facilitate 100% beneficial use of recovered energy in the form of biogas and biosolids, Gajwani said.

Michelle "Tok" Oyewole, NYC Environmental Justice Alliance | *NYDPS*

Michelle "Tok" Oyewole of the New York City Environmental Justice Alliance reported on the local scale diversion and climate justice subgroup, which has held one meeting and is focused on green jobs at the local level and employment benefitting marginalized communities.

"It's a real emphasis on building the programs that people tend to disregard the work of, such as the *Inner City Green Team* and micro hauling groups and community-scale composters who just look at resources a bit more and have a bit more vision overall than the traditional waste management world," Oyewole said. ■



Network of wastewater digester locations | *NYSERDA*

NYISO News

NYISO Appeals FERC Rejection of BSM Proposal

By Michael Kuser

NYISO on Dec. 31 filed a *petition* with the D.C. Circuit Court of Appeals asking it to review FERC's rejection of the ISO's proposal to exempt public policy resources from its buyer-side mitigation rules (*ER20-1718-001*).

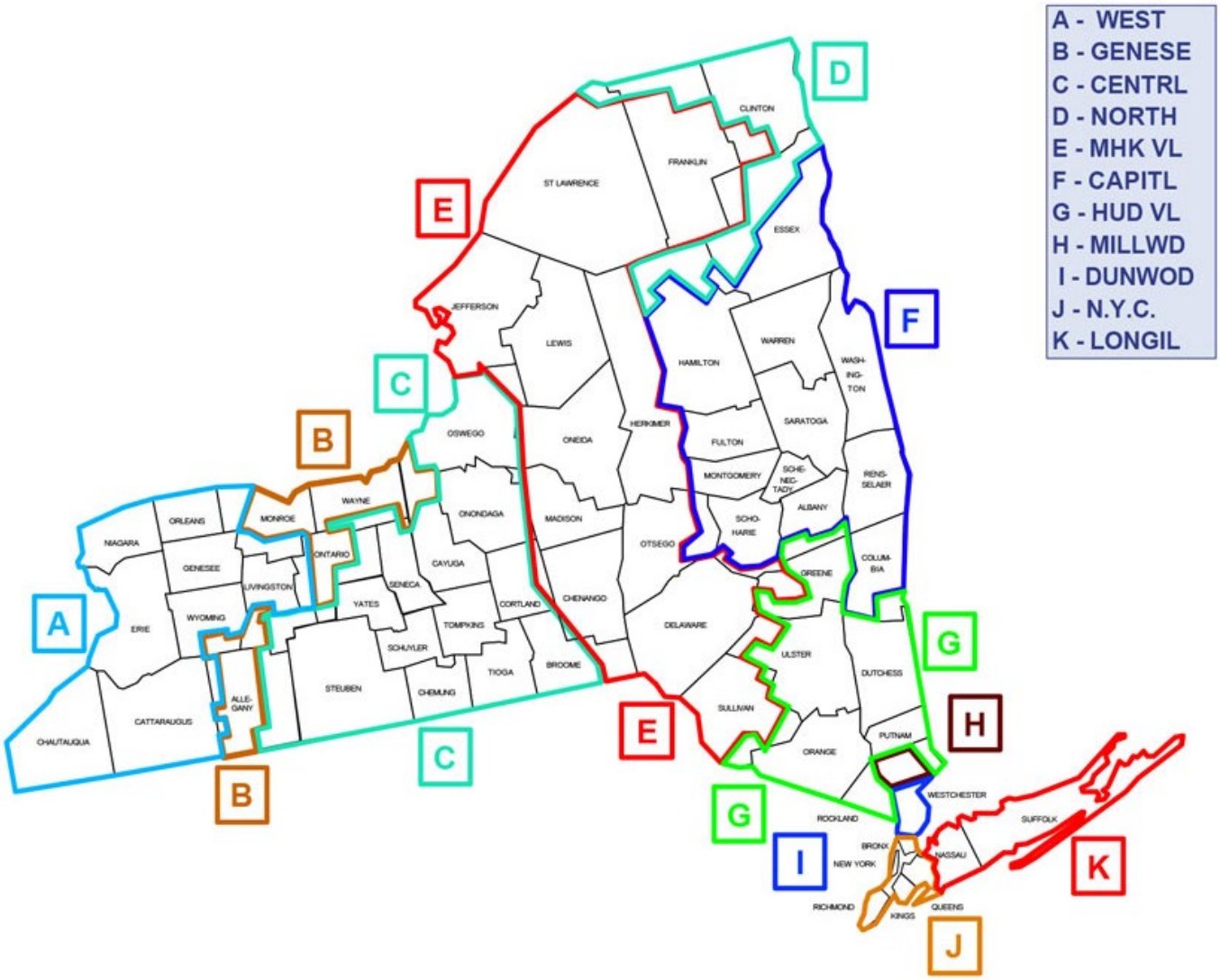
FERC in September rejected NYISO's proposal to allow public policy resources in New York City and zones G-I to avoid buyer-side mitigation if enough existing capacity exits the market or demand increases enough to boost capacity requirements. NYISO's petition followed the commission's denial of its request for rehearing in November. (See *FERC Rejects NYISO Bid to Aid Public Policy Resources*.)

To win an exemption from NYISO mitigation, a new entrant must pass one of two exemption tests. Part A allows exemptions if the forecast of capacity prices in the first year of a new entrant's operation is higher than the default offer floor. Part B permits exemptions if the forecast of capacity prices in the first three years of a new entrant's operation is higher than its net cost of new entry. NYISO's proposal would have strengthened Part A by, among other things, performing the test before Part B and putting public policy resources ahead of other resources in Part A evaluations.

"We disagree that the prevalence of public policy resources in the future composition of New York state's resource mix means they are not similarly situated to nonpublic policy resources for the purposes of the Part A test," the commission said in its ruling.

After the rejection, NYISO CEO Rich Dewey said, "We worked closely with market participants on a design we felt addressed FERC's jurisdictional obligations and New York's right to implement renewable energy policies."

The commission voted 3-1 to reject the proposal, with Commissioner Richard Glick dissenting. "The proposal received a supermajority of votes in the stakeholder process, and not a single party protested this issue before the commission, including any of the generator groups that have cheered on the commission's slew of recent buyer-side mitigation orders," Glick said. ■



NYISO's proposal would have allowed public policy resources in zones G-J to avoid buyer-side mitigation under certain conditions. | *NYISO*

NYISO News

BOEM Sees Moderate Impacts from South Fork OSW Project

Agency to Hold Three Public Hearings in February

By Michael Kuser

The South Fork Wind Project will have negligible to moderate environmental impacts from construction, operation and decommissioning, according to a draft environmental impact statement (*DEIS*) issued by the Bureau of Ocean Energy Management last week.

