RTO Insider

Your Eyes and Ears on the Organized Electric Markets

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

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FERC Goes Back to the Drawing Board on Tx Planning, Cost Allocation

Moving Beyond Order 1000

By Rich Heidorn Jr.

FERC on Thursday opened a rulemaking to reconsider its rules on transmission planning, cost allocation and generator interconnection, acknowledging that Order 1000 has failed to provide interregional expansions to deliver increased renewables and meet the challenge of climate change.

Republican Commissioners Mark Christie and James Danly joined Chairman Richard Glick and Commissioner Allison Clements, both Democrats, in supporting the Advanced Notice of Proposed Rulemaking (*RM21-17*). Republican Commissioner Neil Chatterjee, whose term expired June 30 and is now job hunting, did not participate.

"We are concerned that existing regional transmission planning processes may be siloed, fragmented, and not sufficiently forward-looking, such that transmission facilities are being developed through a piecemeal approach that is unlikely to produce the type of transmission solutions that could more efficiently and cost-effectively meet the needs of the changing resource mix," Glick and Clements said in a joint statement. "Regional transmission planning processes generally do little to proactively plan for the resource mix of the future, including both commercially established resources, such as onshore wind and solar, as well as emerging ones, such as offshore wind. We are also concerned that current regional transmission planning processes are not sufficiently integrated with the generator interconnection processes, and are overwhelmingly focused on relatively near-term transmission needs, and that attempting to meet the needs of the changing resource mix through such a short-term lens will lead to inefficient transmission investments."

Glick noted that of the 750 GW of generation

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PG&E Says Its Line May Have Started Dixie Fire

The Dixie Fire burning in Plumas County, Calif | *National Weather Service/PG&E*

By Hudson Sangree

Pacific Gas and Electric (NYSE: PCG) said one of its lines may have ignited the 30,000-acre Dixie Fire burning in rugged terrain northeast of Paradise, Calif., a town destroyed by a PG&E-caused fire three years ago.

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Manchin's Energy Infrastructure Act Heads to Senate Floor

GOP and Democratic Amendments to Revised $98 Billion Bill Fall on Party-line Votes

By K Kaufmann

Senator Joe Manchin | *Senate ENR Committee*

Sen. Joe Manchin's (D-W.Va.) effort to draft a modest energy infrastructure bill that can gain bipartisan support took a major step forward Wednesday, adding 48 amendments and winning a 13-7 vote before the Senate Energy and Natural Resources Committee.

Sens. Bill Cassidy (R-La.), Steve Daines (R-Mont.) and Lisa Murkowski (R-Alaska) voted with the committee's 10 Democrats to move the bill forward.

The *Energy Infrastructure Act*, which committee Chair Manchin introduced last month, originally proposed $95 billion for a broad range of grid infrastructure, resilience and cyber-security projects, clean energy supply chain development and low- and no-carbon technologies, as well as Western water infrastructure and wildfire prevention measures. An initial hearing on June 24 was largely overshadowed by President Biden's announcement of the bipartisan agreement of a framework for a $1.2 trillion infrastructure package. (See *Biden, Manchin Push Bipartisan Infrastructure Plans*.)

Now with $98 billion worth of programs, the 495-page bill before the committee incorporated "suggestions made during and since our [June] legislative hearing," Manchin said.

Many of the amendments were raised, and mostly voted down, on party-line votes. But closing the hearing, Manchin thanked both sides of the aisle for their efforts and not putting "roadblocks up that we couldn't pass over."

Even as the bipartisan working group, which

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In this week's issue

***NetZero Insider* is now live!**

See p.23 for this week's coverage.

FERC/Federal News

Southeast Utilities Urge FERC Action on SEEM

RTO Discussions out of Bounds, Sponsors Say

By Rich Heidorn Jr.

The sponsors of the Southeast Energy Exchange Market (SEEM) urged FERC on Wednesday to approve their proposed expansion of bilateral trading and reject calls for a technical conference to consider broader market changes.

The sponsors made their arguments in *response* to comments filed in June by clean energy advocates, who said the proposal to automate bilateral trading in 11 Southeastern states would offer a fraction of the benefits of an organized market and undermine decarbonization efforts (ER21-1111, *et al*.). (See *Clean Energy Groups Pan Southeast Utilities' SEEM Proposal*.)

The sponsors, led by Southern Co. (NYSE:SO), Duke Energy (NYSE:DUK) and the Tennessee Valley Authority, have asked FERC to act by Aug. 6 on their proposal, which they said would use free transmission capacity to eliminate transmission rate pancaking and allow 15-minute energy transactions.

They said the critics' comments on the sponsors' response to a FERC deficiency letter "largely say nothing new regarding the Southeast EEM proposal, and most seek merely to delay the proposal's implementation or supplant it entirely with a full-fledged regional transmission organization or energy imbalance market."

Due Process not at Issue

The sponsors rejected critics' allegation that the SEEM agreement's proposed process for addressing complaints would not protect participants' "due process" concerns, saying it "is not meant to create an extrajudicial tribunal of some sort" but would be a way to consider potential changes to market rules.

"The Southeast EEM is not a government entity," they said. "Due process, if desired, may be obtained in the usual ways: through the commission or the courts."

However, the sponsors provided clarifications to allay concerns that SEEM might not act promptly on complaints and prevent parties from filing a complaint with FERC under Federal Power Act Section 206. They pledged to respond to most complaints within 60 days and post the responses publicly on the SEEM website. The response would state whether SEEM will investigate the complaint or not or if it needs more time to make a decision.

They also agreed to provide "pro-competitive" market information to the public if the commission orders it. But they said they "are deeply concerned about the public release of information meant to allow the commission to monitor for exercise of market power or market manipulation. Even with masked identities it is not clear that identities could not be guessed, especially given that this is a bilateral market, and it is not clear that a time lag would provide significant additional protection."

They also provided assurance that the proposed market auditor would be an independent third party and not a SEEM member or an affiliate of one, as defined under the commission's *Standards of Conduct* regulations.

Incentives to Cut Costs

The sponsors rejected allegations that their proposal is intended to prevent competitors from selling power in the region.

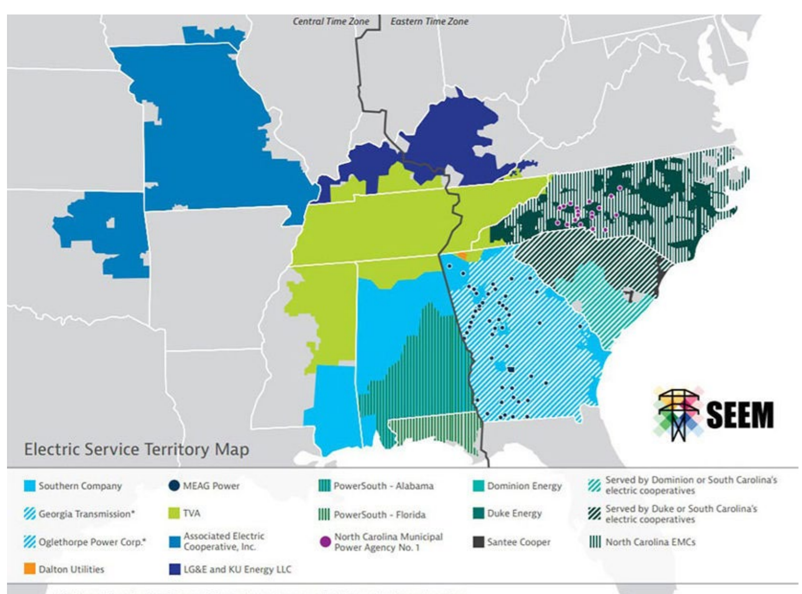
"The blanket and unfounded allegations that the Southeast EEM member utilities do not have incentives to lower costs ignores the foundational principles that enabled this diverse group of utilities to come together in the first place," they said. "To put it simply, the Southeast EEM proposal would not have even been developed if the Southeast EEM members were not incentivized to lower costs for customers, nor would it have been designed as it has if the objective was to foreclose competition. … Furthermore, these so-called 'monopolies' are comprised of thousands of men and women who dedicate themselves to lowering the cost of electricity to their customers while maintaining unparalleled levels of reliability."

They defended their position that the commission use both the public interest standard and the just-and-reasonable standard in reviewing the proposal, saying the SEEM agreement contains elements of both contract rates and tariff rates. They said the commission has taken such an approach in the past, citing the ISO-NE Transmission Operating Agreement.

'No' to RTO

SEEM members contend FERC must either approve or reject their proposal as filed and not consider intervenors' suggestion that it hold a technical conference or joint hearing with states under FPA Section 209. "Replacing the current bilateral market in the Southeast with a RTO is not the subject of this Section 205 application," they wrote.

"There can be no legitimate argument that the record somehow remains insufficient for the commission to act on the Southeast EEM proposal. Moreover, a Section 209 proceeding is not appropriate here because no state commission has protested the Southeast EEM filings," they said. "Implementation of the instant proposal in no way will impede or restrict a broad market restructuring if the appropriate federal and state policymakers elect to go in that direction. Consequently, there is no reason to delay the gains proposed here while such extraneous issues and broader suggestions are considered." ■



Map of proposed Southeast Energy Exchange Market | *SEEM*

FERC/Federal News

FERC Goes Back to the Drawing Board on Tx Planning, Cost Allocation

Moving Beyond Order 1000

Continued from page 1

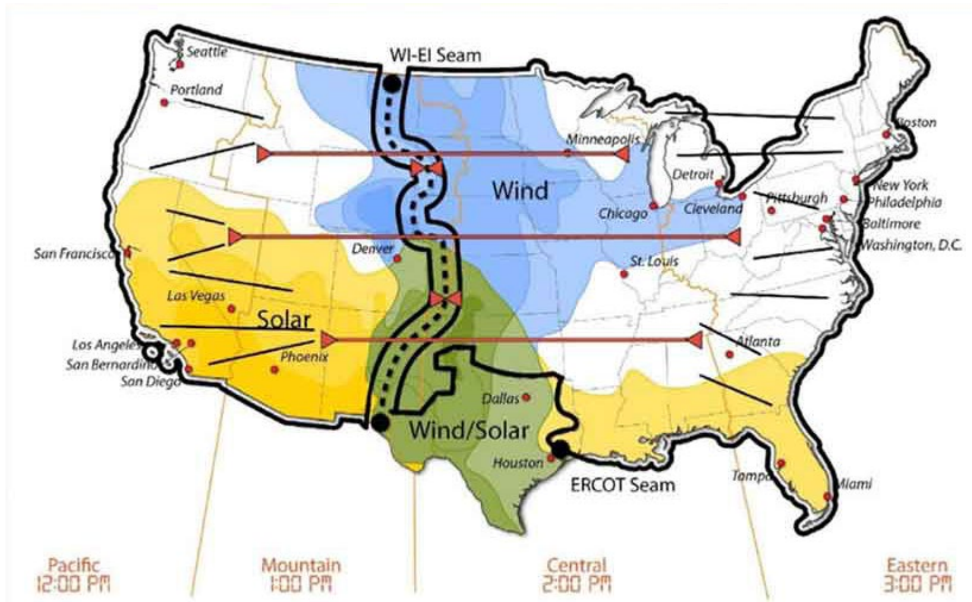
in interconnection queues in the U.S., 700 GW (93%) are renewable projects, many of which are located far from load centers to take advantage of strong winds and cheap land.

"In my opinion, we need a transmission planning process that better takes into account the various resources that are going to be built in the future and better recognizes the beneficiaries," Glick said during the commission's open meeting.

Clements said consumers are being denied access to wind and solar that is often cheaper than natural gas and other generation sources. "In most regions, transmission is the bottleneck right now, and it's stifling competition," she said.

Clements said the ANOPR was "a product of compromise" with the Republican commissioners. "But in there, we are asking the important questions, and I am confident that the ANOPR will yield an informative record on which to assess the next steps. Addressing these challenges is not easy. But the need for action is clear and urgent."

Christie noted it has been nearly 10 years since the commission approved Order 1000, which opened some transmission development to competition and required planners to consider transmission needs driven by public policy requirements. But it has been viewed as a disappointment by many because it failed to produce any interregional transmission projects.



Stitching together the power system's major regions would allow the U.S. to harness its renewable resources. | *National Renewable Energy Laboratory*

"There's been successes under Order 1000, everybody knows that. Everybody also knows there's been problems under order 1000," Christie said. "The interconnection queues are, I think to put it charitably, a mess. And that is a problem that needs to be addressed."

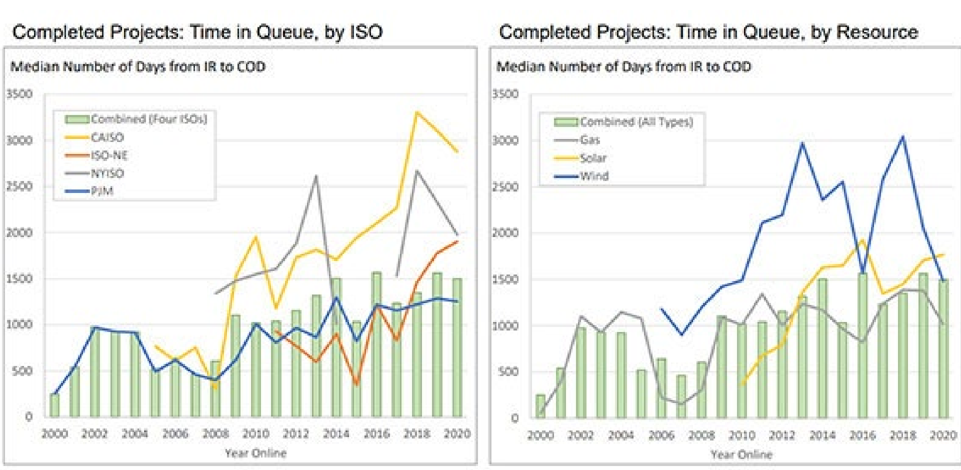
Christie said the NOPR includes "a number of very good proposals" as well as some he said could "cause a massive increase in consumer bills and just transfer massive amounts of wealth from consumers to developer interests without ensuring that there is commensurate benefit.

"This is the beginning of a very long process," he added.

Danly also expressed concern over potential costs.

The ANOPR solicits input on several questions:

- how to accommodate anticipated future generation within the regional transmission planning and cost allocation processes;
- whether the commission should require transmission providers to identify geographic zones with the potential for developing large amounts of renewables and plan transmission to integrate those resources;
- whether changes are needed to improve the coordination between the regional transmission planning and cost allocation and generator interconnection processes;
- how to allocate the costs of new transmission in a way that allocates costs "at least roughly commensurate" with estimated benefits; and
- whether participant funding of interconnection-related network upgrades may be unjust and unreasonable and whether FERC should eliminate rules that allow RTOs/ISOs to use participant funding for interconnection-related network upgrades.

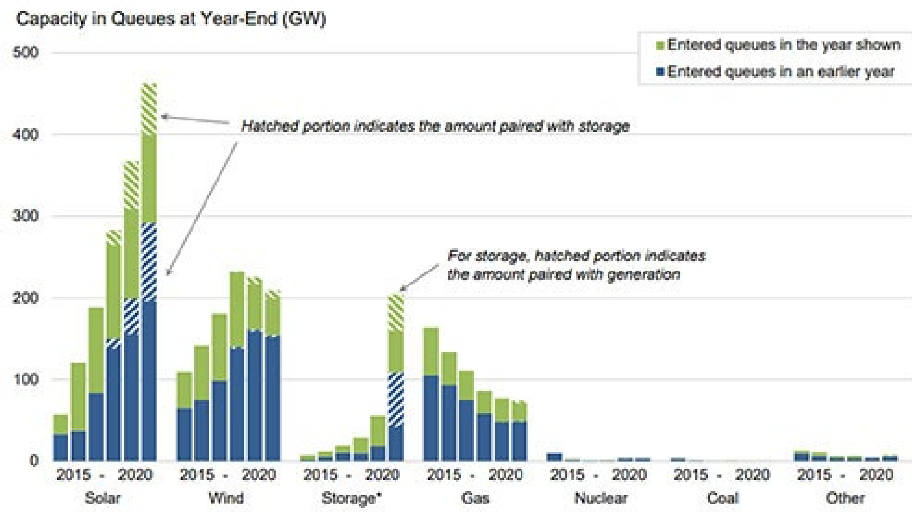


Completed projects with time in queue by region and resource | *Lawrence Berkeley National Lab*

FERC/Federal News

Comments will be due 75 days after publication in the *Federal Register*, with reply comments due 30 days after that.

"We anticipate that this effort will be the commission's principal focus in the months to come," Glick and Clements wrote. "In addition to reviewing the record assembled in response to today's order, we intend to explore technical conferences and other avenues for augmenting that record — including through the joint federal-state task force — before proceeding to reform our rules and regulations." (See *FERC Sets Federal-State Taskforce to Spur New Tx*.)



Capacity in queues at year end | *Lawrence Berkeley National Lab*

Reaction

Rob Gramlich, executive director of Americans for a Clean Energy Grid, praised FERC's action. "The world has changed, and transmission planners need to plan for today's and tomorrow's world, not yesterday's," he said.

"Today's announcement begins a welcome process that, if carried through, will help catalyze the development of a modern and resilient clean energy grid," said Gregory Wetstone, CEO of the American Council on Renewable Energy. "As FERC starts tackling regional issues, we look forward to future commission action on interregional processes necessary to connect centers of high renewable resources with centers of high electric demand."

Wetstone also urged President Biden "to expeditiously nominate a fifth FERC commissioner [to replace Chatterjee] to ensure the continuity and progress of the commission's important work."

Larry Gasteiger, executive director of the trade group WIRES, called FERC's action "a monumental effort that has the potential to be very impactful and could amount to, as Chairman Glick pointed out, the most significant transmission reform in more than a decade."

Gasteiger also endorsed Chatterjee's dissent from the commission's decision to reject Dayton Power & Light's request for a 50 basis-point adder to its return on equity for participating in PJM (*ER20-1068*). The commission ruled 3-2 that Dayton's membership in the RTO is not voluntary because Ohio law requires it. Danly joined Chatterjee in dissent.

In April, FERC issued a rulemaking proposing to limit the adder to the first three years of RTO membership (RM20-10). That vote — also 3-2 — reversed Chatterjee's proposal to double the adder to 100 basis points. (See *TOs, Consumer Groups Clash over RTO Adder*.)

Chatterjee said the commission needs to "finalize an incentives policy, including an RTO adder, to stimulate what [transmission] we need more than ever."

"I implore the commission to move quickly to put in place a comprehensive transmission incentives policy, including an appropriate RTO adder, that advances the commission's long-standing policy objectives and incentivizes what is needed now more than ever — investment in transmission infrastructure and robust organized markets," Chatterjee said in his dissent in the Dayton ruling. ■

FERC/Federal News

Chatterjee Says Farewell at 'Likely' Last FERC Meeting

By Michael Brooks

FERC Commissioner Neil Chatterjee bid farewell and gave thanks to his colleagues and staff during what he said was "very likely" his last monthly open meeting at the commission Thursday.

Chatterjee's term ended June 30, but by law, he is allowed to remain on the commission until Congress confirms his replacement or the end of the year, whichever comes first. FERC does not hold an open meeting in August.

However, that does not necessarily mean Chatterjee thinks a successor will be confirmed before September's meeting. On July 8, Chatterjee *tweeted* that Chair Richard Glick, Senate Minority Leader Mitch McConnell (R-Ky.) and Energy Secretary Jennifer Granholm had all encouraged him to continue serving until he was officially replaced.