The 132-MW offshore wind joint venture between Ørsted and Eversource Energy would consist of up to 15 wind turbines with a capacity of 6 to 12 MW each located about 30 nautical miles east of Montauk Point, N.Y.

BOEM will hold virtual public *meetings* on Feb. 9, 11 and 16 where it will accept comments submitted or postmarked no later than Feb. 22 before completing the EIS.

Environmental Impacts

The DEIS categorizes potential adverse or beneficial impacts as negligible, minor, moderate or major, comparing impacts from alternative scenarios and summarizing key findings for the project's proposed Construction and Operations Plan (*COP*).

The developers proposed an offshore substation within the lease area, with associated export cables subject to applicable mitigation measures — turbines laid out in a uniform east–west and north–south grid with 1-square-nautical-mile spacing between turbines and diagonal transit lanes at least 0.6 nautical miles wide — spacing agreed on by all OSW developers last summer and recommended by the U.S. Coast Guard. (See *Developers Seek 1-Mile Spacing for Vineyard Wind*.)

South Fork Wind Farm export cable route A is proposed to land at Beach Lane, East Hampton. | *BOEM*

"Impacts associated with the other action alternatives are generally similar to those described for the proposed action," BOEM said.

The agency outlined four possible regulatory choices:

- "no action," the equivalent to rejecting the project outright;
- approving it as proposed;
- an alternative layout with a 4-nautical-mile-wide vessel transit lane as proposed by the Responsible Offshore Development Association; or
- a "fisheries habitat impact minimization" alternative that would exclude certain turbines and associated cable locations if micro-siting is not possible.

It said it incurred costs of $1.8 million in drafting the EIS, which assesses impacts on air and water quality, bats and birds; marine mammals and sea turtles; benthic habitat; land and wetlands; fisheries and tourism; cultural resources; employment; social justice; and federal income.

Regarding marine mammals, "some individual whales or seals could suffer temporary or permanent hearing injury; these adverse effects would be moderate for affected individual marine mammals [and] overall cumulative adverse impacts would be moderate," the report stated.

Commercial fisheries and for-hire recreation fishing might suffer moderate adverse effects from increased port congestion and reduced fishing opportunity during construction. Fishing gear could be lost or damaged, and catches might decline if target species avoid construction areas. The "reef effect" of turbine foundations and associated scour protection would have minor beneficial impacts to recreational fisheries, depending on the extent to which the foundations enhance fishing opportunities. Overall cumulative adverse impacts would be moderate, it said.

The report foresees that "overall cumulative adverse impacts [on navigation and vessel traffic] would be moderate."

It also projects overall cumulative impacts to employment, federal revenue and income to be minor.

On social justice issues, the DEIS sees "minor to moderate adverse impacts to minority or low-income populations and tribes from the project," with moderate cumulative adverse impacts overall.

Land Ahoy!

BOEM last summer held a series of public hearings on its supplemental environmental impact statement (*SEIS*) for the Vineyard Wind project in federal waters south of Massachusetts. It was to issue its final EIS in December and make a final decision by January. Vineyard Wind is a joint venture between Copenhagen Infrastructure Partners and Avangrid Renewables.

However, early in December Vineyard Wind announced a supplier agreement with General Electric for 13-MW Haliade-X turbines, supplanting a previous deal with MHI Vestas and delaying final approval of the project for some months. (See *Offshore Wind Looks at Crowded Future in New England*.)

The preferred landfall site for the South Fork export cable (SFEC Route A) is at the parking lot at the southern end of Beach Lane, with a new terrestrial cable to be buried under paved roadways and the Long Island Railroad right-of-way to the interconnection facility.

A survey identified three archaeological sites or historic properties within or adjacent to proposed alternative landing sites and potential routes for the onshore cable, which are no longer being considered for the project and therefore will not be affected, BOEM said.

There are no previously reported archaeological sites along Beach Lane, and none were identified during shovel testing there, at the Hither Hills landing site or within the proposed onshore substation sites.

The East Hampton Town Board will hear public comments on its agreement to allow the export cable to come ashore under Beach Lane or elsewhere on Jan. 12 and will then vote on the contract. ■

NYISO News

Cuomo Outlines Green Path for New York in 2021

By Michael Kuser

New York Gov. Andrew Cuomo presented a seven-point overview of government priorities in his State of the State address Monday, ranking the transition to a green economy number five after defeating the pandemic and meeting its associated challenges.

"We will launch the most aggressive green economy program in the country," Cuomo said.

State officials last July *announced* New York's largest-ever package of renewable energy solicitations, seeking a combined 4 GW of offshore wind, onshore wind and solar power. (See *NY Announces 4 GW in Clean Energy RFPs*.)

The governor promised in the coming days to give three separate and more detailed descriptions of his program for the state. The priorities include:

- defeating the coronavirus pandemic;
- increasing the pace of vaccinations;
- dealing with the short-term economic crisis;
- planning the economic resurgence;
- seizing the opportunity to make New York the leader in a green economy;
- capitalizing on the changes, i.e., with clean energy jobs; and
- addressing systemic injustices of inequity, racism and social abuse.

New York Gov. Andrew Cuomo delivers the State of the State address on Jan. 11. | *NYDPS*

An offshore wind turbine maintenance platform is shown as part of Gov. Andrew Cuomo's State of the State address, with an ASL interpreter at right. | *NYDPS*

Green Energy Capital

"What will we make of this moment? Will we move forward, or will we move backward?" Cuomo said of the many challenges facing New York.

Climate change is the existential threat, he said.

"New York will be the green energy capital of the world," Cuomo said. "We will not only construct renewable projects, we will develop manufacturing capacity, research and development expertise and state-of-the-art worker retraining, all here in New York, and we will do it this year."

The day before, Cuomo *announced* a proposal to prohibit utility disconnections under any state of emergency and will propose legislation to ensure the availability of electric and other utility services to all New Yorkers. Utilities that fail to comply will be subject to penalties.

"In a year in which we dealt with an unprecedented pandemic, ferocious storms added insult to injury by knocking out power for hundreds of thousands of New Yorkers," the governor said. "Utility companies provide essential services, and we need to make sure they continue to provide them, rain or shine. That's why we're proposing legislation to make sure that New Yorkers, especially those living in regions under states of emergency, have access to these critical services to provide for themselves and their families." (See "Utilities Must 'Show Cause' on Isaias Response," *NYPSC OKs First Rate Increases Since COVID Outbreak*.)