"There's no doubt FERC is best at full strength." But "there's a lot to weigh, and I haven't yet determined my departure date," he concluded.

Chatterjee ended Thursday's meeting by thanking a long list of family members and staff for supporting him during a turbulent four years at the commission.

Appointed chair by former President Donald Trump in August 2017 until the confirmation of Kevin McIntyre later in December, Chatterjee was in charge of overseeing a backlog of dockets that had built up over several months in which the commission lacked a quorum. He took over the chairmanship again in October 2018, when McIntyre stepped down because of an illness that would ultimately claim his life. Chatterjee then led FERC through the COVID-19 pandemic, which saw the commission transition to working from home, until Trump demoted him again in November last year in favor of Commissioner James Danly, his own former general counsel. Biden installed Glick upon taking office in January.

"It's no secret that Commissioner Chatterjee and I have had our differences over a number of issues," Glick said Thursday. "We have both said a few non-complimentary things about each other during the heat of the battle." He noted that both of them had come from a background as advisers in the Senate, where members and staff heatedly debate in public while remaining friends. "I value his friendship and advice. He has been nothing but completely gracious in helping me transition into the chairmanship role."

Glick also noted that Chatterjee, a former adviser to McConnell who initially made no secret of his support for coal plants, "probably unfairly came to this commission with a Capitol Hill reputation as a climate change denier." But he said he would be leaving with a new moniker: "the New Green Neil."

Chatterjee said he is not sure what he will do next, but he hopes to have another role in public service.

"I don't know in what capacity, whether elected, appointed or staff. But I fully intend, should I be able, to return to serving my country at some point in the future. In the meantime, the only definitive plan that I have is to take stand-up comedy classes at DC Improv. ... I really want to test it to see if I'm actually funny, or if you guys have laughed at my jokes because of my tenure at the commission."

POLITICO on July 8 *reported* that President Biden has narrowed his list of potential nominees to the commission to three: Willie Phillips, chair of the D.C. Public Service Commission; Massachusetts Rep. Maria Duaime Robinson, who represents part of the city of Framingham in the state legislature; and Tom Dalzell, a lawyer who has spent much of his career with the Northern California-based International Brotherhood of Electrical Workers Local 1245. ■

Neil Chatterjee | *© RTO Insider LLC*

FERC/Federal News

Manchin's Energy Infrastructure Act Heads to Senate Floor

GOP and Democratic Amendments to Revised $98 Billion Bill Fall on Party-line Votes

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includes Manchin, continues to hash out a larger $1.2 infrastructure package, "we're the first committee that has absolutely a working document," he said. "And to do a markup on this was something pretty spectacular in this quick, quick time frame."

In his opening statement, Manchin said, "This package not only includes provisions that have enjoyed strong bipartisan support in this committee, and bills like the SCALE [Storing CO_2 and Lowering Emissions] Act for carbon capture infrastructure ... which had been championed by my colleagues around the room, but also delivers on President Biden's American Jobs Plan in many big ways and has earned the support of a wide swath of stakeholders."

Senator John Barrasso | *Senate ENR Committee*

While acknowledging the bipartisan efforts, Sen. John Barrasso (R-Wyo.), the committee's ranking member, voiced opposition throughout the hearing and was one of the no votes on the package. "The bill includes $95 billion [sic] in new spending authorizations. We're told that prior to floor consideration. Majority Leader [Chuck] Schumer is going to turn these authorizations into mandatory appropriations, so it's still unclear now how the majority is going to pay for this new spending."

Going into the hearing, 37 amendments — out of the 181 filed by Democrats and Republicans — had already been agreed on and incorporated into the bill. More contentious and politically loaded issues were debated and received voice votes, with the majority failing on straight party lines.

Sen. Ron Wyden | *Senate ENR Committee*

Evoking recent heat waves that had melted power lines in his home state of Oregon, Sen. Ron Wyden (D) made an impassioned argument for an amendment allowing utilities repairing wires damaged in extreme heat to "work with all government bodies, but particularly both the Department of Energy and state governments."

Manchin added his support, noting that the amendment would prevent "double-dipping" so that no project could receive funds from two different grant programs. Barrasso, however, opposed it, raising concerns that "this is going to result in California utilities drawing too much money from this underlying program." The amendment failed on a 10-10 party-line vote.

DOE as 'Anchor' Offtaker

Democrats were able to push back attempts by GOP senators to strike two key provisions aimed at accelerating the construction of new transmission projects.

Sen. Roger Marshall (R-Kan.) proposed an amendment to strike a section of the bill that would, he said, provide "federal backstop authority for interstate transmission lines." The section would allow DOE to designate "national interest corridors" for transmission in areas experiencing or expected to experience transmission constraints. It would also give FERC the authority to approve projects in these corridors if a state failed to do so within a year of an application being submitted. Marshall said it would allow the federal government to "even override legitimate concerns expressed at the state level."

Defending the provision, Manchin pointed to the urgent need to expand the transmission grid and the obstacles that now exist to project development. "We've had the current system in place for 15 years, and we know it's not working," he said. The provision "makes incremental progress in addressing some of the challenges facing development of transmission, specifically in the national interest corridors."

Marshall's amendment failed, again on a party-line vote.

Sen. James Lankford (R-Okla.) proposed striking a second section of the bill which would give DOE the ability to help finance new transmission projects or upgrades to existing projects by becoming an "anchor" offtaker through a "capacity contract," as well as by providing DOE loans. A contract could be terminated "as soon as practicable after determining that sufficient transmission capacity of the eligible project has been secured by other entities to ensure the long-term financial viability of the eligible project."

The section also creates a Transmission Facilitation Fund, authorized at $10 million a year for 2022 to 2026. To qualify for such funding, a project would have to have a capacity of 1,000 MW or more for new transmission or 500 MW for line upgrades or expansions, and DOE could contract for up to 50% of a line's capacity.

Beyond representing a "dramatic shift" from the role of RTOs and ISOs in regional grid planning, Lankford said, the provision could inject partisan politics into project selection and development. A new Democratic or Republican administration could change which projects it favors, "and it's going to bounce capital around," Lankford said. "It's a tremendous amount of capital to actually put into doing one of these projects, if suddenly you've got to wait until your party is in power to actually go get the next project."

Senator Lisa Murkowski | *Senate ENR Committee*

Murkowski crossed party lines to help Democrats defeat the amendment, saying it could provide help for remote communities in her state to develop microgrids. "We think it has the potential to provide some assistance in this area," Murkowski said. "I'm exploring working with the committee here to help facilitate this. ... So, I am at this point not prepared to support the motion to strike."

Successful Amendments

Marshall was more successful, winning limited bipartisan support for two amendments, one requiring DOE to undertake a "cradle to grave" analysis of the environmental impacts of electric vehicles and another mandating a study on "the impact of forced labor in China on the electrical vehicle supply chain."

Daines won approval of an amendment requiring DOE to "conduct a study on the number of jobs that were lost and the effect on energy prices due to President Biden's cancellation of the permit for the Keystone XL pipeline."

Barrasso won support for an amendment requiring the secretary of energy to certify that no conflicts of interest are involved in granting of DOE loans. Invoking the 2011 loan default of solar startup Solyndra, Barrasso said, "Keep-

FERC/Federal News

ing political considerations out of the loan granting process is essential to restoring the integrity of these programs."

Senator Mazie Hirono | *Senate ENR Committee*

Murkowski crossed the aisle again to support an amendment by Sen. Mazie Hirono (D-Hawaii) requiring the secretary of energy "to establish a 21st century workforce advisory board to advise the secretary on the role of the department in the development of a skilled energy workforce." The board would have 10 to 15 members selected by the secretary for their expertise in workforce development and both traditional and emerging energy technologies, she said.

A number of amendments were raised, but not voted on, signaling that further work and negotiations will continue as the bill moves to the Senate floor. One example was an amendment from Hirono that would give the federal government the ability to sign long-term power purchase agreements for renewable energy. "Right now, only the Department of Defense can sign power purchase agreements for 30 years, while the rest of the federal government is limited to 10 years," Hirono said. "A 10-year contract would not be long enough for a project developer to secure financing to build basically any kind of power project."

Everything Paid for

Energy trade and advocacy groups were quick to praise the bill and urge passage.

Paula Glover, president of the Alliance to Save Energy, called the bill "a concrete step by both parties to assemble an infrastructure package that values energy efficiency as one of the top solutions for an energy system that is more productive, decarbonized, and equitable." The efficiency provisions touch "all sectors in our economy — from industry and manufacturing, to homes, buildings, and schools."

| *Shutterstock*

Pointing to the bill's funding for carbon- and direct-air capture technologies, Brad Crabtree, director of the Carbon Capture Coalition, said, "The Energy Infrastructure Act takes us an important step closer to securing the full suite of carbon management tools needed for our industrial, energy and manufacturing sectors to remain on track to reach net-zero emissions by midcentury. … [It] would also establish regional hydrogen and direct air capture hubs to facilitate widespread deployment of these critical technologies."

A statement from Lisa Jacobson, president of the Business Council for a Sustainable Economy, focused on the bill's "technology-inclusive approach. … Clean energy and energy efficiency drive a competitive economy, and the measures under consideration would create jobs and support American industry and prosperity."

More Compromises Needed?

The question for Manchin is what further compromises may be required to gain the 10 Republican votes he will need to pass the bill in the full Senate, and what role it will play in the larger efforts to pass the bipartisan infrastructure deal that has yet to be completely translated into legislative language.

Speaking in support of the bill prior to the vote, Sen. Mark Kelly (D-Ariz.), called it "an investment in our nation's energy and also Western water infrastructure; an independent, indispensable piece of the larger bipartisan infrastructure package."

In a video posted to *The Hill*, Manchin said both the infrastructure deal and reconciliation should be fully paid for. "I think everything should be paid for. We've put enough free money out," he said. ■

FERC/Federal News

FERC Orders Hearing on Gas Manipulation Allegation

By Rich Heidorn Jr.

FERC on Thursday ordered a hearing before an administrative law judge on allegations that Total Gas & Power North America (NYSE:TTE) manipulated the price of natural gas at several locations in the Southwestern U.S. between June 2009 and June 2012 (*IN12-17*).

The commission announced its investigation into the allegations in April 2016, when it issued a show-cause order that sought $213.6 million in civil penalties and disgorgement of $9.2 million in unjust profits, plus interest. It also sought civil penalties of $1 million from trader Aaron Hall and $2 million from trader Therese Tran.

The Office of Enforcement alleged that Hall and Tran made uneconomic trades of monthly physical fixed-price natural gas during bidweek at the regional trading hubs of Southern California Gas, El Paso Natural Gas, Permian Basin, West Texas, Waha, El Paso and San Juan Basin.

FERC said Total then reported those trades to Natural Gas Intelligence and Platts' Inside FERC Gas Market Report to skew their monthly indexes to benefit company positions tied to the indices. Two former Total traders, Matthew Wilson and Stephen Callender, described the alleged scheme to investigators after becoming aware of it.

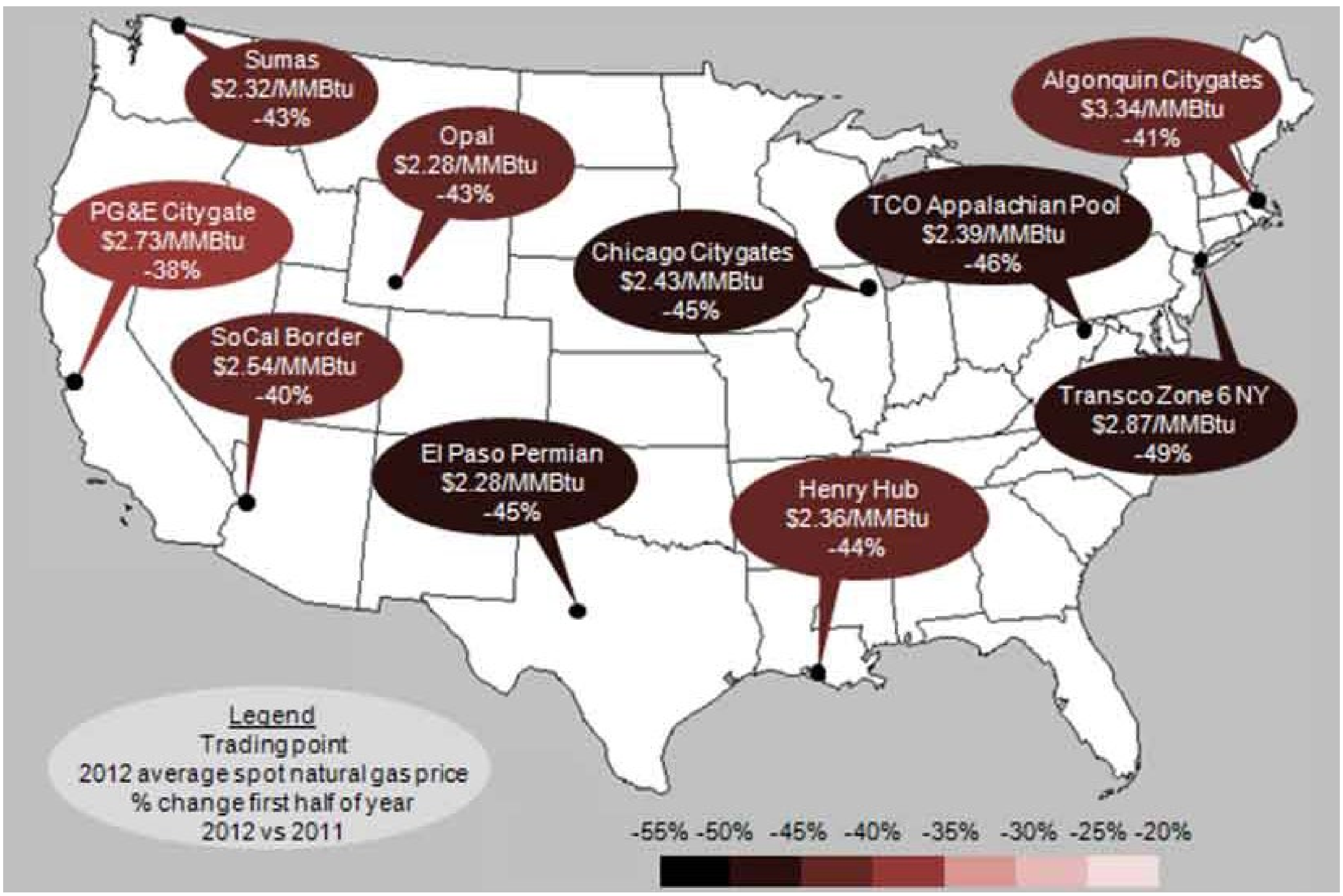
Total and the traders filed a response in January 2017 contending the evidence contradicted Enforcement's allegations and that FERC relied "heavily on two witnesses who show strong biases against [the] respondents and have significant personal motivations to twist and falsify their testimony."

"Enforcement staff argues that Wilson and Callender are credible because they corroborated each other and 'described the same general mechanics of the manipulative scheme.' But this conclusion ignores significant discrepancies between their testimonies, including that Callender claims he spoke with Wilson during the investigation, but Wilson flatly denies it," Total said.

The company said Wilson did not allege manipulation until he knew that he was about to be fired and that Callender made his allegations nearly seven months after he was terminated.

Commissioner Neil Chatterjee said he supported the commission's decision "to set the disputed factual issues for hearing before acting on the matter. However, I emphasize that this hearing is an impartial venue to consider the credibility of the evidence and the validity of the claims, not a freight train to prove the case against [the] respondents."

A prehearing conference will be held within 45 days. ■



Average natural gas spot prices for the first half of 2012 vs. 2011 | *Energy Information Administration*

CAISO/West News

CAISO Urges Less Clothes to Avoid Blackouts

OKs RMR Designation for 'Little' Gas Plant in Silicon Valley

By Hudson Sangree

CAISO's Board of Governors urged residents to wear lighter clothing Thursday and required a small older gas plant in Silicon Valley to stay online as part of a desperate search for every megawatt in California.

Chair Angelina Galiteva started the meeting by drawing attention to the aloha shirts the governors wore in place of business attire.

"You probably notice that we are all wearing colorful Hawaiian shirts, and I even have a lei on," Galiteva said.

Galiteva and Governor Severin Borenstein suggested that Californians should dress more lightly on hot summer days when air conditioning can increase demand for electricity from roughly 30 GW to 45 GW (50%) during peak hours.

CAISO experienced rolling blackouts and energy emergencies last year during Western heat waves. Already this year, short supply has strained the grid during a hot spell in June, and the ISO was forced to declare an energy emergency when a wildfire nearly shut down two major transmission paths from Oregon this month. (See *CAISO Issues Warning of Resource Deficiency* and *CAISO Declares Emergency as Fire Derates Major Tx Lines*.)

"When we start to think about what we can do in our houses and our businesses to help get through the summer, the single biggest thing we can do is adjust our air conditioning," Borenstein said. "So we here at the CAISO board … have all committed to address this in part by dressing lightly, as you can see we're doing today, and turning up the air conditioning [by] a few degrees. We want to encourage everyone … to think about making a contribution by maybe not dressing so formally, dropping the suits and ties, and living in a slightly warmer temperature.

"I will just point out that this is what Japan did in the summer of 2011 after the Fukushima crisis, and they got through a summer that looked like they were going to be in real trouble by changing air conditioning settings [to 82 degrees Fahrenheit] and declaring a Hawaiian shirt summer," Borenstein said. "So we hope you'll join us, and we're setting the example today, partially at the challenge of the [Western Energy Imbalance Market] Governing Body, which [wore Hawaiian shirts] at their last meeting, and we intend to continue it."

Whether the encouragement could help ward off energy shortfalls is questionable. Most office workers are still working from home and dressing casually. Californians tend to dress lightly in warmer areas. And temperatures during heat waves have spiked near 110 F this summer in densely populated parts of the state.

Still, the governors pressed the case.

"Energy conservation is important," Galiteva said. "Setting your air conditioner at a higher temperature, or not using it at all if you can and just using fans, is going to help and go a long way."

Agnews Cogen

Later in the meeting, the governors voted somewhat reluctantly to designate Calpine's 28-MW *Agnews Power Plant* in San Jose as a reliability-must-run (RMR) resource. "Little Agnews," as Calpine workers call the plant, sits in the parking lot of a sprawling Cisco Systems campus, a short drive from the headquarters of Google and Apple. The region is one of California's main economic drivers.

The plant once powered a residential facility for 800 developmentally disabled residents, called the Agnews Developmental Center. When it was built in the late 1800s, Agnews was called the "Great Asylum for the Insane." The developmental facility closed in stages in the 2000s, and the land was sold to Cisco and Sun Microsystems, a company later bought by Oracle. The main hospital building, now on an Oracle campus, is on the *National Register of Historic Places*.

Mark Smith, Calpine vice president for government and regulatory affairs, told the governors that the company intended to retire the 1980s plant in November because it is costly to maintain, with original parts no longer available.

"At this point it's a 40-year-old project that has exceeded its economic life," Smith said. "Every time something breaks, it's a redesign and remanufacture of the equipment. It takes a ton of care and feeding."

Calpine was planning to replace the plant with a 28-MW lithium-ion battery array but could lose that opportunity because the plant might be required to operate for as long as another five years, based on CAISO's ongoing capacity shortfalls, he said.

The main building of the former Agnews Developmental Center, now part of an Oracle campus | *Eugene Zelenko CC BY-SA 4.0 via Wikimedia Commons*

Neil Millar, CAISO vice president for transmission planning and infrastructure development, said the plant is needed through at least next year because of an abrupt and unexpected increase in demand by data centers in the San Jose area.

The plant is the latest in a series of small, aging gas plants that CAISO required to keep running past their scheduled retirement dates in 2020 and 2021. California's switch to carbon-free energy has left it short of capacity, especially on hot summer evenings when solar goes offline but demand stays high. Gas peaker plants are needed to fill the gap. (See *FERC OKs CAISO RMR Agreement for 27.5-MW Plant* and *CAISO's 1st System RMR Agreement Set for Hearing*.)

The RMR designation of Agnews mainly for local capacity, a more traditional use of RMR, is different from the designations of other gas plants required for systemwide reliability, Millar said.

Several governors expressed their displeasure at the need for another RMR designation, especially because the Agnews plant was supposed to be replaced by nonpolluting batteries. But they acknowledged the tense situation in California that requires all resources to be available for local and system reliability.

"I 100% agree with you. I hate RMRs," Vice Chair Ashutosh Bhagwat said. "It should never happen. It is a failure of planning. Having said that, I think we're going to live with them for a while." ■

CAISO/West News

PG&E Says Its Line May Have Started Dixie Fire

Continued from page 1

On July 13 at 7 a.m., "PG&E's outage system indicated that Cresta Dam off of Highway 70 in the Feather River Canyon lost power," the utility said in an *incident report* filed Sunday with the California Public Utilities Commission. "The responding PG&E troubleman observed from a distance what he thought was a blown fuse [on a 12-kV distribution line uphill from him]."

The PG&E worker could not reach the pole until later that afternoon because of a road closure and rugged terrain, PG&E said. Once there, he found two blown fuses and "what appeared to him to be a healthy green tree leaning into the Bucks Creek 1101 12-kV conductor, which was still intact and suspended on the poles. He also observed a fire on the ground near the base of the tree," PG&E told the CPUC.

The California Department of Forestry and Fire Protection (Cal Fire) sent air support, which arrived by 5:30 p.m. and began dropping water and fire retardant. PG&E de-energized the line. But the fire grew from an acre or two to 10-15 acres that night. By Monday, the fire had exploded to more than 30,000 acres and was only 15% contained, Cal Fire said.

The fire is generally burning in remote areas to the north and east, away from Paradise. It has not caused any injuries or damage to structures, Cal Fire said.

On Sunday, Cal Fire investigators seized portions of the 12-kV distribution line "including conductor, jumpers, insulators, and fuse cutouts, as well as portions of the tree," PG&E said.

"PG&E submits this report in an abundance of caution given Cal Fire's collection of PG&E facilities in connection with its investigation," the utility said. "PG&E is cooperating with Cal Fire's investigation."

The Dixie Fire is among a dozen large blazes burning in Oregon and California. The largest, the Bootleg Fire in southern Oregon, has grown to more than 300,000 acres. Earlier this month, it caused the near shutdown of the Pacific AC and DC interties, major transmission pathways that supply Columbia River hydropower to California. (See *CAISO Declares Emergency as Fire Derates Major Tx Lines*.) Much of the capacity of the multiple 500-kV lines has since been restored.

The Dixie Fire is northeast of Paradise, a town destroyed by a PG&E-caused fire in 2018. | *Cal Fire*

PG&E equipment was blamed for starting major wildfires in 2017, 2018 and 2019. The worst was the Camp Fire that leveled Paradise in November 2018, killing at least 84 people and burning more than 14,000 homes. It was the deadliest and most destructive wildfire in state history. ■

CAISO/West News

FERC Tosses NV Energy Complaint Against CAISO Summer Plan

By Robert Mullin

FERC on Thursday dismissed as moot an NV Energy complaint related to CAISO's controversial plan to restrict certain wheel-through transactions when tight power supplies threaten reliability on the ISO's grid (*EL21-74*).

Despite strong protests from CAISO's neighbors and other Western Energy Imbalance Market participants, the commission last month approved that part of the ISO's "summer readiness" proposal, ruling that the measure does not violate FERC's open-access transmission principles (*ER21-1790*). (See *FERC OKs CAISO Wheel-through Restrictions*.)

CAISO developed the plan to help avoid the kind of capacity shortfalls that led to rolling blackouts during a severe heat wave in California last August, the first for the state since the Western energy crisis of 2000/01.

The plan allows CAISO to reprioritize wheel-throughs between the Northwest and Southwest to prevent them from taking precedence over the capacity needed to serve the ISO's own load during supply shortages. Under the plan, non-CAISO entities can ensure delivery of energy through California by applying 45 days in advance to schedule high-priority wheel-throughs needed for reliability.

CAISO says the measure is intended as a short-term fix for this summer only and has kicked off a stakeholder initiative to develop a longer-term solution.

NV Energy's complaint did not directly challenge the proposal but instead called on FERC to prevent CAISO from altering the penalty pricing parameters in its business practice manual (BPM) to achieve the same result as the plan in case the commission rejected the plan.

A main north-south transmission line runs through Sutter County, Calif. | *© RTO Insider LLC*

Penalty pricing is the mechanism by which the ISO sets priorities — including scheduling priorities — for supply and demand resources in order to effect "expected" outcomes its markets. While CAISO specifies penalty prices in its BPM, NV Energy asked FERC to clarify that it would not allow the ISO to modify those prices without commission approval.

"NV Energy contends that CAISO should not be permitted to change the scheduling priorities of wheeling through transactions, relative to resource adequacy imports, by means of a business practice manual revision rather than through [a Federal Power Act] Section 205 tariff amendment filing. NV Energy asserts that the commission should make clear that the penalty price parameters must be specified in the CAISO tariff," the commission explained in Thursday's order.

The utility further contended that if the commission did find it appropriate for CAISO to specify penalty prices in the BPM rather than the tariff, then it should at least prohibit the ISO from prioritizing resource adequacy imports on non-firm transmission over wheel-through transactions on firm transmission. The utility argued that the priority wheel-through proposal contradicts FERC Orders *888* and *890* and the commission's open-access principles.

CAISO responded that its tariff authorizes it to change penalty prices through a BPM revision, and that the commission has not previously required it to specify those prices in its tariff. The ISO also argued that NV Energy failed to show how the penalty prices spelled out in the BPM contravene the scheduling priorities set out in the tariff.

Supporting the complaint were Arizona Public Service, Salt River Project, Tucson Electric Power, UNS Electric, Arizona Electric Power Cooperative, Idaho Power and Powerex.

In light of its June decision approving CAISO's plan, the commission rejected NV Energy's complaint as moot.

"As NV Energy states, the relief requested in the complaint is premised upon the commission's potential rejection of CAISO's proposal in Docket No. ER21-1790. … Accordingly, we find that we need not address the merits of the complaint and therefore dismiss it," the commission wrote. ■

ERCOT News

Texas Public Utility Commission Briefs

ERCOT CEO Jones Adds Details to Grid Reliability Roadmap

Interim ERCOT CEO Brad Jones reviews the finer details of the grid operator's roadmap to grid reliability. | *Texas Admin Monitor*

The new members of the Texas Public Utility Commission have quickly learned that redesigning ERCOT's deregulated market to add dispatchable generation and accommodate renewable energy will be a daunting task.

As Commissioner Will McAdams put it during the PUC's open meeting last Thursday, "The commission staff, the staff at ERCOT — it's fair to say we're all living on coffee and anger right now with the workload in front of us and reaffirming public confidence in the grid."

The comments drew a laugh, but the commissioners are serious about getting started on the work that lies ahead. To that end, Commissioner Lori Cobos, fresh off a successful confirmation hearing before the Texas Senate, asked Brad Jones, ERCOT's interim CEO, to update the PUC on the grid operator's plans to ensure reliability this summer and its 60-point roadmap to grid reliability. (See *ERCOT Issues 'Roadmap to Grid Reliability'*.)

Jones said he has been working on the *Roadmap to Improving Grid Reliability* for many weeks, leveraging his many relationships within the state to gather ideas from market participants, former regulators, environmentalists and other stakeholders.

"This list is not my list; it's not ERCOT's list. It's the list of many advisers that have worked to put this together," he said. "I wanted to ensure we reached out to a diverse group so we could get a lot of different ideas of what had to be done within ERCOT to improve ERCOT, and to make sure we are meeting the needs of all Texans in providing a reliable grid."

Jones focused on three of the roadmap's 60 items, of which 22 have now been completed, he said. Listing the item numbers from memory, he reminded the commissioners that No. 6 describes ERCOT's more conservative approach to grid management this summer by increasing the number of operating reserves. (See *ERCOT Stakeholders Sign Off on More Ancillary Services*.)

"We are operating much more conservatively than we have been before," Jones said.

Item 50, he said, while "it seems like an innocuous study" ("Conduct a study to gauge the impact of varying levels of wind and solar penetration, including the impact of energy storage and dispatchable energy, as well as revenue adequacy for each of these levels."), is extremely important and "complete with many activities and many actions."

Staff will have to identify what kind of dispatchable generation ERCOT needs, Jones said, and ask what attributes there are looking for.

"Is there a duration requirement? Is there a requirement for ramp speed? A requirement for how fast a unit can turn on?" he said. "Those are questions we have to answer. What do we need in the future for balancing wind and solar generation? Once we identify what that is, the question is, how do we provide revenue adequacy for that type of generation?"

Jones also labeled Item 18 as very important. It calls for a process to address transmission limitations in the Lower Rio Grande Valley, including construction of new transmission capacity.

"I believe [the Rio Grande Valley] has been underserved by transmission for more than 15 years. Throughout my career, we in the industry have struggled to make sure we are getting the right resources down to that area," he said. "It's a very fast growth area, and it's been very difficult to stay ahead of that. I've asked our team to push in certain areas we have never pushed before."

Jones said that would mean using the region's frequent droughts, which can constrain transmission in the valley, as a constant scenario for planning purposes.

PUC Chair Peter Lake commended Jones on the speed and action he has taken since assuming the CEO position and for the "sea change" of conservative operations, which include reliability unit commitments.

"I know it seems it is disruptive to the industry," McAdams said. "We are all experiencing pushback from the industry as you push forward with the new safeguards."

Regulators Set Future Work Sessions

The PUC has set a schedule for additional

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work sessions as it works with ERCOT and stakeholders to turn legislation and political directives into grid protocols and requirements (*51617*).

The commission plans to invite testimony during the workshops, as it did recently during the first of four sessions on market design. (See *PUC Debates Answers to ERCOT's Reliability Issues*.)

Cobos, relying on her previous experience before the commission, *suggested* staff open a project to evaluate "specific market incentives," such as potential changes to the operating reserve demand curve, ancillary service products, and other reliability services and price incentives to increase investment in new and existing dispatchable generation.

Gov. Greg Abbott on July 6 filed a *letter* directing the PUC to streamline ERCOT's market incentives for dispatchable generation.

The PUC's current schedule of work sessions includes:

- Aug. 12: Weatherization
- Aug. 26: Market Design Part II
- Sept. 16: Water
- Oct. 14: Market Design Part III
- Nov. 4: Market Design Part IV
- Dec. 9: Emergency Operations Plan

Cooperative CCN Becomes Test Case

The commission used its approval of a certificate of convenience and necessity for a 138-kV Rayburn Country Electric Cooperative transmission line in North Texas to set a template for future requests from cooperatives (*50812*).

McAdams filed a *memo* before the meeting, outlining the information the PUC would need from co-ops and suggesting that the commission only approve their transmission facilities if there's a need in the area that can't be addressed by a distribution solution. Transmission solutions will be socialized to ERCOT ratepayers, while distribution solutions will be borne by the cooperative's members.

"It's a great test case. We're going to see more of these in the future," McAdams said.

Cobos agreed, saying McAdams' memo highlighted the benefits of a co-op pursuing a transmission solution.

"We need to be mindful of ERCOT ratepayer costs that are laid out in every customer's bill as a line item," she said.

Return of the Enforcement Division

The commission, after committing to Texas lawmakers that it would reconstitute the enforcement division after it was disbanded last year, will do just that, Executive Director Thomas Gleeson told the commissioners.

The division will be headed by Barksdale English, who previously served as chief of staff to former Commissioner Arthur D'Andrea.

"He's the right person to frame what enforcement looks like going forward, given his [expertise] on wholesale markets," Gleeson said. Before joining the commission, English represented Austin Energy on ERCOT's Technical Advisory Committee.

The PUC will also form a new rules division to handle the 30 or so policies it expects to implement following the recent legislative session. Staff's David Smeltzer will be the division's director.

PUC Approves ERCOT Changes

As part of the ERCOT-related bills passed by the Texas Legislature in May, the commission filed an *order* approving two nodal protocol revision requests (NPRR1080 and NPRR1081) and two other binding document revision requests (OBDRR030 and OBDRR031) that were recently passed by the grid operator's stakeholders (*52307*).

NPRR1080 limits the ancillary service market's clearing prices to the systemwide offer cap of $9,000/MWh, while *NPRR1081* requires that ERCOT's real-time online reliability deployment price adder be adjusted to take firm load shed into account. *OBDRR030* accompanies NPRR1080, while *OBDRR031* codifies ERCOT's plans to deploy more operating reserves, and to do so earlier, in anticipation of tight conditions this summer. (See *ERCOT Stakeholders Sign Off on More Ancillary Services*.)

Effective June 8, protocol changes adopted by ERCOT are subject to commission oversight and review and may not take effect before receiving regulatory approval. New or revised protocols won't be approved until the PUC approves a market impact statement; staff said ERCOT's supporting documents included the impact analysis.

McAdams, Cobos to Join RSC, OMS

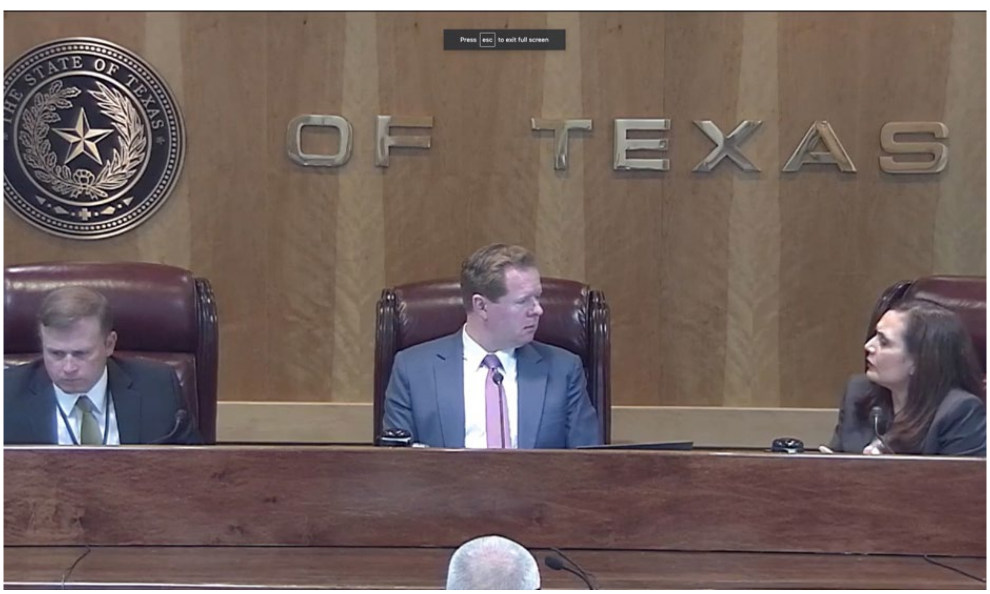
McAdams and Cobos will join the state regulatory committees for SPP and MISO, respectively. Both RTOs' footprints extend into the Lone Star State.

McAdams will join RSC's Regional State Committee, while Cobos said she has agreed to take the PUC's seat on the Organization of MISO States.

Cobos suggested the commissioners consider switching markets every couple of years so that they are cross-trained on non-ERCOT markets.

"I'm just glad you're here," McAdams said. ■

— Tom Kleckner



Commissioners (from left) Will McAdams, Peter Lake and Lori Cobos discuss the hard work of redesigning the ERCOT market. | *Texas Admin Monitor*

ERCOT News

ERCOT Issues 'Roadmap to Grid Reliability'

Jones, PUC Members Testify Before State Senate Committee

By Tom Kleckner

ERCOT last week released a 60-point roadmap to improve the Texas Interconnection's reliability and resource adequacy as the grid operator continues to address lawmakers' concerns.

Interim CEO Brad Jones said on July 13 that the roadmap identifies the steps ERCOT and the grid can do better "to serve Texans, to improve reliability, to communicate, and also work with the [Public Utility Commission] in a more cooperative manner than we have in the past."

The "Roadmap to Improving Grid Reliability" was released shortly before Jones and the PUC's three members testified before the Texas Senate's Business and Commerce Committee about June's weeklong conservation appeal and Gov. Greg Abbott's recent letter ordering the commission to take immediate action to increase the ERCOT market's capacity and strengthen reliability.

"My guarantee to each of you is that we intend to communicate more clearly than we have in the past," Jones said, "to remove industry jargon and speak to each other more clearly in a way that we understand each other; to serve all Texans and all Texas businesses in a reliable way that will continue to drive the growth of business and industry in Texas. That's my promise to you."

The roadmap, originally promised June 21, intends to strengthen ERCOT's oversight of the market by creating unannounced inspections of power plant facilities and CEO certifications of weatherization. It also calls for a review of the market's current and projected fuel mix, evaluating market changes that would incentivize "sufficient dispatchable resources" and improve fuel security, and considering on-site fuel supply.

PUC Commissioner Will McAdams (left) delivers his opening statement as Chair Peter Lake and Commissioner Lori Cobos listen. | *Texas Senate Business & Commerce Committee*

Interim ERCOT CEO Brad Jones guarantees Texas senators a more reliable grid. | *Texas Senate Business & Commerce Committee*

The initiatives echo Abbott's *letter*, which would essentially subsidize baseload generation while penalizing renewable resources for their lack of reliability. (See *PUC Debates Answers to ERCOT's Reliability Issues*.)

Jones did offer some hope to renewable energy interests dismayed by Abbott's directive when he said he's been working closely with the PUC on those "specific items to attract and retain the type of generation we need to balance our wind and solar renewable fleet."

"We're also working to make sure we can provide an equitable market for all generators, that we recognize the benefits each generation brings to this market and that we provide the appropriate value for the attributes they bring," Jones said.

Committee Chair Charles Schwertner (R) opened the hearing by reminding the audience that the grid's reliability remains a concern following the February winter storm, the April emergency alert and June's call for conservation. He noted that Abbott's two-page letter mentioned reliability 15 times and that this was senators' chance to hear from the PUC and ERCOT about actions being taken to address their concerns.

When prompted by Schwertner, the commissioners — all three appointed in recent months by Abbott — said they believed they had the statutory authority from the recent legislative session to implement the new laws and the governor's directives.

"There is a tremendous amount of direction and mandates in that bill," Chair Peter Lake said, a reference to the omnibus *Senate Bill 3*. (See *Texas Legislators Finish Work on Electricity Market — for Now*.)

Sen. John Whitmire (D) told Jones it would have been helpful to have more time to review the report and asked why so many plants were on outages at the same time last month. Jones noted that the outages, three times above normal, were not maintenance outages and used

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the analogy of a flat tire to make his point.

"When you have a flat tire, you have to pull over to the side of the road," Jones began.

"I'm not sure that's the best analogy," Whitmire said. "It's alarming that the amount of maintenance outages caught you off-guard."

Jones admitted that the number of outages did catch ERCOT by surprise, leading to a conservation notice that helped the grid operator meet demand without resorting to emergency measures.

"We need to find better incentives to make sure those generators make planned maintenance when they have that opportunity and make sure they have the revenues to support the maintenance," Jones said.