Economic Justice

Unlike other states, New York had no notice and no time to prepare for the spread of COVID-19, Cuomo said.

"As soon as we found out, the COVID enemy was already amongst us and had been coming for months," he said. "We just saw the same federal negligence reenacted when it failed to test travelers from the U.K., where a new strain of the virus had been detected. The United States did nothing, even though 120 other countries had already acted.

"New Yorkers were called on to flatten the curve created by federal failure," he continued. "New Yorkers cannot now be asked to pay the financial bill for federal incompetence. New Yorkers already paid too high a cost."

The pandemic is a national crisis rather than a state or regional one, but the federal government delegated authority to the governors without providing the resources, he said.

"Washington passed the buck without passing the bucks," Cuomo said. "And again in December, Congress failed this nation when it failed to pass state and local financing during the last legislative session. This is a national challenge; it is a war, and like every war before, it must be financed by Washington. If the federal government needs revenue, it should raise income taxes on the wealthy to finance the states' resurgence from this national devastation. That is basic economic justice — and economic prudence." ■

PJM News

PJM, States Exploring 6 Scenarios in OSW Tx Study

By Michael Yoder

PJM and state officials seeking the most efficient way to integrate more than 12 GW of offshore wind generation have identified six scenarios for analysis in a study expected to produce results after mid-2021, the RTO told the Transmission Expansion Advisory Committee Wednesday.

The Offshore Transmission Study Group, which was created in response to a *request* by the Organization of PJM States Inc., developed the scenarios during five meetings since October 2020, Matthew Bernstein, PJM analyst for state policy solutions, *told* the TEAC. PJM staff also held one-on-one meetings with individual states, he said.

The scenarios will consider the magnitude, points of interconnection and timing of OSW injections for both announced and planned projects. The analyses will also consider the impact of generator deactivations and states' clean energy goals, Bernstein said.

PJM may study additional scenarios based on the initial study findings and feedback from the states, he continued.

Within PJM, New Jersey (6.4 GW), Virginia (5.2 GW) and Maryland (1.2 GW) have announced OSW goals.

Bernstein said the analyses are directed at upgrades that will be necessary for the onshore system and will not consider offshore infrastructure such as a mesh network grid or collector stations.

"We're looking at what these different offshore wind injections are going to do to the onshore system," Bernstein said. "We're still in the process of developing these scenarios and have not begun the actual analysis itself."

Stakeholder Questions

Theodore Paradise, Anbaric | © RTO Insider

Theodore Paradise, senior vice president of transmission strategy for Anbaric Development Partners, asked how the modeling efforts relate to the New Jersey Board of Public Utilities' *request* in November that PJM integrate the state's OSW goals into the RTO's Regional Transmission Expansion Plan. New Jersey's request made it the first state to embrace the state agreement approach under FERC Order 1000, which allows states to fund transmission projects needed to meet public policy needs.

PJM expects to open a competitive solicitation window including New Jersey's request in the first quarter of 2021. (See *NJ Asks PJM to Seek Bids for OSW Tx.*)

Bernstein said the assumptions and analysis of the onshore component developed in response to New Jersey's request will be incorporated into the study.

"You can look at this as incorporating the other states' offshore wind objectives around what we've already done with New Jersey as part of a larger collaborative effort," he said.

Sharon Segner, LS Power | © RTO Insider

Sharon Segner, vice president of LS Power, said the goal of having a more active public policy planning process is "really encouraging." Segner asked if PJM anticipates the scenarios will be made public before the results are produced.

Bernstein said it is "too early" to tell what will be made available to stakeholders and when. He said the scenarios will be described in the final report.

Segner said PJM's presentation made it seem as if the RTO was attempting to identify regional transmission solutions to accommodate states' OSW goals. She said typically in these types of scenarios, each would be put into the planning windows and the parties would be developing and proposing regional transmission solutions.

"I'm not completely understanding how this fits into the process," Segner said. "It sounds like an interesting development, but I'm just trying to put the pieces together."

Mark Sims, PJM | © RTO Insider

Mark Sims, PJM's manager of infrastructure coordination, said Segner was jumping a bit too far ahead in the process. Sims said there's still education that needs to be completed on the issue before PJM decides how to implement the potential solutions a state decides to move forward with.

Sims said the goal is to identify what the states want to accomplish, develop assumptions, run the studies and give information on possible results.

"If any state or group of states decides to move forward, we envision that's when the competitive process would play a role," he said. ■

PJM News

Competition, Flexibility Sought for New NJ Solar Initiatives

By Michael Yoder and Rich Heidorn Jr.

New Jersey's new solar power incentives program should use competitive solicitations to minimize costs and differentiate between project types and locations to ensure "a robust and diverse fleet," consultants recommended to the Board of Public Utilities on Friday.

The BPU commissioned The Cadmus Group to produce the "*New Jersey Solar Transition Final Capstone Report*" in response to the Clean Energy Act of 2018 (*AB-3723*), which required the state to replace the Solar Renewable Energy Certificate (SREC) market with a lower-cost program to encourage solar development.

Ariane Benrey, program administrator, presented the report at a *meeting* Friday, where the BPU also approved two measures related to the state's offshore wind projects and Public Service Electric and Gas' (PSE&G) $778 million smart meter deployment (*EO18101115*). PSE&G will be the second utility in the state to install smart meters, following Rockland Electric. Smart meter proposals by Jersey Central Power & Light and Atlantic City Electric are pending before the BPU.

The Six Flags Great Adventure amusement park in Jackson, N.J., is mostly powered by a 23.5-MW solar project.| *Six Flags*

State of Transition

The Clean Energy Act required that the SREC program close once solar totals 5.1% of electricity sales, a threshold the state hit in April 2020. (See *Solar Subsidy Program Ending in New Jersey*.)

An interim, "transition" program took effect in May for projects registered with the state by the 5.1% milestone date but not yet operational, as well as projects registering after the milestone but before implementation of the successor program that is the subject of the capstone report.

Renewable energy credits (RECs) under the transition program range between $91.20 and $152/MWh, compared with an average of $214/MWh during the last five years of the SREC program, *according* to the state.

Under New Jersey's 2019 *Energy Master Plan*, in-state solar would comprise 34% of the state's electric generation by 2050 as part of Gov. Phil Murphy's midcentury goal of 100% "clean energy." The plan seeks 5.2 GW of in-state solar by 2025, 12.2 GW by 2030 and 32 GW by 2050.