Committee Chair Charles Schwertner leads Tuesday's hearing. | *Texas Senate Business & Commerce Committee*

"Y'all have the responsibility. We have to explain it [to our constituents]," Whitmire said. "We just don't need any more surprises."

"You've hit on the crux of the challenge," Lake said. "At the same time we need more reliable generation, as clearly indicated in Senate Bill 3, we've got to provide economic incentives for those same companies to invest money not only in existing generation, but new generation in Texas."

Lake referred to the ERCOT market's $9,000/MWh price cap during scarcity conditions, designed to incent new generation investment in generation, as a "crisis-based business model."

"The only financial award comes the closer you get to the crisis, which is not good for consumers. We need to have a market design so that if you provide reliability, that's where the financial incentive is presented," Lake said.

Cautioning the senators, he said, "Believe me: It's not a small task that can be accomplished quickly. Nobody I'm aware of nationally or globally has figured out how to implement intermittent renewables with reliability."

Jones noted 20 of the roadmap's 60 initiatives have already been completed. The other 40, all on track, include:

Sen. John Whitmire | *Texas Senate Business & Commerce Committee*

- eliminating barriers to distributed generation, energy storage and demand response so more resources can participate in the ERCOT market and also maintain adequate reliability;
- addressing the Lower Rio Grande Valley transmission limitations, up to and including the construction of new transmission capacity;
- assessing and developing a plan to improve the accuracy of generation reports to ERCOT;
- assessing the potential costs and benefits of increased transmission, both internal and external to ERCOT; and
- increasing coordination with other grid operators. ■

ISO-NE News

FERC Sets ROE for Exelon's Mystic Plant at 9.33%

By Jason York

FERC set a base return on equity of 9.33% on the Mystic Generating Station's reliability-must-run (RMR) contract, using the same methodology from Opinion 569-A last year (ER18-1639). The two-year contract begins in June 2022.

The commission voted 3-1 to adopt the order with Democrat Allision Clements dissenting and soon-to-depart Republican Neil Chatterjee not participating in the proceeding.

Plant owner Exelon (NASDAQ:EXC) advocated for an ROE of 12.8%, but the commission dismissed its arguments for adding the expected earnings model, use of market data inputs from other providers and its contention that the plant faces above-average risk.

Thursday's order is similar to last month's commission ruling that reduced Entergy's base ROE. (See FERC Reduces Entergy's Return on Equity.)

It also followed the precedent established when FERC raised MISO transmission owners' base ROE and allowed them to add the risk premium model (RPM) into ROE calculations along with the discounted cash flow (DCF) and capital asset pricing models (CAPM). (See FERC Ups MISO TO ROE, Reverses Stance on Models.)

Danly concurred with the order but wrote that he was concerned with the exclusion of Avangrid (NYSE:AGR) from the proxy group used in the DCF and CAPM analyses used by the commission. Danly said the fact that Spanish energy giant Iberdrola owns 81.5% of Connecticut-based Avangrid did not justify the company's exclusion from the proxy group.


Mystic Generating Station, on the Mystic River in Everett, Mass. | *Fletcher6, CC BY-SA 3.0 , via Wikimedia Commons*

"I believe that those considering [an] investment in Avangrid were more likely to have considered Avangrid's operations, revenues, expenses and risk profile — which support the inclusion of Avangrid in the proxy group — than they were to have considered Iberdrola's ownership interest in Avangrid," Danly said.

Danly said he did not believe that Avangrid's proxy group exclusion rendered the resulting ROE unjust or unreasonable.

"However, I can imagine future cases in which such an exclusion may well do so and reserve the right to object at that time, should the facts so require," Danly said.

Clements said she dissented because FERC's current ROE policy "applies a flawed methodology that does not adequately protect consumers and does not yield just and reasonable rates." Clements said she did not want to revisit the in-depth concerns she expressed in her dissent from the Entergy order. But she said the Mystic proceeding again highlights "significant flaws inherent in the commission's use" of the RPM.

Clements added that few FERC policies "impact consumers as much as our policy for setting ROEs." While Thursday's order addresses the ROE portion of cost-based compensation to keep the Mystic units online for two additional years, the commission's ROE policy extends to all cost-based rates in its purview, including transmission.

"Smart transmission investment not only enhances reliability and resilience, but it unlocks low-cost power supply, allows more efficient use of existing infrastructure, and minimizes the cost of meeting changing customer demand and public policies," Clements said. "This investment can ultimately be a net win for consumers. But the value proposition for consumers is in no small part dependent on this commission's rigorous scrutiny of the rates charged for transmission service, of which ROE is a central component."

Clements said she appreciated that ROE policy has been "unsettled for years, a state that increases investment uncertainty and extends litigation." However, Clements said near-term stability should not be to the "detriment of consumer protection, and I worry our current ROE policy does just that." ■

ISO-NE News

Overheard at 3rd Annual EBC New England Energy Leadership Conference

By Jason York

Energy policy leaders from Connecticut, Massachusetts, Maine and Rhode Island presented their plans and priorities at the third annual Environmental Business Council of New England Energy Leadership Conference.

Here are some of the conversations we heard during the virtual event last week.

Connecticut

Energy efficiency is "a huge part" of the strategy for reaching 100% zero-carbon electricity by 2040 in Connecticut, said Michael Li, bureau chief for Energy and Technology Policy at the Connecticut Department of Energy and Environmental Protection. That strategy is outlined in a *2019 executive order* from Gov. Ned Lamont and the state's draft *Integrated Resources Plan*, but energy affordability is important to the state as well. (See *IRP Details Conn.'s Paths to Carbon-free Future*.)

"Connecticut has the highest electricity rates in the continental U.S., and we realize that's a significant challenge, particularly as we think about a future that includes a lot of electrification," Li said. "There's a natural economic disincentive to electrification when we have high electricity rates."

Part of the challenge for Connecticut, he said, is making energy more affordable for residential and commercial ratepayers. The state's investor-owned utilities, Eversource Energy and United Illuminating, are *mandated by law* to produce a *conservation and load management plan* with a demand management component. Residential participants in demand management programs increased from approximately 15,000 in 2020 to more than 20,000 this year, as the state asked utilities to expand participation, Li said.

During the 2019-2021 plan term, energy efficiency and demand management initiatives will result in electric lifetime savings of

| Central Main Power

ISO-NE News

8.9 billion kWh, natural gas lifetime savings of 28.4 billion cubic feet, oil lifetime savings of 70.9 million gallons, propane lifetime savings of 20.7 million gallons and a combined annual peak demand reduction of 213 MW.

The plan also produces significant environmental and public health benefits through reductions in GHG emissions with 7.3 million tons less of carbon dioxide and further reductions in other air pollutants, such as sulfur and nitrous oxides.

Carbon emissions in the transportation sector could have been on the path for reductions, he said. But the Connecticut General Assembly failed to pass enabling legislation for the Transportation and Climate Initiative Program. (See *TCI-P Faces Uncertain Future in Connecticut*.)

Maine

Maine needs to reduce emissions burdens in the transportation and heating sectors to reach its GHG emission reduction requirements, said Dan Burgess, director of the Maine Governor's Energy Office.

The state has set reductions of 45% below 1990 levels by 2030 and 80% by 2050, in addition to carbon neutrality by 2045. Transportation is responsible for 54% of the state's emissions.

"We need to embrace electrification of the transportation sector," Burgess said.

The Maine Climate Council, in its *four-year climate action plan*, set targets to achieve transportation-related emissions-reduction goals by putting 41,000 light-duty electric vehicles on the road in Maine by 2025 and 219,000 by 2030.

Gov. Janet Mills set a goal of 100,000 new heat pumps in Maine by 2025 to help reduce the state's dependence on home heating oil.

Burgess said that as Maine looks to reduce emissions through transportation and heating, "we need to make sure we get the clean energy there" to back up those efforts. In June 2019, Mills signed legislation that increased Maine's renewable portfolio standard (RPS) to 80% by 2030 and set a goal of 100% by 2050.

Maine did a *10-year economic study* that found the state needs to add 800-900 MW of renewable energy by 2030, Burgess said. In September, the Maine Public Utilities Commission announced the procurement of 546 MW of renewable energy. Solar will account for 482 MW of the 546 MW of the approved projects, with wind (20 MW), hydroelectric (4.5 MW) and biomass (39 MW) making up the remainder. (See *Maine Makes Record Renewable Procurement*.)

The economic study, Burgess said, showed that transmission "is a real key for us to meet our RPS," as is the opportunity for resource diversity.

Massachusetts

In Massachusetts, energy leaders have done a significant amount of policy planning that the "*long-term roadmap to decarbonization* will require," Patrick Woodcock, commissioner of the Massachusetts Department of Energy Resources, said.

The roadmap, he said, relies on significant clean energy developments in New England to spur decarbonization of the transportation and heating sectors "that could be dominated by offshore wind, as well as solar."

Transmission planning is also a critical part of the equation, including how to foster regional cooperation to upgrade the system. Energy storage, Woodcock added, can also be "a big part" of balancing what type of distribution system upgrades are required.

"I think we're only scratching the surface of how storage might be able to be used as a distribution system tool to manage interconnection and to provide a longer runway for our distributed resources," he said.

Additionally, energy storage offers benefits to the transmission system that Woodcock said is starting to see "real constraints" of long-term planning on integrating OSW. Massachusetts, he said, has been working with ISO-NE on how energy storage may accommodate OSW resources at interconnection points.

"I do think we're at the cusp of even utilizing storage in a way that manages our distribution and transmission system and mitigates the need for significant upgrades," he said.

Rhode Island

Passage of the *Act on Climate* in Rhode Island this spring was "exciting" because it includes mandatory and binding greenhouse gas emissions reduction targets that set the state on a path to achieving net-zero emissions, said Carrie Gill, administrator of grid modernization and systems integration for Rhode Island's Office of Energy Resources.

The law moves the state's current emissions reduction target from 80% by 2050 to 2040. In addition, the 45% reduction goal is moved from 2035 to 2030, and Rhode Island must achieve net-zero emissions by 2050.

Like Connecticut, Rhode Island also failed to enact legislation for TCI-P. However, Gill said there could be a special session for TCI-P and she expects "to see some discussions" on it. ■

MISO News

MISO Members Revive Debate over 'Postage Stamp' Cost Allocation

By Amanda Durish Cook

| Shutterstock

Everything old is new again. After initially appearing dead in the water, the postage-stamp cost allocation method for long-term transmission projects might be coming back in vogue in MISO.

The RTO's Environmental Groups sector and a group of transmission owners breathed new life into the method at a teleconference Thursday when they advanced separate proposals on how to allocate the costs of MISO's long-range transmission plan. (See *MISO Analyses Show Reliability Woes Without Transmission Builds*.)

The two groups suggested MISO consider a sub-regional postage stamp allocation for the Midwest and South regions if it can prove benefits are widely spread over the areas. The postage-stamp method, in which costs are recovered uniformly from all load in a defined area, has so far been generally *unpopular* with state regulators and stakeholders, especially those from MISO South. On the other hand, some Midwestern commissioners have said they support it.

MISO last summer overhauled its cost allocation procedures, eliminating a 20% postage stamp allocation for market efficiency projects (MEPs), lowering the voltage threshold from 345 kV to 230 kV and adding two new benefit measurements. (See *MISO Cost Allocation Plan Wins OK on 3rd Round*.)

The TOs also proposed that long-range projects cost at least $20 million, be 100 kV or higher and demonstrate a 1:1 or higher benefit-to-cost ratio over 20 years in order to be cost-shared. In addition to the 1:1 ratio and 100-kV minimum, the Environmental sector recommended a $5 million cost threshold and suggested benefits be measured over 40 years, rather than 20.

Stakeholders asked if it was even possible for MISO to gauge four decades of benefits. So far, the RTO is performing economic models that look 20 years ahead. Staff said they would have to find a way to extrapolate benefits over a longer horizon.

Sustainable FERC Project attorney Lauren Azar said reinstating a postage stamp rate for long-term transmission makes sense because the projects are intended to solve regional issues.

Madison Gas and Electric's Megan Wisersky said a subregional postage stamp mechanism is a poor substitute to the more complicated task of singling out quantifiable benefits and assigning costs more accurately.

"The more we try to move away from it, it seems the more we're coming full circle back to it," Wisersky observed of the debate.

"This is a dance MISO has been doing as long as I've been engaged, and long before the [long-range transmission plan] was a glimmer in any one's eye," Union of Concerned Scientists' Sam Gomberg said. He said the argument that the method is too speculative isn't persuasive. "Utilities and regulators live in a world of speculation. We don't wait for the system to crash before we build new facilities. I don't know if I will live long enough to enjoy the bag of cherries I bought that is in my fridge, but I still bought them."

Clean Grid Alliance's Natalie McIntire said some stakeholders mistakenly believe that the long-range plan's sole purpose is to facilitate new generator interconnections.

"We're doing this planning study so we can reliably operate the grid with a very different mix of resources," she said.

McIntire pointed out that even after long-term transmission projects are in operation, MISO will continue to perform interconnection studies and assign network upgrade costs to generator developers.

American Clean Power Association's Daniel Hall agreed that a postage stamp treatment goes hand-in-hand with the long-term plan's goal of "regional reliability in light of the resource evolution we all know is taking place." He also said "parsing reliability and economic benefits" so meticulously becomes increasingly difficult as new players enter the MISO market.

Alliant Energy's Mitchell Myhre said he didn't see why MISO's existing allocation for MEPs wouldn't work for new long-range projects.

Jeremiah Doner, of MISO's planning team, said the RTO isn't convinced that simply using its current allocation for MEPs will be enough.

"Given the types of projects we're looking at, that method might be insufficient. But the MEP [allocation] is in the tariff, and it could be leveraged based on the circumstances of a project," Doner said.

However, Doner said rapid decarbonization and electrification will most likely complicate the more cut-and-dried benefit identification of MEPs.

Stakeholders have also said MISO should consider one cost allocation method for transmission projects identified under a Future I analysis versus any new lines that come out of the upcoming Futures II and III analysis.

MISO is using its 20-year Future I — the most conservative of its three planning scenarios — in the first Midwestern study phase of the long-term transmission plan. Later phases of the study will examine MISO South under Future I and the entire footprint under Futures II and III, scenarios that predict more renewable penetration and electrification growth. ■

MISO News

MISO Ponders Study Process for DER Aggregations

By Amanda Durish Cook

MISO huddled last week with stakeholders on how to handle interconnection studies for distributed energy resources that enter its market once it is in compliance with FERC Order 2222.

Kristin Swenson, the RTO's DER program director, said during a conference call July 13 that the grid operator envisions its interconnection studies for DER aggregations will probably "look a lot like affected-system studies." Those studies assess neighboring interconnecting generation's impacts on the MISO system.

"We're not anticipating creating a new process for that," Swenson said of DER aggregation study.

She told the Interconnection Process Working Group that MISO needs to settle on the timing and frequency of studies; a megawatt threshold that triggers an affected-system study for DER aggregations; and coordinating study assumptions and results with distribution companies and transmission owners.

Swenson said the tariff currently doesn't outline any procedures for distribution-level studies and that MISO "doesn't have the data on the distribution system."

The RTO says it is "not in the best position to dictate all aspects of the DER studies to be performed, though coordination on affected-system studies is routine."

The grid operator said it prefers that DER aggregations move to MISO transmission owners for a second impact analysis once the aggregations are screened and studied by distribution companies. After the TOs' study, the RTO said it will perform quarterly affected-system studies on aggregations.

"We don't want the DER to go directly to MISO. … It's our perspective that this has to pass through a transmission owner," she said, adding that staff may have to pursue changes to its transmission owners' agreement to outline the study hierarchy.

Order 2222 stipulates that DER aggregations use the interconnection queues of their state or other retail rate authority. Once approved at the state level, aggregators then register for market access. Aggregations will not enter the MISO interconnection queue.

Clean Grid Alliance's Rhonda Peters asked for more details behind the affected-system process MISO plans for DER aggregations.

Swenson said that while the grid operator hasn't settled yet on specific study methods, they would likely be part of business practice manuals drafted before an Order 2222 compliance filing with FERC next April.

"I would ask that this be done sooner than later. ... It's so critically important," Peters said. "How this is done is going to determine how things are cost allocated. Honestly, I think this is the most important task."

"There's no clarity in how this process works," Entergy's Yarrow Etheredge agreed. "It's something we need to know now, regardless of Order 2222."

Swenson said staff has considered a 5-MW threshold for aggregations before triggering affected-system studies.

"As we've discussed internally, we're struggling to come up with one number that would always apply because it's such a diverse system out there," she said.

Etheredge asked that MISO establish a process for determining the impacts on nearby substations. Swenson responded that staff would need to turn to distribution companies for much of that data.

"Understanding what the cumulative effect on the substation is going to be critically important to reliability," Swenson said.

She also said MISO prefers to not directly bill and process invoices for affected-system studies with individual DERs, as some stakeholders have suggested.

"MISO will have no contractual relationship with individual DERs," Swenson said. "The DER is not connecting to a system controlled by MISO, and our tariff does not include language for study of distribution-connected assets in any event."

Swenson also said distribution, TO and MISO-originated studies are going to be complicated because aggregations can be "fluid, and assets must be editable within an aggregation."

The grid operator is accepting stakeholder opinions on its affected-system study approach to DERs through Aug. 3. It hopes to determine study procedures by the end of the year as part of Order 2222 compliance.

"The idea is to have all the major ideas knitted together by the end of the year and start tying it up early next year," Swenson said of the FERC filing. ■

| *Pattern Energy*

NYISO News

NYISO Proposes Sweeping BSM Exemptions

By Michael Kuser

NYISO last week proposed to exempt most new installed capacity (ICAP) suppliers from buyer-side market power mitigation (BSM) evaluation if they use solar, wind, storage or demand response.

"We think these technology types have a limited ability to impact ICAP prices over the long run, and that these technologies are really key and critical to achieving the state's [environmental] policies," Michael DeSocio, NYISO director of market design, said in delivering a *presentation* to the Installed Capacity Working Group on July 13.

The state's Climate Leadership and Community Protection Act (CLCPA) requires the procurement of large amounts of renewable energy resources to get to zero-emission electricity by 2040, and the ISO wants to integrate these new resources into the capacity market while fulfilling its duty to maintain reliability with just and reasonable rates for all resources, he said.

The ISO proposes to retain the current mitigation regime, including the competitive entry exemption, the self-supply exemption and the supply-side mitigation construct, which with certain modifications continues to appropriately protect against the exercise of buyer-side market power, DeSocio said.

Making changes only to the BSM rules to exempt certain public policy resource types that are identified by the tariff and needed to meet the CLCPA mandates will allow the market to continue to produce just and reasonable ICAP prices needed to continue to meet the resource adequacy needs of the system while avoiding conflicts with state policy, he said.

Details

The BSM proposal would create a set of rules that allows the wholesale markets to be more compatible with the current state policies, DeSocio said. The ISO in June unveiled a plan and timeline for revising its BSM rules to expand resources' exemption eligibility by the end of the year. (See *NYISO Soliciting Stakeholder Input on Changes to BSM*.)

As these types of resources enter service in increasing numbers, their capacity value decreases, whether participating as a special case resource or distributed energy resource, DeSocio said. The ISO is also considering whether external unforced capacity deliverability rights (UDRs) may be exempted from BSM.

Liberty Distributors in Brooklyn expanded its solar installation to 626 kW in 2018 to create a new source of revenue. | *174 Power Global*

NYISO actually addressed some of this effort as part of its existing capacity rules with respect to capacity accreditation for limited-duration resources, DeSocio said.