The state registered about 3,476 MW of solar under the SREC program and estimates about 700 MW will be added under the transitional incentive, leaving about 8,020 MW to be filled under the successor program by 2030.

For the successor program, Cadmus recommended the BPU implement a fixed-incentive program, similar to the transition incentive, to "provide strong certainty, business visibility and especially 'finance-ability.'" It said the fixed incentive would complement net metering incentives in the near term and could evolve into a "total compensation" program "to reflect more holistically the value of these projects to the market, grid and environment."

It said the new program should ensure flexibility through a timetable of re-evaluations and potential revisions "while providing the industry with enough line-of-sight to enable long-term investment."

The largest solar projects should receive incentives based on competitive solicitations, with administratively set incentives for smaller projects, Cadmus said. "This will enable market price discovery while establishing minimum incentive levels."

The consultants also urged the use of megawatt-based targets that consider historical trends and segments that may have been underutilized in the past, such as commercial rooftops, solar carports and front-of-the-meter "grid supply" projects.

They also recommended differentiating between project customer classes, installation types, locations and technologies, noting that "variations in tariffs and interconnection costs across electric distribution company service territories, along with differences in construction costs between solar installation types, can have significant impacts on overall project economics."

The BPU should order a study on the state's total feasible capacity for solar, Cadmus added. "New Jersey was an early leader in solar in the United States and has developed a robust market. That relatively long history of success in installations, however, suggests that the developer community has likely spent significant time prospecting for optimal projects and that some of the best opportunities for solar may have been taken already for various project types or otherwise did not work under existing market structures," it said.

'Total Compensation' vs. Fixed Incentives

The "total compensation" incentive, like the Solar Massachusetts Renewable Target (SMART)

PJM News

program, acts like a contract for differences between the value of energy and the total compensation paid.

One advantage of the SMART program, Cadmus said, is that it includes adders and subtractors to encourage a diversity of project types and discourage large-scale, ground-mounted projects in undeveloped spaces. Projects on landfills, parking lots and in "dual-use" agriculture — growing crops such as wheat, potatoes and beans under solar canopies — receive adders.

But the consultants said the SMART approach is also complex and can result in unintended consequences, with larger, front-of-the-meter (FTM) projects crowding out behind-the-meter (BTM) systems. As of September 2019, 60% of the large building-mounted and canopy systems in the Massachusetts program were installed as standalone projects instead of BTM systems. "BTM systems provide several benefits, including more economic opportunities to pair with battery storage and reduce on-site demand … reducing interconnection costs and utility work associated with creating new standalone service," Cadmus said. "Amending regulations to correct this flaw has been proposed as part of the [current] review of the program."

Fixed incentives offer set prices that are paid in addition to any revenues the facility may earn from electricity sales and costs avoided through reduced energy consumption. The programs, such as Connecticut's Zero Emissions Renewable Energy Credit (ZREC), typically require transmission and distribution utilities to purchase RECs from solar electricity generators through long-term contracts.

Providing solar developers a reliable revenue source over a long period reduces lenders' risks and the cost of capital. The simplicity of fixed incentives also reduces transaction costs.

But regulators can have problems determining the appropriate price level, Cadmus said. "If the price level is set too high, the market will accelerate too quickly, solar developers will capture excess profit and undesirable electricity rate increases may occur. Conversely, if the price level is set too low, the market will grow too slowly or not at all."

And because it involves long-term contracts, fixed incentives lack market-responsiveness, although "program design can help mitigate some of these potential disadvantages," Cadmus said.

The consultants proposed minimum 15-year incentives in the PSE&G territory, ranging from a low of $55/MWh for a community solar ground-based project to a high of $180/MWh for a commercial carport system with third-party ownership. Minimum incentives for residential rooftop systems were estimated at $95/MWh.

The 127-page report followed more than a dozen stakeholder meetings and a series of focus groups since January 2019.

With the release of the report, BPU staff recommended the board direct further stakeholder proceedings on developing the successor program. "The capstone report and underlying analysis should be considered as guidance only and ... does not bind the board in any way on the development of a successor program or related incentives," Program Administrator Benrey said.

BPU President Joseph Fiordaliso said the acceptance of the report was an "important step" in the development of a replacement for the SREC program, whose development in 2004 led to heated debates over its price tag.

He said he welcomed feedback on the report. "We [the BPU] don't have all the answers," Fiordaliso said. "Collectively, hopefully, we will."

In a related matter, the board also approved a waiver of a requirement that applicants to the Community Solar Energy Pilot Program provide an interconnection upgrade cost assessment (*QO20080556*). The waiver applies only to projects proposed in the PSE&G service territory for program year 2, applications for which are due by Feb. 5. PSE&G informed BPU staff that it is unable to perform the requested interconnection cost assessments because of staffing constraints and an increase in interconnection study requests. In lieu of the assessments, applicants can submit a letter explaining why interconnection of the proposed project is likely to feasible.

Offshore Wind

The BPU on Friday also approved a solicitation for a consultant to help BPU staff work with PJM on transmission development for its offshore wind projects.

The board in November asked PJM to conduct a competitive solicitation for upgrades to connect 6,400 MW of offshore wind to the regional grid under its FERC Order 1000 "state agreement approach." (See *NJ Asks PJM to Seek Bids for OSW Tx*.)

Jim Ferris, bureau chief for new technology at the BPU, said PJM is incorporating the state's request into the 2021 Regional Transmission Expansion Plan (RTEP) and is working with BPU and PJM staff and transmission developers to solicit options for the board's consideration.

Ferris said the consultant will be asked to assist staff in the preparation and review of documents required for the RTEP process, engage with stakeholders, aid in an independent review of all submitted proposals and provide recommendations for the best transmission solutions resulting from the process.

Fiordaliso said the BPU lacks staff with the expertise to manage the complicated RTEP process. "If we don't have people who are well versed in certain subject areas, the learning curve is steep," Fiordaliso said.

Commissioner Dianne Solomon said it made sense to bring in outside expertise. "We're wading into waters that really need some specialized background and information," Solomon said. "Far be it from me to tell PJM what to do, but I hope they too will engage consultants in areas in the past where they've said they don't have sufficient staff to address some of these issues."

The board also unanimously approved a memorandum of understanding to provide the South Jersey Port Corp. with $1.8 million in funds generated by the Societal Benefits Charge "to support the development" of a facility to manufacture monopiles for offshore wind turbines at the Paulsboro Marine Terminal in Gloucester County (*QO20120770*).