"However, when we devised those specific rules, that was before CLCPA became the law. ... The current construct doesn't actually get evaluated quickly enough to keep pace with where the market is going, with where the policies are driving the resource mix to go," DeSocio said.

It's important to re-evaluate the timing of the execution of the capacity accreditation rules, he said, but also to think more broadly to make sure the ISO is thinking about all the existing technologies and how their capacity values are measured and identified.

NYISO still believes the modifications to the Part A rules, which were originally rejected by FERC in 2020 and are being held in abeyance on appeal, will provide useful improvements regardless of any larger BSM proposal, he said. Part A exempts a new resource from BSM if the forecast of capacity prices in its first year of operation is higher than the default offer floor.

Some stakeholders questioned NYISO's rationale for not including hydropower in its list of exemption-worthy resources. DeSocio said hydro resources are unlikely to be a source of new builds in New York.

DeSocio said the ISO is working with the Analysis Group to conduct a study on how the capacity market responds to meeting CLCPA goals and how to allow these resources to come in without any mitigation measures. The BSM analysis should be ready for stakeholder review by September, he said.

NYISO staff will return to the ICAP Working Group on Aug. 5 to respond to feedback and review current capacity accreditation practices, and again Aug. 9 to discuss the supporting BSM analysis and assumptions, as well as capacity accreditation principles and proposed changes. ■

NYISO News

FERC Denies Solar Queue Complaint Against Central Hudson, NYISO

By Michael Kuser

FERC on Thursday denied a complaint by Hecate Energy that Central Hudson Gas and Electric and NYISO violated tariff-defined interconnection procedures and thereby delayed its 20-MW solar generation project in Greene County, N.Y., saddling the project with $10 million in unnecessary system upgrade costs (*EL21-49*).

Hecate alleged that the utility and NYISO violated the Open Access Transmission Tariff (OATT) and the Federal Power Act by failing to use reasonable efforts to process the interconnection request for its Greene County 3 project and violated the FPA by applying an "inclusion practice" related to the firmness of generator interconnection requests not delineated in the OATT regarding queue position.

Hecate argued that Central Hudson uses an "inclusion practice" to determine whether an interconnecting project in the queue is firm — that is, modeled in the base case for future projects for the purpose of queue coordination once the project has executed an interconnection agreement and has paid at least 25% of the project's assigned interconnection costs.

Hecate said the actions of Central Hudson and NYISO resulted in six other projects becoming "firm" ahead of the Greene County projects, causing the interconnecting line to reach its 70 MVA rating and leaving the company to pay $10 million for upgrades.

The commission found that Hecate failed to satisfy its burden of proof under Section 206 of the FPA to demonstrate that respondents acted in an unjust or unreasonable manner, and said it "has explained that, while an RTO/ISO's queue process may be intended to minimize delays, interconnection customers are not guaranteed that the RTO/ISO will meet its projected deadlines."

The commission disagreed with Hecate's "inclusion practice" argument and said it "has already determined in various proceedings if, and how, NYISO may take into account non-jurisdictional facilities that may affect the NYISO queue. Therefore, we find that the cases that Hecate points to in order to support its argument are misplaced and are distinguishable from the circumstances in this proceeding."

NYISO said that Hecate's argument based on the total number of days was "conclusory and ignores the unique difficulties and challenges associated with the project's proposed interconnection." The ISO noted that in August 2016, Hecate submitted an interconnection request for a 50-MW facility, which it subsequently withdrew and split into three separate projects, one of which is the subject of its complaint.

The commission said "we find the time expended was not unreasonable in light of the study time frame in the NYISO OATT. In addition, as noted by the respondents, many of the delays were caused by Hecate itself." ■

NYISO News

NYPSC Fines Con Edison $82 Million for Outages, Slack Performance

All Investor-owned Utilities Ordered to Improve Emergency Response Plans

By Michael Kuser

New York regulators on Thursday approved Con Edison (NYSE:ED) and its Orange and Rockland subsidiary paying a record $82 million to settle eight cases of operating "imprudence" and emergency response violations since 2018 (*20-E-0422*).

The Public Service Commission unanimously approved the settlement, cleaning the slate for the state's largest investor-owned utility of all investigative proceedings, including for its response to Tropical Storm Isaias in August 2020, for which the PSC also fined Central Hudson Gas and Electric $1.5 million. The commission also fined Internet service provider Frontier Communications of New York $2.7 million for failing to adequately prepare for and respond to emergencies, including Tropical Storm Isaias.

"These settlements of record size in record time, together with the greatly enhanced storm response requirements, reflect the governor's determination to protect ratepayers by both holding utilities accountable for their failures and ensuring that they are better prepared for future storm events," Rory Lancman, special counsel for ratepayer protection, said. "There is a laser focus at the department and throughout the administration on preparedness and accountability, and any utility doubting that does so at its peril."

The settlements add to a previously announced $72 million settlement with broadband provider Altice and a $1.5 million settlement with New York State Electric and Gas related to those companies' failures to prepare and respond to Isaias, and $30 million forfeited by PSEG Long Island to resolve litigation related to the utility's management failures during the storm.

In a separate order, the commission also directed each IOU under its jurisdiction to develop, update and file a detailed emergency response plan (ERP) (*20-E-0618*).

"External and internal communication practices, personnel roles and responsibilities, and procedures implemented before, during and following emergencies, represent just a fraction of the numerous measures that are required to be in each electric utility's ERP," the commission said.

The regular session began on July 15 with the swearing in of three new commissioners on the PSC, which is newly expanded from five to seven members. The new commissioners are David Valesky, John Maggiore and Rory Christian.

Improved Readiness

The cases against Con Edison began with a July 2018 steam line rupture in Manhattan's Flatiron district, the result of a flooding event, with reports inconclusive on the utility's prudence in operating and maintaining the associated steam plant.

Two cases concerned Manhattan and Brooklyn outages a week apart in July 2019. Department of Public Service staff determined the Manhattan outage resulted from Con Edison omitting ground (or neutral) wires for relays at a midtown substation. The investigation of the Brooklyn outage identified seven violations of Con Edison's ERP related to municipal and customer communications, as well as other procedural violations, the PSC said.

Another two cases related to Isaias, one on Con Edison's overall preparedness and response, and a second on four faults that occurred at Con Edison's Rainey substation in Queens, an event investigators said was initiated by flashovers on 345-kV disconnect switch support insulators associated with four separate circuit breakers.

PSC Interim Chair John B. Howard asked, "Where is Con Edison today and have we seen improvement in their ability to handle these heat events, particularly in the outer boroughs?"

"We have seen a noticeable improvement," said Kevin Wisely, director of the Department of Public Service's Office of Resilience and Emergency Preparedness. "We've already had a few heat events, and we're going into a couple hot days, but Con Ed's use and implementation of voltage reductions may go into a second contingency on the networks in combination with the pre-deployment of generators to networks and stations. And the positive outreach to consumers to conserve in partnership with the city of New York has really shown improvements."

"The basic premise of the measures and the penalties that we undertake are designed to improve future performance, and linking the findings of this case to improvements in the utilities' emergency response plans is the corrective action that we seek," Howard said.

Performance Audits

Commissioner Diane Burman asked about future storm preparation and performance audits by the DPS.

"Storm preparation and audit really is to get to the root of how Con Edison and O&R forecast their storms," said Joseph Suich, director of DPS's Office of Investigations and Enforcement. "Why is that so important? Well, proper forecasting leads to proper classification, which leads to proper storm staffing, which then leads to appropriate restoration time. On a big storm like Isaias, whether we like to say it or not, you're never going to have restoration completely done in the next day. These things take time."

Commissioner Tracey Edwards said that "when this [Isaias] investigation was commenced, there were two other open investigations," referring to the steam line rupture and 2019 outage cases. "Do you think that the changes that were made are sustainable so we would be able to continue the speed of investigations?"

"Each investigation is different; some are small and get wrapped up in a matter of weeks, and some, like this one, take a year," Suich said. "I think the speed which we initially started with may have been a little faster than we should have, but throughout we stayed and followed the facts. As we proceeded, we dug in, and when we dug in we found some allegations we made were right, some allegations we made needed to be dropped because they were not right, and some we needed further information on, which is why [the Isaias case] was going into trial. ... I think a year on major storm investigations is our new standard."

Making one comprehensive settlement was good for all parties, and "Con Edison also is looking for that same clean slate," Suich said.

"The only unique thing that we did in regards to this investigation is, within a week after Con Ed and the various services were restored at the various utilities, we were deposing people, and the reason that's important and I think it needs to be replicated is because people's minds are fresh," DPS General Counsel Robert Rosenthal said. "They knew what had happened, and they were already undertaking their own internal analysis about what had gone right and what had gone wrong. ... We deposed and interviewed dozens of witnesses within two or three weeks after that storm." ■

PJM News

NJ BPU Accepts Continued PJM Capacity Market Participation — for Now

Board also Approves Rule for New Solar Incentive Program

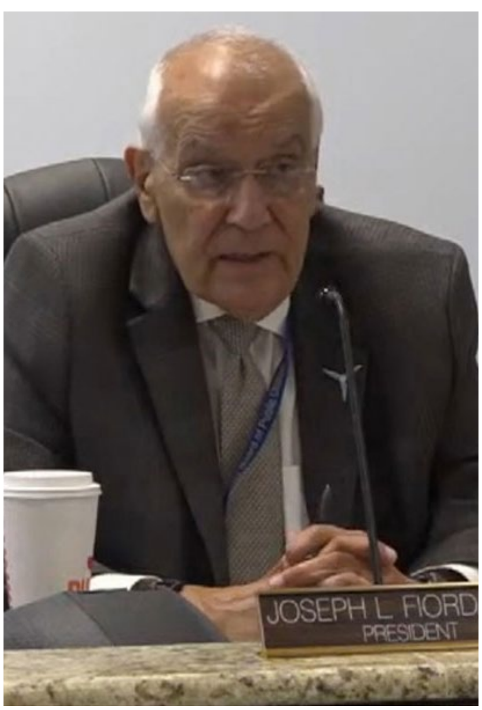
By Jason York

The New Jersey Board of Public Utilities voted unanimously on Wednesday to accept the final version of a staff report recommending the state continue in PJM's capacity market — for now — instead of adopting a "New Jersey-centric" model under the fixed resource requirement (FRR) alternative.

Joseph DeLosa, chief of the BPU's Bureau of Federal and Regional Policy and one of the authors of "*Alternative Resource Adequacy Structures for New Jersey*," told the board the report provides a "detailed roadmap" for PJM to better incorporate clean energy considerations and engage with state, regional and federal policymakers "to make it happen."

DeLosa said that PJM incorporating New Jersey's clean energy goals is the most efficient way to provide "reliable, affordable and carbon-free electricity." While existing regional wholesale market structures have fulfilled their design objectives to maintain reliability at competitive prices, he said, they also have lagged in addressing the state's clean energy policies.

PJM's proposal to replace the minimum offer price rule (MOPR) makes it "premature" for New Jersey to consider leaving the RTO, according to DeLosa. (See *PJM Board Approves MOPR Rollback*.)



New Jersey BPU President Joseph Fiordaliso | *NJ BPU*

DeLosa said an integrated clean capacity market (ICCM) design would allow states to directly leverage the competitive efficiencies of the RTO for the achievement of their clean energy goals. For example, a PJM-wide implementation of an ICCM could save New Jersey ratepayers alone approximately $220 million annually and increase renewable energy from 50% to 59% of customer demand and clean energy, including nuclear, from 84% to 92% by 2030.

The report also recommends a pause on the adoption of a go-it-alone approach in which New Jersey would seek to achieve its clean energy objectives, outside of PJM's capacity market.

PJM's proposal may offer one avenue for New Jersey to express its desires for a new market design. However, PJM may not achieve a "satisfactory resource adequacy" market in a time frame conducive to New Jersey's clean energy goals. Therefore, DeLosa said the state must continue to examine using an FRR structure to implement a New Jersey or multistate ICCM. However, staff recommended tabling it for consideration until May 2022.

"Our staff is cognizant that the realities of climate change do not allow for never-ending stakeholder discussion at PJM," DeLosa said. The proposal's outcome at FERC is also critical to determining whether New Jersey should pursue FRR-based resource adequacy solutions.

BPU President Joseph Fiordaliso said the MOPR's "dire" impacts on future capacity costs "hopefully are not going to come to fruition."

"With the movements by PJM and with the receptiveness we believe at this point from FERC, our hope is that MOPR is going to see its final days," Fiordaliso said.

He added that while the report recommends a pause on any decision to leave the PJM capacity market, "MOPR repealed by itself" is not sufficient enough.

"During the next 12 months, we will work with PJM and the [Biden] administration on market design changes aimed squarely at maintaining reliability and reducing the cost of clean energy," Fiordaliso said. "Additionally, we will continue to work with our fellow state commissions and utilities to develop a robust backup plan to ensure New Jersey remains the leader in clean energy."

Rule to Establish New Solar Incentive Program Approved

The BPU on Wednesday also approved a rule establishing the successor solar incentive program (SuSI) that creates a framework for new long-term incentives in the future.

SuSI succeeds the Solar Renewable Energy Certificate (SREC) registration program, *sunset in April 2020* after more than 15 years of measurable success. It allowed New Jersey to become one of the leading solar energy producers in the country despite its relatively small land size and available space.

The rule comes on the heels of Gov. Phil Murphy signing a bill aimed at boosting the state's grid-scale solar capacity to help meet a deployment goal of 17 GW by 2035. (See *NJ Grid-scale Solar Bill Signed by Murphy*.) The bill outlines two different incentive structures for projects larger and smaller than 5 MW.

The BPU will hold a *special meeting* on July 28 on implementing SuSI.

Agreement Lowering PSE&G Tx Rates Signed

Finally, the BPU signed a settlement agreement with Public Service Electric and Gas to lower the company's return on equity for existing transmission services to 9.9% from 11.18%, saving New Jersey ratepayers approximately $140 million in the first year.

Commissioners did not discuss the settlement agreement during the open meeting, which started with an executive session that included a "Matter of the Approval of Settlement Agreement." They later unanimously approved the settlement agreement when the open meeting resumed without discussion. The BPU sent out a *press release* hours after the meeting's conclusion to announce it.

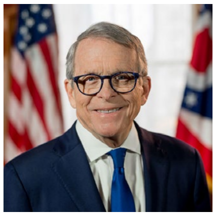
As part of the settlement agreement, PSE&G would file to lower the rates it charges for transmission while the BPU would agree not to request further reductions for three years. ■

PJM News

Ohio Governor Signs Bill to Block Renewables

Requires Wind, Solar Developers to Get County Approval

By John Funk



Ohio Gov. Mike DeWine | *State of Ohio*

Ohio Gov. Mike DeWine last week signed legislation empowering county governments to review and approve or deny all proposed utility-scale wind and solar projects before developers can apply to the Power Siting Board (OPSB), a state agency that has had sole authority over the development of power plants, power lines and gas lines for half a century.

SB 52, as approved by both the Ohio House of Representatives and Senate on the last day of the legislature's spring session, allows county commissions to reject proposed projects after a public hearing and a 90-day review.

The law becomes effective in October and has no impact on projects the OPSB approves before then. About 4,500 MW of solar projects pending before the board are grandfathered under the legislation, as well as several thousand megawatts of projects pending before PJM.

The law also empowers county commissions to declare parts of or all unincorporated land in a county as an "exclusion zone" indefinitely blocking any large wind or solar projects — subject to the right for a petition by those opposed to the ruling to place it on the ballot at the next regularly scheduled election.

The new law does not give counties authority over the development of conventional power plants, transmission lines or gas lines. Those remain under the sole authority of the OPSB.

The legislation also requires the seven-member OPSB to seat a county commissioner and a township trustee as voting members when it considers a proposed utility-scale wind or solar project.

Initial versions of bills introduced in February in both chambers would have given authority to township trustees to decide utility-scale wind and solar projects. The legislation was amended after intense negotiations with solar developers that went on for weeks.

Hundreds of rural residents crowded into utility committee hearings over several months testifying both for and against the legislation, including the last amended version produced just hours before the final floor votes. Voting was along partisan lines, with a few Republicans lawmakers joining Democrats to oppose the measure.

Many farmers opposed the legislation because wind and solar leases provide a long-term, steady income stream to augment crop income. The issue for them came down to property rights.

A coalition of eight farming organizations, including the Ohio Farm Bureau, sent a letter to DeWine on July 2 asking him to veto the bill.

"We write to you today asking you to veto SB 52, a bill that takes away landowners' rights without their consent or notification. We understand and appreciate the complex nature of this topic and the difficult position many of our rural communities face due to wind and solar development. A government taking of property rights, however, is not the answer," the letter said. "This is an unprecedented shift in the state's land-use policy. It can have chilling ramifications for agriculture in the future. Therefore, we respectfully ask you to veto the legislation."

The Ohio Farm Bureau on July 7 posted a link to a staff *blog and transcript* discussing the implications of the legislation.

News of the governor having signed the bill first appeared in releases issued by lawmakers on July 12. The governor's office posted a two-sentence *notice* on its website after hours the same day without mentioning the name of the bill in the title of the release. ■

Ohio Power Siting Case Status | *Ohio Power Siting Board*

PJM News

Stakeholders Elect New PJM Board Member, Vice Chair

By Michael Yoder

Stakeholders elected a new member of the PJM Board of Managers and vice chair of the Members Committee on Wednesday.


David Mills, Eaglecap Energy Consulting | *PJM*

David Mills, owner and principal consultant of Eaglecap Energy Consulting in Seattle, was elected at a special Members Committee meeting to fill the board seat held by former InterGen CEO Neil Smith. Mills, whose term extends until 2024, was nominated for the position in June. (See *Energy Consultant Nominated for Open PJM Board Seat*.)

Charles Robinson, current board member and a member of the Nominating Committee, said Mills' nomination was the result of a "very lively and engaged committee" that has been active for several months in looking for candidates for two other open board positions. The Nominating Committee's sector representatives included: Susan Bruce (End Use Customers); Lisa McAlister (Electric Distributors); Alex Stern (Transmission Owners); Betty Watson (Other Suppliers); and Jeff Whitehead (Generation Owners).

In April, the committee nominated Paula Conboy, former chair of the Australian Energy Regulator, and Jeanine Johnson, vice president of product security at Netgear, to replace board Chair Ake Almgren and board member John Foster. Stakeholders elected the new members at the Meeting of Members in May. (See *PJM Stakeholders Elect New Board Members*.)

Mills is a former senior vice president of policy and energy supply with Puget Sound Energy, where he worked for more than 18 years and served as chief strategy officer. He earned a bachelor's degree in economics from Portland State University.

"David is an energy consultant with a demonstrated track record of strategic leadership in the power and natural gas industry," Robinson said.

MC Vice Chair

Stakeholders also unanimously elected Becky Robinson, director of PJM market policy at Vistra, to serve the remaining term of vice chair of the Members Committee. The position came open after Katie Guerry, head of regulatory affairs for Enel North America, took a leave of absence as MC chair at the beginning of the year and officially resigned from the position in June. Former Vice Chair Erik Heinle of the D.C. Office of the People's Counsel, who had been serving as MC chair in Guerry's absence, officially became chair of the committee last month.


Becky Robinson, Vistra | *Vistra*

To maintain the rotation among sectors required by Manual 34, the vice chair candidate was selected from the Generation Owners sector.

Robinson will serve as vice chair through 2022 and then become the chair of the MC in 2023.

Heinle thanked Robinson for volunteering for an "extended tour of duty" as vice chair.

"I know you'll do a fantastic job as a member leader serving our stakeholder community," Heinle said. ■

PJM News

PJM MIC Briefs

Regulation Mileage Ratio Delayed

PJM stakeholders on Wednesday unanimously voted to amend the RTO's issue charge seeking to address the calculation of regulation mileage ratio, asking for more time to discuss the issue.

Carl Johnson, PJM Public Power Coalition | © RTO Insider LLC

Carl Johnson of the PJM Public Power Coalition requested to add a friendly amendment to the PJM proposal, amending the issue charge to remove the suggested "quick fix" process and instead handle discussions under an abbreviated consensus-based issues resolution (CBIR) process at last week's Market Implementation Committee meeting. Johnson suggested working on the regulation mileage ratio issue over the course of two more MIC meetings and then take a stakeholder vote in October.

PJM had been seeking to work the issue through the quick-fix process in Manual 34 and take final votes at the July Operating Committee, Markets and Reliability Committee and Members Committee meetings. But several stakeholders challenged PJM's proposed solution of updating values in the regulation mileage ratio. (See "Regulation Mileage Ratio First Read," *PJM MRC/MC Briefs: June 23, 2021*.)

Johnson said the issue was too complicated to be addressed in the quick-fix process, and the impacts of PJM's proposal were not addressed properly among stakeholders. "I don't think this is something eligible for a quick fix," he said.

Michael Olaleye, senior engineer with PJM's real-time market operations, *reviewed* the *problem statement*, *issue charge* and RTO's proposed solution.

Regulation mileage is the measurement of the amount of movement requested by the regulation control signal that a resource is following and is calculated for the duration of the operating hour for each regulation control signal. PJM's performance-based regulation market splits the dispatch signal in two: RegA for slower-moving, longer-running units; and RegD for faster-responding units that operate for shorter periods, including batteries. If a signal is "pegged" high or low for an entire operating hour, the corresponding mileage would be zero for that hour.

| Shutterstock

PJM has seen increased frequency of RegA signal pegging and times the RegA signal is pegged for extended periods, Olaleye said, and the pegging highlights a potential problem in the regulation mileage ratio calculation. It can set the RegA mileage at zero for a given hour and create a divide-by-zero error in the calculation of the mileage ratio.

PJM is proposing to set the RegA mileage floor at 0.1 instead of zero, Olaleye said, which would allow for a "valid solution" for the ratio and still maintain market design objectives. He said the change would have no impact to the regulation signal design, operations or regulation market clearing.

Joe Bowring, IMM | © RTO Insider LLC

Independent Market Monitor Joe Bowring presented a *counterproposal*, questioning PJM's use of the 0.1 value. Bowring proposed a cap of 5.5 on the realized mileage ratio in all hours, indicating the cap would eliminate the current undefined mileage ratio result that PJM is attempting to address.

Bowring said the cap would reduce but not eliminate the market distortion resulting from the use of mileage ratios when they incorrectly represent regulation output. The change would affect less than 50% of impacted hours based on data collected by the Monitor over the last 15 months.

"We agree there is no magic number, but we believe 5.5 makes sense as an insurance policy against extreme cases," Bowring said.

Gary Greiner, PSEG | © RTO Insider LLC

Gary Greiner, director of market policy for Public Service Enterprise Group, said the Monitor's proposed cap seemed to be out of scope and impact too many hours.

Erik Heinle, D.C. OPC | © RTO Insider LLC

Erik Heinle of the D.C. Office of the People's Counsel said there seemed to be a "general agreement" among stakeholders that an issue exists that needs to be addressed in the regulation mileage ratio, but he said it's

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"less clear" as to the potential solution. Heinle agreed with the suggestion to remove the quick-fix process from the issue charge in order to allow PJM and the Monitor to come to a possible solution on the value and for more stakeholder input.

Johnson said more stakeholder discussion would derive a better, "non-arbitrary number" to present to FERC in a filing that still fixes the ratio problem.

5-Minute Dispatch Manual Revisions


Aaron Baizman, PJM | © RTO Insider LLC

Aaron Baizman, PJM senior engineer, *provided* a first read of *revisions* to Manual 11: Energy & Ancillary Services Market Operations that would address changes and transparency to five-minute dispatch.

Members unanimously endorsed the proposed solution and associated tariff and Operating Agreement *revisions* at the April MRC and MC meetings. (See "Long-term 5-minute Dispatch Endorsed," *PJM MRC/MC Briefs: April 21, 2021*.)

Multiple sections were updated and added in Manual 11, Baizman said, with some of the sections seeing major changes.

Baizman highlighted section 2.3.3.1: Capacity Resource Offer Rules, which includes a rule added that states hydropower capacity resources "shall meet the must-offer requirement by either self-scheduling or may allow the day-ahead market to schedule by offering the resource as a dispatchable resource."

Section 2.5: Real-time Market Clearing Engine was "heavily edited," Baizman said, with multiple diagrams updated and additional information added for real-time security-constrained economic dispatch (RT SCED) optimization concerning the marginal resource identification process.


Catherine Tyler, IMM | © RTO Insider LLC

Catherine Tyler of the IMM said "a lot of work" was put into the edits by PJM staff. When five-minute dispatch was first identified as an issue to tackle, she said, Manual 11 was "lacking transparency," but the work done by PJM resulted in more transparency in the manual language.

"Not only are we improving the SCED process, but also creating a lot more transparency," Tyler said.

Solar-battery Hybrid Resources

Stakeholders received a first look at two proposals emerging on solar-battery hybrid resources.


Scott Baker, PJM | © RTO Insider LLC

Scott Baker, PJM business solutions engineer, *provided* a summary of the solar-battery hybrid resources issue that has been worked through the DER and Inverter-based Resources Subcommittee (DIRS).

The solar-battery hybrid resources problem statement and issue charge was brought forward by PJM staff and approved by stakeholders at the June 2020 MIC meeting to clarify business rules. (See "Solar-Battery Hybrids," *PJM MIC Briefs: June 3, 2020*.)

Baker said "two good packages" emerged from discussions at the DIRS and the development of the *matrix*. He said stakeholders in the subcommittee didn't object to bringing two different proposals to the MIC for a first read.


Andrew Levitt, PJM | © RTO Insider LLC

Andrew Levitt of PJM's market design and economics department *provided* a first read of Package A, which provides updates to the RTO's governing documents and business manuals to clarify several aspects of market participa-

Local Hour	RMCCP	RMPCP	Hourly Mileage A	Hourly Mileage D	Hourly Mileage Ratio (settled)	Hourly Mileage Ratio (Proposed)	Difference in Mileage Ratio
3/4/2013 18:00	$37.67	$0.03	0.074304	0.257536	3.47	2.58	0.89
11/9/2013 18:00	$12.40	$0.97	0.072887	15.649591	214.71	156.5	58.21
5/31/2015 15:00	$187.06	$0.78	0.070406	14.128501	200.67	141.29	59.38
12/11/2015 16:00	$12.49	$0.01	0.078511	13.35094	170.05	133.51	36.54
12/31/2015 18:00	$0.27	$0.00	0.056789	12.54787	220.96	125.48	95.48
1/1/2016 2:00	$8.45	$0.00	0.013579	10.582214	779.31	105.82	673.49
6/28/2016 16:00	$3.08	$0.00	0.018116	11.818568	652.38	118.19	534.19
2/27/2018 9:00	$0.00	$0.00	0.040318	20.448624	507.18	204.49	302.69
1/21/2019 11:00	$313.49	$0.00	0.006478	27.402607	4230.10	274.03	3956.07
1/30/2019 14:00	$17.49	$0.01	0.046133	5.225629	113.27	52.26	61.01
6/22/2020 15:00	$0.01	$0.00	0.048004	19.204105	400.05	192.04	208.01
6/26/2020 0:00	$11.37	$0.00	0.096609	23.562192	243.89	235.62	8.27
8/12/2020 14:00	$15.09	$0.01	0.03332	22.412721	672.65	224.13	448.52
2/17/2021 9:00	$0.00	$0.00	0	19.159495	#N/A	191.59	191.59
4/2/2021 4:00	$8.59	$0.00	0.099567	6.182331	62.09	61.82	0.27
4/15/2021 9:00	$6.91	$0.00	0.052218	33.582262	643.12	335.82	307.30
5/8/2021 13:00	$13.77	$0.00	0.011427	31.296327	2738.81	312.96	2425.85

Instances of RegA hourly mileage rates less than 0.1 in PJM since 2013 | *PJM*

PJM News

tion by solar-battery hybrid resources. It would introduce new definitions, including "mixed technology facility," "hybrid resource," "co-located resource" and "open-loop hybrid resource." A "standalone energy storage resource" would be defined to draw a distinction between hybrid resources and other energy storage resources.

Levitt said the definitions are required to clarify new resource types, draw distinctions between different forms of hybrid resources and apply new or existing business rules to each resource type. For co-located resources, Levitt said, the proposal clarifies that market participation occurs separately for each underlying resource type and that metering and telemetry are required both at the point of interconnection (POI) and on one or all of the underlying resource types behind the POI.

Jim Davis, Dominion Energy | *© RTO Insider LLC*

Dominion Energy's Jim Davis *provided* a first read of Package C, which was identical to Package A except for a provision pertaining to the regulation market. Package A proposes to measure regulation performance at the POI of the hybrid resource, while Package C proposes two ways:

- battery output is used to balance out intermittent renewable output, where resource response is measured at the POI meter; or
- resource response is measured independently for the battery component level using submeter output/telemetry.

Stakeholders will vote on the two proposals at the August MIC meeting.

Energy Efficiency Add-back

Monitor Bowring provided a first read of a *problem statement* and *issue charge* addressing the calculation of the energy efficiency add-back using the "quick fix" process.

Calling the problem "straightforward," Bowring said the current treatment of the EE add-back in clearing the PJM Base Residual Auction does not require it to match the effect of EE on the capacity market's variable resource requirement (VRR) curve. Bowring said the result of the treatment is an artificial increase in the BRA clearing price, when EE was originally designed to be neutral.

Work on the issue is expected to address the specific technical issue of the calculation of the EE add-back defined in section 2.4.5 of *Manual 18: PJM Capacity Market*, Bowring said, with new draft manual language to replace the section. Bowring said the manual language could be rewritten to permit PJM to calculate the EE add-back in the capacity market clearing engine so that it exactly offsets the level of cleared EE in the BRA and remains neutral.

Bowring said the quick-fix process was proposed to complete the work so that PJM can use the correct EE add-back data for the upcoming 2023/24 BRA in December.

Jeff Bastian, PJM | *© RTO Insider LLC*

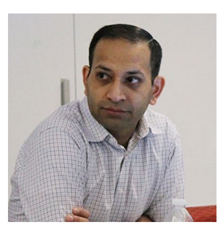
Jeff Bastian, PJM senior consultant of market operations, said the RTO supported the Monitor's problem statement and the objective of the proposed solution. Bastian said PJM would like to hear more details on the logic that would have to be implemented and that discussions are planned with the IMM before the next MIC meeting.

Sharon Midgley, Exelon | *© RTO Insider LLC*

Sharon Midgley of Exelon said she believes the issue should be discussed, but she disagreed with using the quick-fix process to do it. Stakeholders would have a better understanding of what's being changed with more discussions, she said. "There's a lot of detail that I would like to have the group review and get comfortable with."

Fast-start Pricing Manual Revisions

PJM introduced revisions to three different manuals addressing the implementation of fast-start pricing.



Vijay Shah, PJM | *© RTO Insider LLC*

Vijay Shah, lead engineer for PJM's real-time market operations, and Rebecca Stadelmeyer, manager of PJM's market settlements development department, *provided* a first read of revisions to *Manual 11: Energy & Ancillary Services Market Operations*, *Manual 18: PJM Capacity Market* and *Manual 28: Operating Agreement Accounting*.

In an order issued in May, FERC accepted PJM's filing on its fast-start tariff changes with an effective date of July 1. (See *FERC Accepts PJM Fast-start Tariff Changes*.) PJM filed a *request* to move the effective date to Sept. 1 to avoid implementation during the summer peak period, which FERC *approved*.

Shah said section 2.1 on Manual 11 was reorganized and includes new sections on fast-start-capable resources, fast-start-capable adjustment processes and eligible fast-start resources. The manual changes also feature new day-ahead sections, Shah said, including energy offers used in day-ahead price calculations and day-ahead integer relaxation.

The IMM's Tyler called attention to section 4.2.9: Synchronized Reserve Market Clearing Price Calculation in Manual 11. The updated manual languages states, "In the pricing run, the cost of the marginal synchronized reserve resource may also include amortized start-up and amortized no-load costs due to integer relaxation for eligible fast-start resources."

Tyler said the Monitor believes PJM should not be implementing fast-start pricing in this way "given this is a change that FERC didn't ask for and PJM didn't file Operating Agreement changes for." She called it a "significant issue" that needs to be discussed by stakeholders.

Stadelmeyer highlighted the changes in Manual 28, including the dispatch differential lost opportunity cost credits and double counting of commitment costs. Stadelmeyer said the credits ensure resources dispatched to accommodate the "inflexibility" of fast-start resources follow PJM's dispatch instructions to maintain power balance.

Stakeholders will vote on the manual changes at the August MIC meeting.

Manual Revisions Endorsed

The MIC endorsed changes to two different manuals as part of a periodic review:

- *Manual 6: Financial Transmission Rights*. The *revisions* included updating section 6.8 to align language with the current approach for addressing a defaulting member's financial transmission rights with various options, versus previously with settlement only. It now goes to the MRC for a first read in July and endorsement in August.
- *Manual 28: Operating Agreement Accounting*. The revisions *included* the addition of the new section 3.10: Load Ratio Share. It now goes to the MRC for a first read in July and endorsement in August. ■

— Michael Yoder

PJM News

PJM PC/TEAC Briefs

Planning Committee

CISO Mitigation Language Affirmed

PJM stakeholders voted last week to affirm the amended Operating Agreement language from the RTO's mitigation proposal endorsed in February to avoid designating projects as critical infrastructure under NERC reliability standards.

The revised OA *language* passed at last week's Planning Committee meeting with 134 stakeholder votes in support (87%) and 20 opposing. PJM's *Critical Infrastructure Stakeholder Oversight* (CISO) mitigation proposal was originally endorsed at the February PC meeting with 61% support. (See "Critical Tx Infrastructure Proposals Endorsed," *PJM PC/TEAC Briefs: Feb. 9, 2021*.)

A group of stakeholders at the April Markets and Reliability Committee meeting voted to remand the mitigation proposal to the PC for further discussions to determine if the revised OA language corresponded with that in the endorsed *matrix*. (See "CISO Mitigation Update," *PJM PC/TEAC Briefs: June 8, 2021*.) Members endorsed the avoidance portion of the PJM proposal at the May MRC meeting. (See "CISO Avoidance Endorsed," *PJM MRC Briefs: May 26, 2021*.)

Michael Herman, PJM | *© RTO Insider LLC*

Michael Herman of PJM's transmission planning department *led* a discussion on the approved mitigation proposal, including a review of the revised OA language. Herman emphasized that last week's PC vote was to determine whether the OA language was "in alignment" with the approved matrix and not to rule on the substance of the language itself.

Herman said PJM conducted a review of the OA language with its subject matter and legal experts as part of the development of the mitigation proposal and reviewed changes resulting from stakeholder discussions. He said the RTO based its review on changes made between the first read at the March MRC meeting and discussions the following month, researching whether the concepts were "in alignment" with what was approved in the matrix by the PC. (See "CISO First Read," *PJM MRC/MC Briefs: March 29, 2021*.)

Exelon's Byron Generating Station | *Christopher Peterson, CC BY-2.5, via Wikimedia*

Herman said PJM examined the OA language defining a critical substation planning analysis (CSPA) project as a regional or subregional Regional Transmission Expansion Plan (RTEP) project "with an anticipated in-service date of more than three years but no more than five years from the year" in which the RTO identifies the need for the potential CSPA project. Herman said PJM determined that the in-service date language didn't need to be included in the draft OA language because the concept "respects existing competitive rules and exemptions" that already exist in other parts of the OA and corresponding manual language.

Based on its five-year analysis, Herman said, PJM expects to identify critical facilities prior to the need for any immediate-need projects and felt changes were unnecessary to the proposed OA language.

"We do not anticipate many, if any, immediate-need projects coming through this process," Herman said.

Erik Heinle of the D.C. Office of the People's Counsel asked what Herman meant by that statement, specifically the "many" part.

Herman said the mitigation portion of PJM's proposal is the "second level of protection" of a CSPA process, with the avoidance portion serving as the first level in the process. PJM anticipates performing analysis on all projects that may be included in the RTEP moving forward, Herman said, so updates to the RTEP will be tested individually so that the RTO doesn't create a critical facility.

The second OA language piece PJM examined dealt with the RTO's ability to determine if any component of a CSPA project can be included in a request for proposals window "without disclosing the location of or vulnerabilities associated with the critical substation contingencies and associated facilities."

Herman said that as part of the competitive process and design component of the matrix, a project will be open to competition as part of an RFP process "if the mitigating solution does not disclose the substation associated with the substation contingency." He said PJM recommended keeping the existing OA language.

"PJM believes that this language is valuable, is helpful and is very much in line with the package approved by the Planning Committee back in February," Herman said.

The OA language now heads to the MRC for a first read July 28.

PJM News

Manual 14A Revisions Endorsed

Members endorsed revisions to Manual 14A: New Services Request Process in a "quick fix" process for the close of queue date and application review timing changes. The revisions received 154 "yes" votes (95%).

Onyinye Caven of PJM *reviewed* the conforming Manual 14A *language* changes that were originally recommended by the Interconnection Process Reform Task Force as "enhancements to the queue process." The revisions were first presented at the June PC meeting. (See "Manual 14A Updates," *PJM PC/TEAC Briefs: June 8, 2021*.)

Caven said the manual changes impacting the close of the queue window and the deficiency review clock are a result of the new service requests issue charge endorsed at the May PC and MRC meetings. (See "New Service Requests Approved," *PJM MRC Briefs: May 26, 2021*.) The proposed tariff changes were reviewed at the PC and MRC and were officially endorsed at the June Members Committee meeting.

The Manual 14A changes were made to align existing documentation with the new service requests proposal, Caven said. Current tariff language states that new service queue windows stay open from April 1 to Sept. 30 and Oct. 1 to March 31, while the proposed tariff language moves up those closing dates to Sept. 10 and March 10, shortening the queue for each respective window.

Currently PJM must review the new service customer's response to the RTO's deficiency notice within five business days. The proposed update would require PJM to review the response within 15 business days or "use reasonable efforts to do so as soon thereafter as practicable."

Changes in the tariff language also include the deletion of the definition of new service queue closing date.

Caven said the Manual 14A updates mirror the proposed tariff language changes. PJM is looking for a final endorsement of the manual language at the July MRC meeting and an effective date of Sept. 1.

Paul Sotkiewicz of E-Cubed Policy Associates said he appreciated the work done by PJM staff to try to find a solution to manage the growing number of new service requests in the queue, but he continues to have concerns about the RTO's solution. Sotkiewicz said the language revisions don't solve the existing problem of giving PJM staff more time to review applications and to issue deficiency notices.

Sotkiewicz continued to suggest PJM institute a sliding scale on the cost to review projects, with companies turning in a new service application earlier in the window receiving a discount.