Kelly Mooij, director of the BPU's Division of Clean Energy, said developing an OSW supply chain with manufacturing in New Jersey will produce economic benefits and help reduce the cost of reaching the state's clean energy goals.

Gov. Murphy *announced* the $250 million Port of Paulsboro project last month, saying it would be the largest industrial offshore wind investment in the U.S. and create more than 500 jobs at full buildout. Construction will break ground this month, with production beginning in 2023. *EEW Group*, a German monopile manufacturer, will operate the facility.

Commissioner Bob Gordon asked if $1.8 million was enough for the facility. He said he has been a supporter of the idea of developing a supply chain for OSW in New Jersey but wondered if the BPU knows what the funds will be used for.

"It just seems to me that $1.8 million is not a make-or-break expenditure and is almost an afterthought," Gordon said.

Fiordaliso said the funds will be used for infrastructure on the site. ■

PJM News

PJM Board Rebuffs LS Power EOL Analysis Request

PJM's Board of Managers on Jan. 5 told LS Power that FERC's ruling affirming transmission owners' rights over end-of-life (EOL) planning rendered its request for analysis of project costs moot.

The board's *letter* came in response to a Nov. 12 *request* by LS Power that the RTO "perform additional analysis related to cost allocation for each proposed EOL high-voltage project."

FERC in December rejected a PJM joint stakeholder proposal to move EOL projects under the RTO's planning authority, siding with TOs who argued that it would violate their rights (ER20-2308). (See *FERC Rejects PJM Stakeholder EOL Proposal*.)

"While the commission determined that cost allocation concerns were outside the scope of the [tariff Attachment] M-3 proceeding, the issue is effectively addressed by the commission's determination in its recent orders — PJM's authority is limited to the rights transferred to PJM by the PJM Transmission Owners," the board said in its letter. "The PJM Transmission Owners have reserved their authority over transmission rate design and cost allocation (including the allocation of costs of asset management activities and EOL supplemental projects). ...

"As such, the PJM members cannot direct PJM, through changes to the PJM Operating Agreement, to conduct activities regarding transmission owner facilities not authorized by the PJM Transmission Owners."

LS Power had argued that several "significant high-voltage EOL projects" have been proposed under Attachment M-3 but not included in the Regional Transmission Expansion Plan process.

"These proposed Attachment M-3 projects highlight the regional nature of Attachment M-3 projects and the lack of an appropriate cost allocation methodology for such projects," LS Power had said. ■

| *Asplundh Construction*

— *Michael Yoder*

PJM News

Members Endorse Charter for PJM PIEOUG

By Michael Yoder

Members of PJM's Public Interest and Environmental Organizations User Group (PIEOUG) last week unanimously endorsed a new *charter* for the stakeholder body, formalizing its structure and expanding its scope.

The PIEOUG, which includes consumer advocates and representatives of public interest and environmental organizations, has been a longstanding group within the RTO that typically holds discussions with the PJM Board of Managers at the RTO's annual meeting in May. (See *Advocates Challenge PJM Board on Exelon, FE*.)

Greg Poulos, CAPS | © *RTO Insider*

Greg Poulos, executive director of the Consumer Advocates of the PJM States (CAPS), said members have long discussed having the group take on a larger role within PJM and to serve as a more active entity.

Poulos said it's been "quite a process" to assemble the charter, working with the interested stakeholders and PJM.

"We've tried to move this along over the last year or maybe longer," he said. "The charter will help us in communications."

Poulos described several core parts of the charter, including five principles for the purpose of convening the PIEOUG:

- providing an open forum for discussion of policy issues that are pertinent to the PJM region and to the members of this group;
- addressing PJM policy issues, actions and recommendations that PIEOUG members find important;
- providing access to the PJM stakeholder process for organizations not eligible for membership;
- providing a venue for PJM staff to educate and solicit input from the environmental and public interest community; and
- organizing environmental and public interest group communications with the PJM Board and RTO members.

Poulos highlighted the charter's inclusion of two chair positions — one representing environmental and public interest organizations and another for consumer advocates. Each chair must be a representative of a PIEOUG member and will serve a one-year term. A secretary will also serve a one-year term.

William Fields, Maryland Office of People's Counsel | © *RTO Insider*

William Fields of the Maryland Office of People's Counsel and Tom Rutigliano of the Natural Resources Defense Council currently serve as co-chairs of the PIEOUG. Poulos said PIEOUG members will elect new chairs at the group's next meeting.

The charter also requires the two chairs to alternate presiding over meetings. Meeting protocol will be generally informal, he said, but *Robert's Rules of Order* will be followed when necessary. A quorum will consist of no fewer than 10 members.

PIEOUG membership is open to "bona fide" environmental organizations and other public interest groups, including the consumer advocates of the PJM states.

Tom Rutigliano, Natural Resources Defense Council | © *RTO Insider*

The charter lays out organizations that are ineligible for PIEOUG membership, including:

- PJM Members, other than consumer advocates;
- any organization eligible for PJM membership, except consumer advocates, CAPS members and those who are eligible for membership in the end-use customer sector or as an affiliate member only as an incidental result of their status as a retail electric consumer;
- organizations substantially funded by a PJM member, and;
- organizations whose primary mission is furthering the interests of other PJM members, except CAPS.

PIEOUG meetings will still be open to ineligible groups and the general public, although they will not be able to participate.

Fields said he was hopeful the PIEOUG would have a greater impact in PJM's stakeholder process and bring forward environmental and state issues for discussion and action.

"I think it's great that we have a charter, and hopefully this group will be able to move forward and make some good progress on issues," Fields said. ■

SPP News

SPP Stakeholders Fill Open Committee Positions

SPP's Corporate Governance Committee last week approved nominations for several open positions on stakeholder groups. The nominations will go before the Board of Directors on Jan. 26 for final approval.

Members selected Sunflower Electric Power's Al Tamimi and NextEra Energy's Matt Pawlowski to fill contested open positions on the Finance Committee. Tamimi, a familiar face for years in SPP stakeholder meetings, will represent the transmission-owning (TO) sector and Pawlowski the transmission-using (TU) sector.

The CGC also approved Oklahoma Gas & Electric's Usha Turner as an investor-owned utility sector representative on the Members Committee. She replaces Greg McAuley, who left OG&E in December to return to his native Florida.

Turner, director of federal and regional policy for the utility, said she has absorbed McAuley's RTO policy responsibilities into her existing role.