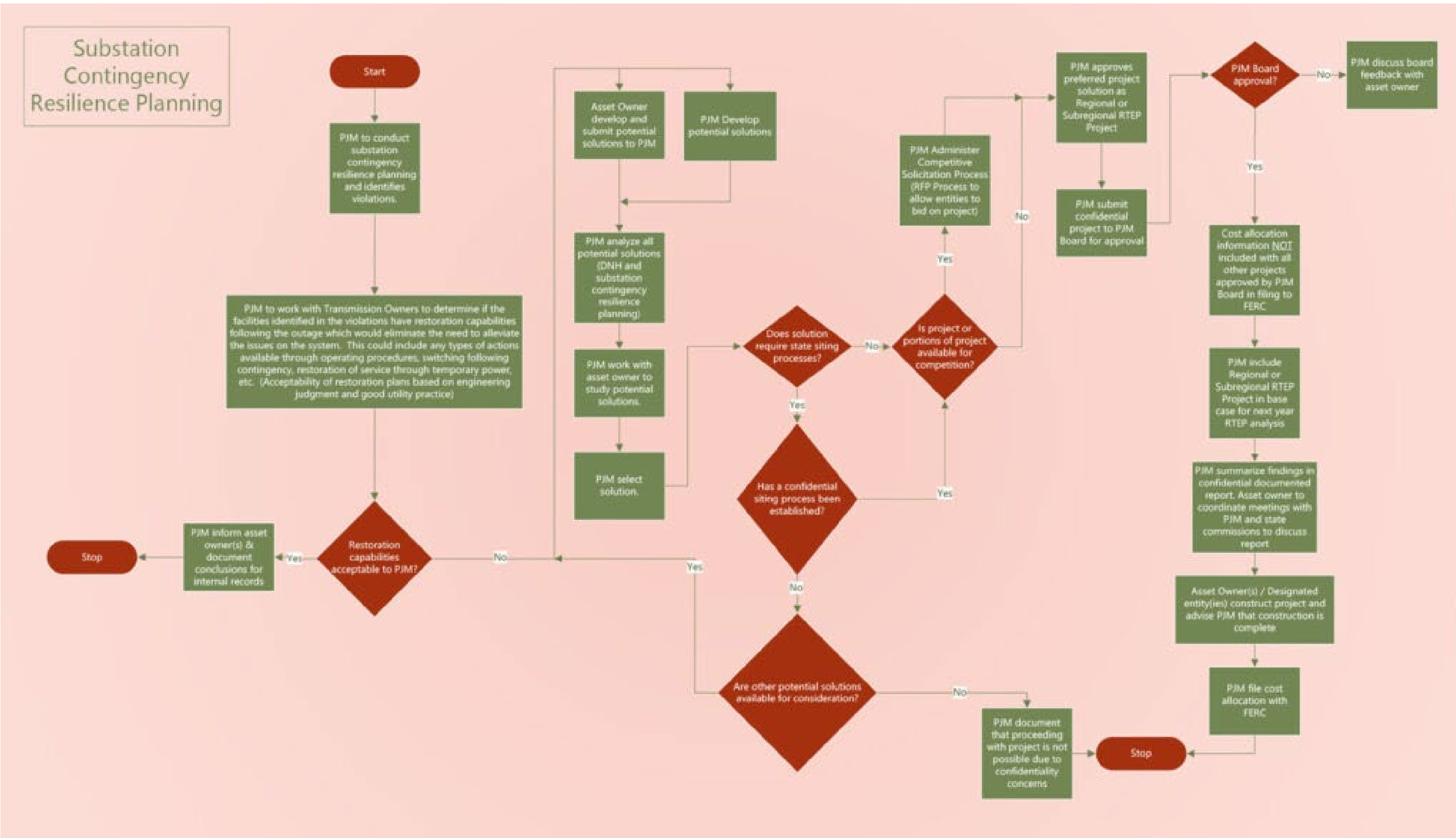
"It's a Band-Aid on a gaping, open wound," Sotkiewicz said. "And we're going to be back here talking about the same problems again."

Load Model Selection

PJM is recommending a 13-year load model using data from 2001 to 2013 for the 2021 reserve requirement study (RRS), moving the model up one year from the RSS approved for 2020.

Patricio Rocha Garrido, PJM | *© RTO Insider LLC*

Patricio Rocha Garrido of PJM's resource adequacy department *presented* the results of the RTO's load model selection process, which analyzed 120 load model candidates for the 2025/26 deliv-



Flow chart for "Substation Contingency Resilience Planning" within mitigation efforts for the PJM proposal on future CIP-014 facilities | *PJM*

PJM News

ery year RRS. Rocha Garrido said the analysis was based on the *2021 PJM Load Forecast Report* released in January.

The load model candidates were compared to PJM's "coincident peak 1" (CP1) distribution analysis, Rocha Garrido said, which represents the highest load expected for the forecast year, using two separate approaches. The previously selected load model, a 13-year model using data from 2002 to 2014, was not one of the top candidates this year, Rocha Garrido said, because of a new CP1 distribution analysis that was "similar, but not identical."

"The 2021 curve is a little bit more conservative and has higher loads relative to 2020," Rocha Garrido said.

PJM had used a 10-year load model (2003-2012) for several years in a row before switching to a 13-year model in 2020. Rocha Garrido said the load model selection must be done because the coincident peak distributions from the PJM load forecast cannot be used directly in the PRISM modeling software.

The RTO is also making the recommendation to switch the peak week for the MISO, NYISO, TVA and VACAR regions, known as the "world" in the analysis, to a different week in July that it doesn't coincide with its own peak.

Stakeholders will vote on endorsement of the load model selection at the August PC meeting.

Manual 20 First Read

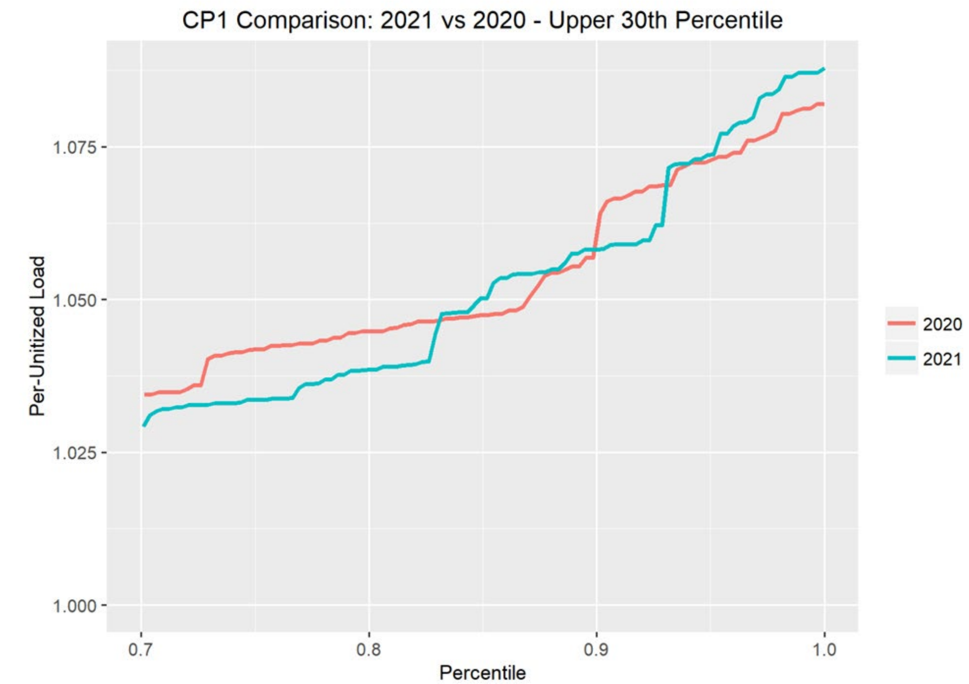
Rocha Garrido also *provided* a first read of a cover-to-cover review of *Manual 20: Resource Adequacy Analysis*. He said the proposed minor revisions included cleaning up outdated and redundant language and ensuring the manual language follows current PJM processes.

One of the more significant changes included removing the Reliability Pricing Model (RPM) timeline from section 1.2 of Manual 20 because it already exists in Manual 18.

"It's important to have the clarifying language and to eliminate some unnecessary language, but nothing here is going to shake the Earth," Rocha Garrido said.

Rocha Garrido said one complication in the Manual 20 changes is a parallel effort currently being conducted at the MRC to update the manuals resulting from discussions addressing the effective load-carrying capability (ELCC) for limited-duration and intermittent resources. (See "ELCC Manuals," *PJM MRC/MC Briefs: June 23, 2021*.)

The proposed ELCC changes are in section 5



PJM's "coincident peak 1" (CP1) distribution analysis of 2020 vs. 2021 | *PJM*

of Manual 20, Rocha Garrido said, and were not included in the presentation at the PC meeting. He said the changes will be reflected if stakeholders endorse the ELCC manual changes at the July MRC meeting.

The PC will vote on the manual changes at the August meeting.

Transmission Expansion Advisory Committee

Generation Deactivation Notification

Phil Yum of PJM *provided* an update on 11 recent generation deactivation notifications totaling more than 6,000 MW.

Houston-based GenOn Holdings requested that Avon Lake 9 Generating Station, a 627-MW coal-fired unit, and Avon Lake 10, a 21-MW oil-fired unit, both located in the American Transmission Systems Inc. (ATSI) transmission zone in Ohio, and the Cheswick Generating Station, a 567.5-MW coal-fired unit in the Duquesne transmission zone in Pennsylvania, all be deactivated on April 1, 2022. GenOn had originally requested a deactivation date of Sept. 15.

GenOn also requested that Morgantown Generating Station Units 1 and 2, 613.3-MW and 619.4-MW coal-fired units located in the PEPCO transmission zone in Maryland, be deactivated on May 31, 2022.

Yum said PJM and transmission owners identified some reliability violations, but new and existing baseline projects will "resolve" the identified impacts and the units can retire as scheduled.

Reliability analyses are underway for six other generation units, Yum said.

Exelon requested that its two Byron nuclear units, both in the ComEd transmission zone in Illinois, be deactivated Sept. 14 and 16. The company originally announced in 2019 its intention to retire the units and reiterated its intention unless the Illinois legislature passed an energy package with support for the plant by June 15. (See *Biden's Support for Nuclear 'Too Late' to Save Exelon Plants*.) The legislature did not, and Exelon notified PJM about the deactivation the following day.

NRG Energy requested that its Indian River 4 Generating Station, a 411.9-MW coal-fired unit in the Delmarva Power and Light transmission zone in Delaware, be deactivated on May 31, 2022. NRG also requested that the coal-fired Waukegan Generating Station Units 7 and 8 and the 510-MW coal-fired Will County Generating Station Unit 4, all located in ComEd, be deactivated the same day. ■

— Michael Yoder

PJM News

PJM Operating Committee Briefs

Non-firm Transmission Service Pre-emption

PJM stakeholders on Thursday endorsed tariff language revisions to exclude the right of first refusal (ROFR) process from the RTO's evaluation of non-firm transmission service requests.

Jeff McLaughlin, senior lead engineer in PJM's transmission service department, *reviewed* the "quick fix" *problem statement* and *issue charge* to modify *language* in section 14.2 of the tariff related to pre-emption of non-firm transmission service at last week's Operating Committee meeting.

McLaughlin said the quick fix was driven by compliance requirement changes within version 3.2 of the North American Energy Standards Board's (NAESB) Business Practice Standards, which was adopted by FERC in January 2020 and becomes enforceable on Oct. 27. (See *FERC Adopts NAESB Business, Communication Rules*.)

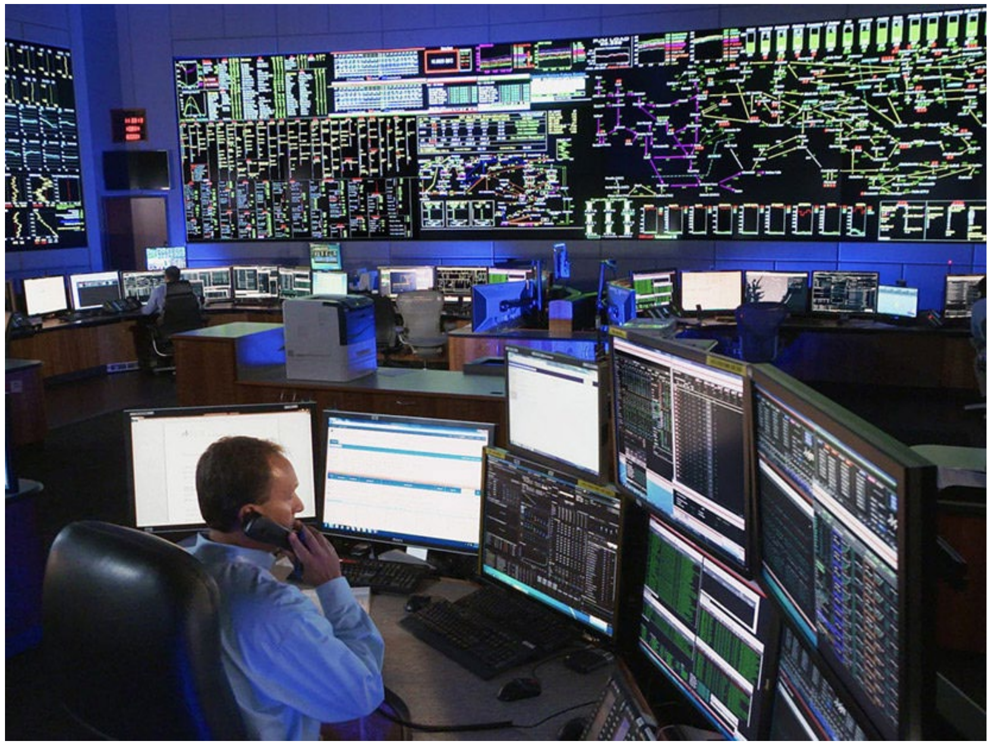
An accelerated timeline was needed to make sure PJM's proposed filing under Federal Power Act Section 205 receives a FERC response prior to the October enforcement date, McLaughlin said, and the RTO is proposing to review and vote on the issue charge and proposed solution after first read at the July 28 Markets and Reliability Committee and Members Committee meetings.

McLaughlin said that because an MC meeting is not scheduled for August, the vote needs to take place at all three committee meetings in July to allow for a 60-day window for a FERC ruling.

"This is an aggressive timeline we're aiming for," McLaughlin said. "This accelerated approach wasn't something we took lightly."

McLaughlin said the changes caused by the NAESB standards to the ROFR process could result in significant problems for PJM non-firm transmission service processes and OASIS customers. He said the changes create uncertainty for the most frequently used transmission products and could have detrimental impacts to the day-head and real-time energy markets.

PJM employs an automated engine for processing non-firm transmission service requests where customers receive instantaneous evaluations, McLaughlin said, but the pre-emption established by the NAESB standards introduces "significant delays" to the process. McLaughlin said the changes could result in more than two-hour delays for hourly challenger requests and more than 24-hour delays for daily challenger requests.



PJM control room | *PJM*

"It makes the process pretty unmanageable for us," McLaughlin said.

McLaughlin said transmission service reservations that are procured in smaller increments, such as hourly and daily reservations, are at greatest risk of being pre-empted. He said most of PJM's service requests fall into this high-risk category, with more than 90% of the 45,000 confirmed requests in 2020 consisting of hourly or daily service granted within 24 hours of the service start time.

"There's just not a lot of time for the customers to react if they were to be pre-empted," McLaughlin said.

PJM proposed using section 13.2 of the tariff that already contains language to exclude pre-emption from the evaluation of short-term firm transmission service. McLaughlin said the proposed revisions will extend similar language to section 14.2 of the tariff, excluding pre-emption from non-firm request evaluation.

McLaughlin said the tariff revision will prevent processing delays, minimize "unnecessary customer uncertainty for little benefit" and avoid impacts to the day-ahead and real-time markets.

Once the tariff changes are approved at the MRC and MC, McLaughlin said, PJM will make a Section 205 filing at FERC for a ruling before the October implementation of the NAESB standards.

"We felt this accelerated approach was in the best interest of PJM stakeholders," McLaughlin said.

Manual 13 Changes Endorsed

Members unanimously endorsed updates to *Manual 13: Emergency Operations*, making minor changes to several sections.

Brian Oakes, of PJM's dispatch department, *reviewed* the proposed changes to Manual 13. Oakes said most of the changes revolve around section 3.2: Conservative Operations, PJM's emergency protocols to ensure the bulk electric system remains reliable during extreme events.

The manual changes resulted from discussions at the System Operations Subcommittee (SOS) after three declarations of conservative operations were made within the last year.

The first conservative operation declaration

PJM News

took place in August when Tropical Storm Isaias moved through the region and PJM was experiencing unrelated "server issues" at the same time. A second conservative operation declaration was made when a severe winter storm dumped record snowfall amounts on parts of the RTO on Dec. 16-17.

The most recent conservative operations declaration came on Jan. 6 during the attack on the U.S. Capitol. The only other occurrence in the last 10 years of a conservative operations declaration in PJM was September 2018 when Hurricane Florence moved through the region.

The manual language changes include authorizing PJM to conduct SOS conference calls to review and coordinate operations with members.

Other manual changes include updates to Attachment J: Disturbance Reporting. Oakes said the updates were done to reflect changes made by the U.S. Department of Energy to OE-417: Electric Emergency Incident and Disturbance Report, which was updated and renamed to DOE-417 and effective June 1.

The manual changes will receive a vote at the July MRC meeting and will take effect July 28 if endorsed.

COVID-19 Update

PJM is starting to look at allowing dispatch staff to move back and forth the between its two control centers.

Paul McGlynn of PJM provided his monthly update on operation plans in response to COVID-19, saying the RTO is "backing out" of some of the protocols put in place at the beginning of the pandemic.

At the start of the pandemic, McGlynn said, dispatch staff were split between the control centers in Valley Forge and Milford, Pa. McGlynn said the split increased the commute time for some of the staff.

This month, McGlynn said, dispatchers will once again enter a rotation between the two control centers. He said PJM is still maintaining social distancing protocols put in place at the control centers and will continue to follow those protocols "well into the fall."

"Our intent is to move cautiously," McGlynn said.

PJM is also starting a pilot program this week to introduce staff back on to its campuses. McGlynn said about 100 employees will return to the Valley Forge campus to test and provide feedback on some of the institutional changes, including temperature-screening kiosks and new technologies employed for meetings.

Paul Sotkiewicz of E-Cubed Policy Associates again inquired if PJM plans on mandating vaccines for its employees, especially for operations and planning staff. Sotkiewicz said he has heard reports about private organizations around the country mandating vaccines for their employees.

"Given the critical nature of PJM's mission, it just seems like a no-brainer to me," Sotkiewicz said.

McGlynn said PJM has not changed its policy and will not mandate vaccines for employees. He said staff have been encouraged to get vaccinated, but it will not be mandatory.

McGlynn said there were "many factors" that went into PJM's decision not to mandate vaccinations.

"It's a personal decision that people need to make about whether they choose to be vaccinated," McGlynn said.

NRBTMG Sunset

Terri Esterly, senior lead engineer in PJM's markets automation and quality assurance department, *reviewed* the status of the non-retail behind the meter generation (NRBTMG) business rules *issue charge* worked on at the OC in 2019.

Esterly said through stakeholder efforts on the issue, PJM updated Manual 13: Emergency Operations and Manual 14D: Generator Operational Requirements. The manual updates were endorsed at the September 2019 MRC meeting. (See "Non-retail BTM Generation Rules Endorsed," *PJM MRC/MC Briefs: Sept. 26, 2019*.)

The manual updates clarified the reporting, netting and operational requirements of NRBTMG, Esterly said, and included establishing an annual reporting process to determine the total amount of NRBTMG in PJM.

Esterly said PJM's *Capacity Exchange* system enhancements were released in 2020 to help facilitate the administration of NRBMTMG requirements.