OGE Energy's Scott Briggs and Arkansas Electric Cooperative's Maria Bunting Smedley were recommended to fill positions on the Human Resources Committee representing the TO and TU sectors, respectively.

The CGC endorsed Northeast Texas Electric Cooperative CFO Caleb Head as chair of the Credit Practices Working Group. ■

— Tom Kleckner

SPP's Corporate Governance Committee hears from applicants for open committee positions. | *SPP*

SPP News

SPP, MISO See $22.8M in M2M Settlements

By Tom Kleckner

SPP staff assured stakeholders they are looking into the causes of congestion around the MISO seam following a third straight month of record market-to-market (M2M) settlements.

SPP incurred $22.87 million from MISO in M2M settlements during November, a 56.3% increase from the $14.63 million in October. That mark more than doubled the previous high. (See *Record $14.63M M2M Settlement for SPP, MISO*.)

"Some of it [the spike in M2M settlements] is a 'perfect storm' scenario," SPP's Scott Brown told the Seams Steering Committee on Friday. "It was a combination of significant outages in certain areas, increased wind and a low mix of [firm-flow] entitlements [FFEs] in the areas where there is an increased use of the system along the seam."

FFEs are allocated property rights to the RTOs, with each RTO calculating its real-time usage. The grid operators exchange M2M settlements for redispatch based on the non-monitoring RTO's market flow in relation to its FFE.

"In general, one of the major causes for these M2M events and settlements is when the wind is high in both SPP and MISO," said Clint Savoy, the SSC's staff secretary.

Ten permanent flowgates were binding for 525 hours, resulting in $11.77 million in M2M settlements, while 36 temporary flowgates bound for 1,612 hours, accounting for $11.1 million in payments.

Casey Cathey, SPP | *© RTO Insider*

Pointing to a trouble spot on the western side of the Nebraska-Iowa border, SPP Director of System Planning Casey Cathey reminded the committee that the grid operator identified a potential interregional transmission project in the area last year. It failed to meet MISO's benefit-to-cost ratio threshold.

The 161-kV Raun-Tekamah permanent flowgate in eastern Nebraska accounted for almost $5 million in settlements to SPP alone, binding for 198 hours. Cathey said the Raun area is one of the highest priorities for SPP's 2021 Integrated Transmission Planning assessment and the joint transmission study with MISO. (See *MISO, SPP Stakeholders Applaud New Joint Study*.)

"You look at the locations of the [generator interconnection] queue for SPP and the locations of the queue for MISO, and intuitively, without running any studies, you understand that unless we build bigger pipes — more transmission — [the Raun area's congestion] is going to continue," Cathey said.

"It's not going to drop down, but I don't know that the magnitude will be as high for a sustainable period," he said. "There's nothing in the works that alleviates this congested area. The trend will continue, just not to that magnitude."

Cathey hopes the Strategic and Creative Re-engineering of Integrated Planning Team (*SCRIPT*), which has been tasked with reviewing and possibly combining SPP's seven different transmission planning processes, will be able to relieve some of the pressures on the grid. (See "SPC Takes Look at Tx Planning," *SPP Briefs: Week of Aug. 31, 2020*.)

"All these different business functions operate on different timelines and for different reasons. I'm not saying it's broken, but this is what happens," he said. "That's the big part of what we're trying to do with SCRIPT and consolidation."

SPP has piled up $140.23 million in settlements from MISO since the two grid operators began the M2M process. Under the process, the monitoring and non-monitoring RTOs manage M2M constraints by exchanging shadow prices and other information to ensure that the RTO with the more economic dispatch addresses flows. The shadow price indicates the marginal value of an additional increment of relief on a congested constraint in reducing the total production costs.

M2M settlements have been in SPP's favor 13 of the last 14 months and 52 times in 69 months since the process began in 2015. The top 10 constrained flowgates since the process began all have MISO paying SPP, staff said.

SSC Supports Affected-system Studies

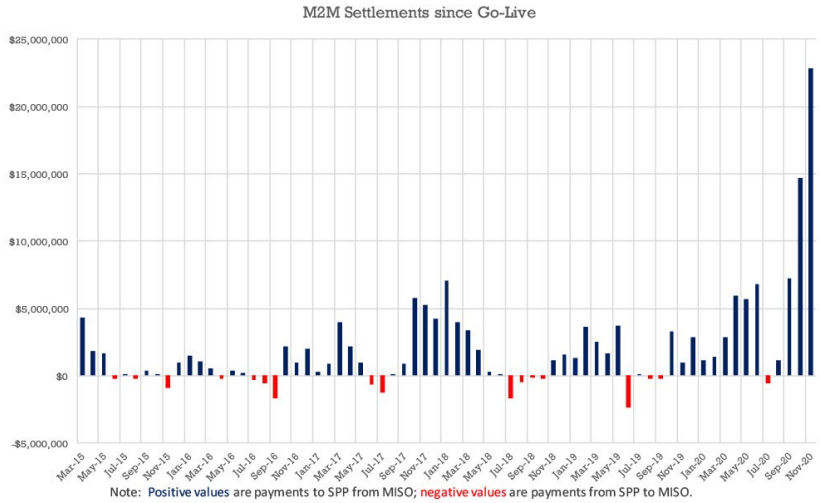
The SSC told staff it would approve a proposal to revise the queue priority for transmission projects in affected-systems studies with seams neighbors, but only if they are applied to all neighboring grid operators.

A majority of stakeholders in a snap poll during Friday's webinar said they would support Associated Electric Cooperative Inc.'s (AECI) proposal to establish a relative queue priority for study requests between the cooperative and AECI.

Only three of the 15 respondents to the poll said they would not support AECI's proposal.

Staff are also gathering feedback from the Generation Interconnection Users Forum.

SPP uses the studies to determine non-jurisdictional and neighboring interconnection requests' effects on its transmission system. The studies take into account interconnection requests on neighboring grids, including those of AECI, MISO, Minnkota Power Cooperative and NorthWestern Energy. ■



Market-to-market settlements between SPP and MISO have set records for three straight months. | *SPP*

Company Briefs

Chinese Solar Companies Tied to Use of Forced Labor

A report released by consultancy Horizon Advisory last week claims that some of the world's largest solar companies work with the Chinese government to absorb workers from the Xinjiang region, home of the oppressed Uighur minority group, through programs that are often seen as a red flag for forced labor.

Major solar companies including GCL-Poly, East Hope Group, Daqo New Energy, Xinte Energy and Jinko Solar are named in the report as bearing signs of using some forced labor. Though many details remain unclear, those signs include accepting workers transferred with the help of the Chinese government from certain parts of Xinjiang and having laborers undergo "military-style" training that may be aimed at instilling loyalty to China and its Communist Party.

In a statement, a representative for the Chinese Embassy in D.C. called the forced labor "a rumor created by a few anti-China media and organizations," adding that all workers enter into contracts in accordance with Chinese labor laws.

The Solar Energy Industries Association released a statement from Abigail Ross Hopper calling the report "deeply troubling."

"This is the first allegation we've seen directly linking the solar industry to abhorrent forced labor practices, and we take these claims very seriously," Hopper said. "Since the fall, we've been proactively telling all solar companies operating in the Xinjiang region to immediately move their supply chains. We'd like to reiterate this call to action and ask all solar companies to immediately leave the Xinjiang region."

More: *The New York Times*; *SEIA*

Duke Energy Acquires Solar Site in Texas

Duke Energy Renewables last week announced that it has agreed to a deal with Recurrent Energy to purchase a 932-acre solar complex near Austin, Texas. It is the fifth utility-scale project that Duke has acquired from Recurrent.

Financial terms were not disclosed, but the companies said Recurrent had raised $234 million to finance construction. A 15-year power purchase agreement with Austin Energy is also a part of the deal.

More: *WRAL*

FirstEnergy Hires New Chief Legal Officer

FirstEnergy last week hired Hyun Park to be its new chief legal officer and senior vice president, effective yesterday.

Park will lead the company's legal, risk and internal audit and oversee its ethics and compliance program. Park succeeds Robert Reffner, who was "separated" from his title as chief legal officer in early November as part of the ongoing $61 million Larry Householder bribery investigation.

Park has experience as general counsel of two publicly held utility companies, including PG&E Corp., and an independent power producer. He most recently was a partner and general counsel at LimNexus, an international law firm.

More: *Akron Beacon Journal*

NRG Finalizes Acquisition of Direct Energy

NRG Energy last week completed its purchase of Direct Energy from U.K.-based Centrica for $3.6 billion.

The transaction adds more than 3 million customers across the U.S. and Canada to NRG's retail portfolio.

After closing the deal, NRG released an updated earnings guidance for 2021 of $2.4 billion to $2.6 billion.

More: *Renewables Now*

World's Largest Utility-scale Battery Storage System Now Online

Vistra Energy last week announced that its Moss Landing Energy Storage Facility, the world's largest utility-scale battery storage system, is now online. The system is made up of more than 4,500 stacked battery racks or cabinets, each containing 22 individual battery modules.

Phase I, which allows for 300 MW of storage, is operational at the company's Moss Landing Power Plant in Monterey County, Calif. Construction of Phase II, which will add an additional 100 MW, is expected to completed by August 2021.

More: *Environment + Energy Leader*

Federal Briefs

DOE Extends Five More LNG Export Licenses

The Department of Energy last week extended five long-term LNG export licenses through Dec. 3, 2050.

The extensions were for Kinder Morgan's Elba Island terminal in Georgia; the Cameron facility in Louisiana; the proposed Annova project under development on the Brownsville Ship Channel in Texas; and two small-scale liquefaction terminals in Florida.

Last month, the department extended seven long-term LNG export licenses after completing an additional 10 extensions in October.

More: *Natural Gas Intelligence*

NRC Chairman Svinicki to Leave Commission

Nuclear Regulatory Commission Chairman Kristine Svinicki will leave the agency on Jan. 20, according to an NRC statement released last week. She did not announce any future plans.

Svinicki, who was the longest-serving NRC commissioner in its history, was originally appointed to the commission by President George W. Bush in 2007. She was then given another five-year term under President Barack Obama in 2012 before being appointed chairman by President Trump in January 2017.

More: *S&P Global Platts*

US Disaster Costs Doubled in 2020

Hurricanes, wildfires and other disasters across the U.S. caused $95 billion in damage last year, according to new data by reinsurance company Munich Re. The amount was almost double the total from 2019 and the third-highest since 2010.

Topping the list was Hurricane Laura, which caused $13 billion in damage in Southwestern Louisiana in late August. Laura was one of a record number of 30 named storms in 2020. Twelve of those storms made landfall and caused $43 billion in losses across North America.

Convective storms, which includes thunderstorms, tornadoes, hailstorms and derechos, cost the U.S. $40 billion. Wildfires caused another $16 billion in losses.

More: *The New York Times*

State Briefs

COLORADO

Xcel Moves up Closure Dates for Hayden Generating Station Units 1, 2

Xcel Energy last week said its coal-fired Hayden Generating Station will close ahead of schedule.

The plant's Unit 2 will close by the end 2027, while Unit 1 will close by the end of 2028. The move brings Xcel's total number of coal-fired units slated for earlier closure in the past year to seven, spread across four different companies.

"The early closure of the coal plant is part of the company's plan to reduce carbon emissions 80% by 2030 and ultimately deliver 100% carbon-free electricity to customers by 2050," Xcel said in a statement. The company also said there will be no layoffs among the 75 employees.

More: *The Colorado Sun*

ILLINOIS

Madigan Suspends Speakership Campaign

House Speaker **Michael Madigan** has suspended his race to hold onto a gavel he's wielded for nearly 40 years.

Madigan, who has served as speaker almost continuously since 1983, announced the move Monday, a day after failing to clinch the 60 votes needed during a meeting of the state's Democratic caucus. He secured just 51 votes in a closed-door party caucus meeting Sunday night, an effort to sort out the chamber's leadership ahead of the formal floor vote Wednesday. He could afford to lose only 13 votes in the House and hold on as speaker — a figure he hit in November when several party members publicly rebuked his leadership for alleged role in a bribery scheme involving Commonwealth Edison. (See *Ex-ComEd CEO, Officials Charged in Ill. Bribery Scheme*.)

While suspending his campaign, Madigan said he has not withdrawn. That decision leaves an opening for him in case the selection process falls apart, according to two sources familiar with the process.

More: *POLITICO*

AFL-CIO Releases Updated Nuclear Impacts Report

The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) last week released an updated version of the Brattle Group's Illinois Nuclear Impacts Report, which highlights the economic losses and environmental impacts local communities will face with the retirement of Exelon's Byron and Dresden nuclear plants.

The report found that the plants alone prevent more than 20 million metric tons of carbon dioxide each year, and that shuttering them would cause consumers and businesses to pay $313 million more annually for electricity, or $3.1 billion more over a decade.

More: *WIFR*

KANSAS

Evergy's Proposed Rates for Solar Find Many Critics

Residents made or sent nearly 1,100 calls, emails or letters to the Corporation Commission between Oct. 15 and Dec. 21, with nearly all of them opposed to Evergy's proposed residential solar rates.

The Supreme Court in April had said residential electric rates had to change after it ruled that the demand fees Evergy charges its solar customers were a "discriminatory rate" and violated state law. Evergy proposed a $3/kW grid access fee or a $35 minimum charge for all customers.

Many asked the KCC to reject Evergy's proposed rates outright. Some accused the utility's proposals as attempts to discourage solar, while others said they thought it was a bad time to raise rates considering the ongoing pandemic.

More: *The Wichita Eagle*

MONTANA

PSC Names New Chair, Vice Chair

The Public Service Commission last week unanimously elected Commissioner **James Brown** (R) to serve as chairman. Brown succeeds Bob Lake, who was term-limited after serving eight years on the commission.

Commissioner Brad Johnson (R) was unanimously re-elected as vice chair.

Brown and Jennifer Fielder (R) were elected to four-year terms in November and officially joined the commission Jan. 4. Commissioner Tony O'Donnell (R) was also re-elected to a second four-year term.

More: *Montana PSC*

NEBRASKA

NPPD Renewable Energy to Power Monolith Expansion

Carbon black manufacturer Monolith Materials announced last week that it has signed a letter of intent with the Nebraska Public Power District for the utility to procure enough renewable energy resources to generate 2 million MWh annually. It is believed to be the largest renewable energy agreement in state history.

The power should be enough to provide Monolith with 100% renewable energy for its proposed $1 billion expansion of its Olive Creek facility, which converts natural gas to carbon black and produces hydrogen as a byproduct.

NPPD President and CEO Tom Kent said the utility will issue a request for proposals for wind and solar generation in March and expects to have agreements in place by Sept. 1.

More: *Lincoln Journal Star*

NEW MEXICO

Xcel Energy Seeks Rate Increase to Recover Investments

Xcel Energy filed a rate increase request with the Public Regulation Commission last week to recover some of the more than $1 billion in investments it has made since 2019.

If approved, the average residential customer could see an increase of about $9.80/month, but the rates would not take effect until the fourth quarter of this year.

More: *The Associated Press*

NORTH CAROLINA

DEQ Approves Air Permit for Align RNG Biogas Facility

The Department of Environmental Quality last week approved an air permit for Align's proposed $30 million biogas gathering and processing facility in Turkey. However, the renewable natural gas facility, which is co-owned by Smithfield Foods and Dominion Energy, will not process biogas until the participating hog farms receive the required permits.

Nineteen farms would each cover one lagoon and install an anaerobic digester to capture methane, then funnel the gas to the Align RNG station. The gas would then be conditioned and injected into a Piedmont Energy natural gas pipeline. While some methane will be captured from the farms, they would still use open lagoons to contain excess waste and would use spray it on their fields.

More: *The Progressive Pulse*

OHIO

House Majority Leader at Forefront of Key Points in Bailout Law

Documents made available last week show how House Majority Floor Leader **Bill Seitz** (R) promoted gutting the state's clean energy standards in House Bill 6, the 2019 coal and nuclear bailout law, and has since served as a force against its repeal.

"Repealing the bill would be the dumbest thing ever done," Seitz said in an Aug. 28 email to Energy Association lobbyist Michael Kurtz. "All we need to do is to strengthen the audit standards and possibly revisit the [FirstEnergy] decoupling provision. The herd of sheeple are all in a panic over what I consider the best energy bill we ever passed in my 20 years."

After a federal complaint against FirstEnergy officials over an alleged bribery scheme to secure passage of HB 6 became public — and the arrest of House Speaker Larry Householder — Seitz texted people identified as "JB" and "Adam H," saying, "We need to be surgical here because a delayed repeal might end up being a complete repeal if we fail to act on a replacement. Worse still, the replacement could be worse than the repeal. Moreover, we need to recognize that any replacement bill will reopen the referendum for the folks who opposed HB 6 in its entirety."

More: *Eye on Ohio*

FirstEnergy Funded Donations to Dark Outfits Backing DeWine, Daughter

Money from FirstEnergy comprised more than one-third of all contributions to a dark money group supporting Gov. **Mike DeWine**, and likely all the cash given to one backing his daughter's county prosecutor bid, newly revealed 2019 tax records show.

The donations came the same year the state legislature passed House Bill 6, which included a $1 billion subsidy for two nuclear plants owned by FirstEnergy Solutions. DeWine signed the bill within hours of it reaching his desk. DeWine's daughter, Alice, also announced her campaign for Greene County prosecutor that September.

FirstEnergy's $20 million in contributions were funneled through the dark money group Partners for Progress, which then passed through as many as four other groups.

More: *Cincinnati Enquirer*

SOUTH DAKOTA

PUC Elects Chairman

The Public Utilities Commission last week elected Commissioner Chris Nelson as its new chairman. Commissioner Kristie Fiegen was elected as vice chair.

Nelson was appointed to the PUC in January 2011 by Gov. Dennis Daugaard to fill a vacancy. He was then elected in November 2012 to complete the remaining four years of that term and re-elected in November 2016 for a full, six-year term.

More: *DRGNews*

TEXAS

Environmental Groups Sue EPA over Air Permits

The Environmental Integrity Project (EIP), along with other state environmental groups, filed a lawsuit against EPA Administrator Andrew Wheeler last week after he did not respond to a petition by the groups who said the agency looked the other way when the state did not require tough enough rules on air pollution for several refineries, gas plants and chemical plants.

The groups say the permits issued by the state to curb smog pollution from eight facilities are not as strong as the federal Clean Air Act requires. The Commission on Environmental Quality issues permits for air pollution from equipment at large industrial facilities that should adhere to the act. But EIP Senior Attorney Gabriel Clark-Leach said the permits are unclear about what the limits are and lack necessary monitoring requirements to ensure compliance, which makes it impossible for the public to know whether facilities are following the rules.

More: *The Texas Tribune*

VIRGINIA

Navarro Becomes SCC Commissioner

Angela Navarro was sworn in last week as the 37th commissioner of the State Corporation Commission.

Navarro was appointed by Gov. Ralph Northam to complete the term of Mark Christie, who became a member of FERC on Jan. 4.

Prior to being appointed to the SCC, Navarro served as deputy secretary of commerce and trade under Northam. She also served as deputy secretary of natural resources for Northam and former Gov. Terry McAuliffe.

More: *Augusta Free Press*