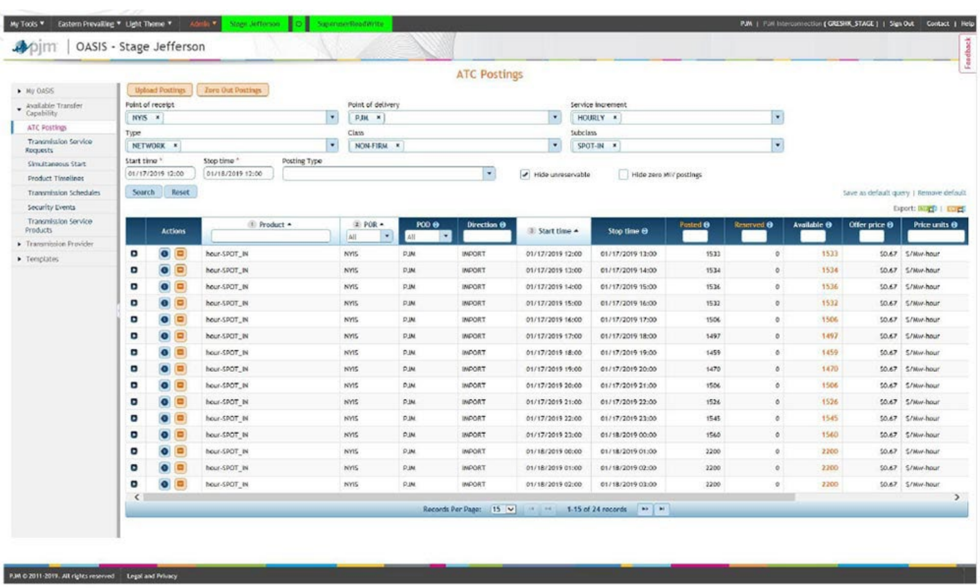
Stakeholders completed the first three key work activities in the issue charge endorsed in 2019, Esterly said, but key work activity 4 was designed to be triggered only when the total amount of NRBTMG in PJM approaches a 3,000-MW cap.

The total amount of NRBTMG in PJM is *posted* each year in November, Esterly said, and the totals haven't approached the 3,000-MW cap. The NRBTMG was 1,171.5 MW in 2019 and 1,186.4 MW in 2020.

PJM is proposing to sunset the NRBTMG business rules issue charge with the intent to bring it back and resume work when the 3,000-MW cap is reached. Esterly said an additional work scope in the issue may be considered in the future if appropriate.

Members will vote on sunsetting the issue charge at the August OC meeting. ■

— Michael Yoder



PJM's OASIS transmission service tool | *PJM*

FERC Authorizes Icahn Employees for FE Board

By Michael Yoder

FERC has authorized two members recently appointed to FirstEnergy's (NYSE:FE) Board of Directors by the Icahn Group to have voting rights on the board, ruling that their appointment will not adversely impact business competition, electricity rates or state or federal regulations (EC21-77).

The commission ruled on Thursday that Andrew Teno and Jesse Lynn, both employees of Icahn Capital, will receive voting rights resulting from the board's expansion from 12 to 14 members, which was announced in March. (See *Icahn Capital Given 2 Seats on FirstEnergy's Board*.) Teno will serve on FirstEnergy's audit and finance committees, while Lynn will serve on the corporate governance and corporate responsibility and special litigation committees.

In February, billionaire investor Carl Icahn disclosed in a filing with the Federal Trade Commission that his investment firm intended to acquire voting securities of FirstEnergy in "an amount exceeding $184 million but less than $920 million," depending on market conditions. (See *FirstEnergy Shares Jump on Icahn Investment*.)

The decision to add two new board members came after FirstEnergy's board fired five top executives in the last year, including former CEO Charles Jones, in the wake of a bribery scandal. (See *FirstEnergy Fires Jones over Bribe Probe*.)

"We look forward to working with our new directors and the rest of the board on the priorities for FirstEnergy and building on the meaningful steps we have already taken to drive performance, engage in an open dialogue with regulators and other stakeholders, and ensure a company-wide culture of integrity and ethical behavior," said FirstEnergy CEO Steven E. Strah in a statement.

FirstEnergy and the Icahn Group requested that FERC authorize the new voting members and "assume, without deciding, that it has jurisdiction over the disposition of jurisdictional facilities resulting from the receipt of upstream board voting rights."

Section 203 of the Federal Power Act requires FERC to approve "proposed dispositions, consolidations, acquisitions, or changes in control if the commission determines that the proposed transaction will be consistent with the public interest."

FirstEnergy said that they were the only entity in the proposed transaction that currently own or control public utilities under FERC jurisdiction in the PJM market and that the Icahn Group does not have any generating units in its portfolio, limiting any possible effects on horizontal competition.

"Applicants demonstrate that neither FirstEnergy and its affiliates nor the Icahn Group and its affiliates currently conduct business in the same geographic market or that the extent of the business transactions in the same geographic markets is *de minimis*," FERC said.

The commission also found that there would be no effect on electricity rates for wholesale ratepayers or transmission customers because FirstEnergy and Icahn "will continue to make all sales pursuant to the terms of existing long-term power purchase agreements and pursuant to their market-based rate authority."

FERC dismissed arguments from utility watchdog groups, including Public Citizen and the Citizens Utility Board of Ohio, who maintained that the commission should rule on whether state regulators have the power to approve the deal between FirstEnergy and Icahn.

With FERC's ruling on Thursday, the only obstacle possibly standing in the way of Teno and Lynn becoming full voting board members is regulatory approval in Maryland, home to FirstEnergy's Potomac Edison. In May, the Maryland Office of People's Counsel petitioned the Maryland Public Service Commission to investigate FirstEnergy over its alleged $61 million bribery and racketeering scheme involving former speaker of the Ohio House of Representatives Larry Householder (R) and House Bill 6. (See *FirstEnergy Seeking Deal with DOJ in Bribery Case*.)

Lawyers from Potomac Edison responded to the OPC's petition with its own letter to the PSC, arguing that the petition should be denied because the allegations were "baseless or are built upon a misunderstanding (or misstating) of publicly-available facts."

The Maryland PSC has yet to respond to the OPC or Potomac Edison or to begin an official proceeding. ■

FirstEnergy's Akron, Ohio, headquarters | *DangApricot, CC BY-SA 3.0, via Wikimedia Commons*

PJM News

FERC Denies LS Power Challenge of Dominion FRR Plan

By Michael Yoder

FERC on Thursday denied LS Power's complaint against PJM seeking to block Dominion Energy's decision to opt out of the May 19 capacity auction by electing to use the fixed resource requirement (FRR), saying it agreed with the RTO's interpretation of its Reliability Assurance Agreement (RAA) (EL21-72).

The RAA requires that load-serving entities choosing the FRR must exit the capacity auction for at least five years and demonstrate the "commitment of capacity resources for the term of such election sufficient to meet such party's daily unforced capacity obligation."

In the complaint filed in May, LS Power, along with its 1,165-MW Doswell natural gas-fired generator in Virginia, argued that PJM has been approving FRR alternative elections based on capacity plans covering just the first delivery year of the elections. (See LS Power Challenges Dominion FRR Plan.)

Dominion Energy Virginia elected not to participate in PJM's Base Residual Auction for 2022/23 over concerns the minimum offer price rule (MOPR) could undermine the company's ability to meet Virginia's renewable energy targets. More than 60 Dominion generating units totaling more than 18.1 GW were included on PJM's posting of FRR units in April. (See Dominion Opts out of PJM Capacity Auction.)

LS Power argued that a reference to "2022/2023 FRR Capacity Plans" in the title of PJM's FRR Resource List implied that "notwithstanding the requirements of the RAA, these FRR capacity plans covered just the 2022/2023 delivery year" and don't meet the capacity resources commitment.

In its order filed last week, the commission said all parties involved in the filing agreed that the RAA requires a commitment to the FRR alternative for a minimum term of five years. But FERC said the only matter in dispute was whether the initial FRR capacity plan "must cover the entire minimum five-year term or if it may cover only the first delivery year."

FERC said the RAA's requirement to submit an FRR capacity plan "for the term of such election" is "ambiguous." The commission said it agreed with PJM and other commenters in the filing that when the RAA is "read as a whole," a "reasonable interpretation" is that the phrase "for the term of such election" means an FRR capacity plan "may be submitted every year for the term of an entity's participation in the FRR alternative."

Originally constructed as a 665-MW combined cycle plant (pictured), the Doswell gas-fired generator in Virginia was expanded by LS Power with the addition of two 170-MW peaking plants. | *Fluor*

"When interpreting tariff and contract provisions, the tariff or contract should be read as a whole, with meaning given to every provision," the commission said in its order. "We find that, reading the RAA as a whole, other terms and provisions indicate that it does not require the submission of an initial FRR capacity plan that covers the entire term of the initial election."

FERC said the RAA also requires that entities "annually extend and update" the FRR capacity plan. The commission said the requirement would be "redundant" if five-year plans were required as entities are already required to file annual updates.

The commission said many of the parameters needed for constructing an initial FRR capacity plan are not known for the delivery years beyond the one associated with the upcoming BRA, demonstrating that one-year plans for each year of the minimum term of five years "are more consistent with the overall expectations of the RAA."

As an example, FERC cited the RAA requirement that an FRR entity "designate capacity resources in a megawatt quantity no less than the forecast pool requirement for each applicable delivery year times the FRR entity's allocated share of the preliminary zonal peak load forecast for such delivery year." According to the RAA, the commission said, the forecast pool requirement and the installed reserve margin are only updated three months in advance of each BRA, which would necessitate estimates to be used for a five-year plan.

"The absence of any detail in the RAA on how to estimate these parameters indicates that the RAA does not contemplate that five-year plans are required," the commission said.

It also determined that concerns about the FRR process and the Independent Market Monitor's complaint that PJM kept Dominion's FRR election confidential to be "outside the scope of the complaint." The Monitor had requested that FERC clarify that an entity's notice of its intent to elect the FRR alternative "should not be kept confidential" and should be posted by the RTO. ■

SPP News

Solar Surpasses Wind in MISO, SPP Queues

Wind Belt States See Solar Surge Based on Economics

By Hudson Sangree

Solar has overtaken wind in the interconnection queues of MISO and SPP as the declining costs of photovoltaic panels have made it more profitable even in the cloudier, windier areas of the U.S.

Panelists from the two organized markets discussed the trend with *RTO Insider* Editor and Co-Publisher Rich Heidorn Jr. in a panel called "*Value of Solar: U.S. Roadtrip*" at the Energy Storage North America-Intersolar North America annual summit Wednesday.

"What we're seeing from an interconnection standpoint — facilities or developers requesting connection to the MISO system — is [that] of the 80 GW of overall capacity that's seeking interconnection, 65% of that is solar right now," said Jordan Bakke, director of policy studies with MISO. "There's been a big growth in the amount of solar resources seeking interconnection to the system.

"That's in comparison to the predominant wind growth that we've seen in the past," Bakke said. "It's really changed over in the last few years to be solar-dominated facilities seeking interconnection, and I think we expect that to continue going forward, at least for the time being, given the cost declines and tax treatment that the facilities see."

Solar is spread relatively evenly over the MISO footprint, which stretches from the Canadian border to the Gulf of Mexico, with about 5% fewer arrays in the north than in the south, he said.

"We're seeing that interconnection take place everywhere," Bakke said. "Places that aren't windy are building solar, and places that are windy are also building solar to help complement that resource."

SPP Director of System Planning Casey Cathey described a similar phenomenon in his RTO's territory, which ranges from North Dakota to northern Louisiana. SPP is known for setting records for wind installations, with 13,000 turbines producing 26 GW. Now it is surging ahead with solar, he said.

"This year is the first year that we've actually seen the solar in the queue higher than … wind in our queue," Cathey said.

SPP only has about 250 MW of solar installed and operational, but it has 35 GW of solar in its queue, he said.

About "500 MW of that is ready to go, and so the way we see it is solar and energy storage is really the next frontier for SPP," Cathey said.

Solar is disbursed relatively evenly across SPP's states even though irradiance levels are highest in New Mexico and the Texas Panhandle, "but we're actually seeing valuable business cases for solar installs as well as hybrid solar-battery installs peppered across the SPP footprint," he said.

Casey described the change as an "explosion" of solar in SPP territory.

"It's really been a dramatic shift," Heidorn responded.

Utility-scale solar has grown ninefold since 2013, when total capacity was around 4 GW; it is now about 38 GW, according to research by Lawrence Berkeley National Laboratory. With photovoltaic prices continuously declining, utility-scale solar represented about 73% of all new capacity added in 2020 and accounted for 63% of cumulative solar capacity by the end of last year, the lab found.

It was the second largest source of capacity additions in 2018 around 23%, with natural gas first at 55%.

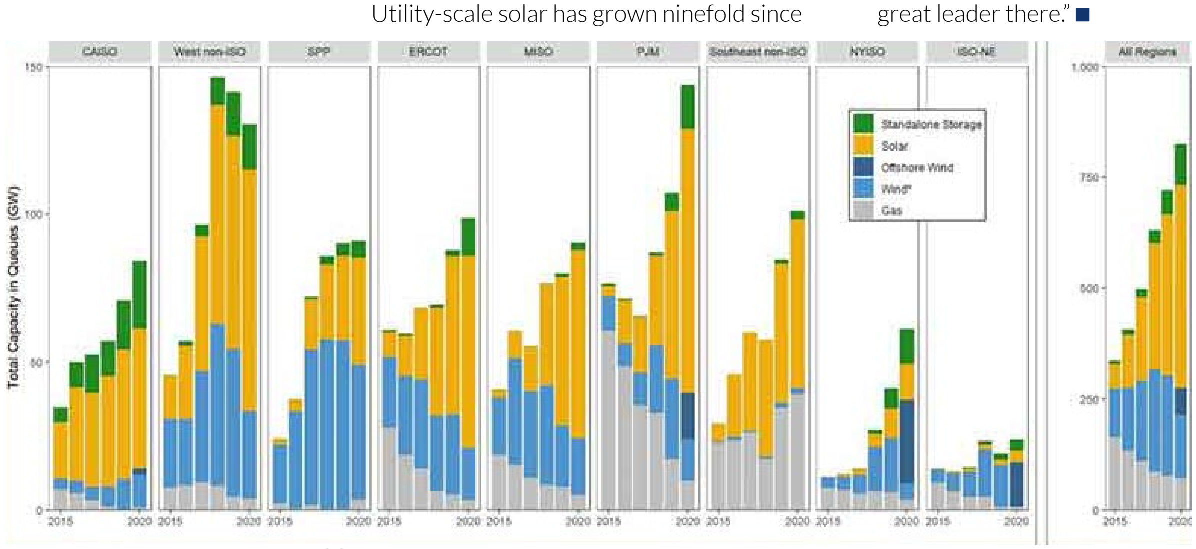
That changed in 2020, said Joachim Seel, a senior scientific engineering associate in the Electricity Markets and Policy Department at the lab.

Last year "was just a terrific year for solar additions," Seel said. Florida and Texas for the first time have overtaken California in solar additions, he said.

"There has just been this interesting trend over many years now," as solar has spread from California, Arizona and other Southwest sunbelt states to the Great Plains, Midwest and the Southeast, he said.

State clean energy requirements and the market competitiveness of solar has driven large installations, many over 100 MW, he said.

"With the declining cost of PV, it has just become more attractive and economical in many other parts of the country," Seel said. "And so in in recent years, we've seen especially strong growth among the regulated utilities in the Southeast … [Florida Power & Light] being a great leader there." ■



Solar is outpacing wind in most regions, including MISO. | *Berkeley Lab*

SPP News

SPP Postpones July, August In-person Meetings

SPP has postponed all in-person stakeholder meetings until further notice, the RTO announced last week, as its home state of Arkansas wrestles with a troubling uptick in COVID-19 cases.

The virus's faster-spreading delta variant has hit the state hard. According to data reported by *The New York Times*, as of Sunday, Arkansas has the highest number of new cases per 100,000 residents at 34, averaging 1,017 new cases a day. (Florida has the highest total daily average, at 6,493.)

Arkansas also has one of the lowest vaccine rates in the country, about 35%, leading Gov. Asa Hutchinson to declare on national television July 11 — when the state's seven-day case average was only at 697 — that his administration is *"working hard"* to overcome vaccine hesitancy. According to the *Times*, only Alabama, Mississippi and the U.S. Virgin Islands have lower vaccination rates, all about 34%.

"Arkansas has been making national headlines for all the wrong reasons," CEO Barbara Sugg said in a message to stakeholders.

The RTO said in May it would allow in-person meetings at its Little Rock headquarters in August and an in-person option for this month's Board of Directors, Members Committee and Regional State Committee meetings. Those meetings will return to the virtual format SPP has been using since March 2020.

"The health and wellbeing of all of you, as well as our employees, are of utmost importance to us," Sugg said. "We appreciate and value the importance of being able to meet face to face and will resume meeting in person when it is safe to do so."

Sugg closed her message with a personal appeal: "Please get vaccinated if you've not already done so!" ■

SPP has postponed in-person meetings scheduled for July and August at its Little Rock, Ark., headquarters. | *WER Architects Planners*

— Tom Kleckner

Kentucky Commissioner Mathews to Lead SPP State Policy

SPP announced Friday it has hired Kentucky Public Service Commissioner Talina Mathews as its director of state regulatory policy, effective Aug. 16.

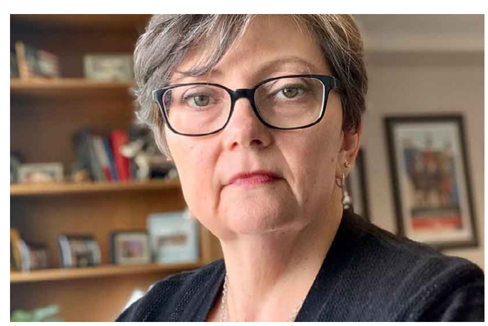
Mathews will be responsible for the RTO's state regulatory policy efforts and support the organization's work on related RTO policy matters. She was appointed to the PSC in 2017.

Mathews has served on the Organization of MISO States and as president of the Organization of PJM States Inc. She also served as president of the Southeastern Association of Regulatory Utility Commissioners.

In a *statement*, Mathews said she was excited to join SPP during an important time in the evolution of RTOs. "The issues have become more complex, but the mission remains constant: reliability of the bulk wholesale power system."

Mathews is expected to focus her attention on the Eastern Interconnection. SPP late last year hired former Wyoming Public Service Commissioner *Kara Fornstrom* to a similar position in the Western Interconnection.

— Tom Kleckner


Kentucky Public Service Commissioner Talina Mathews | *SPP*

SPP News

FERC Dismisses Dispute Between Colorado Co-op, Xcel over QF Practices

By Amanda Durish Cook

FERC on Thursday declined to take up a dispute between a western Colorado electric cooperative and an Xcel Energy subsidiary over how qualifying facilities are connected and counted.

Holy Cross Electric Association has been locked in a disagreement with Xcel subsidiary Public Service Company of Colorado (PSCo) since trying to add a solar-and-storage generation facility to its QF collection earlier this year. The 52-MW Hunter Mesa solar facility, with an additional 50-MW battery storage capability, has yet to receive QF certification under the Public Utility Regulatory Policies Act.

FERC said Holy Cross' ask for the commission to make a sweeping decision on its and PSCo's QF procedures based on the Hunter Mesa facility alone was inappropriate (*EL21-65*).

Using its conflict with PSCo over the Hunter Mesa interconnection, Holy Cross argued that FERC should affirm that the co-op has the authority to:

- offset its capacity service obligations with PSCo through power purchased from QFs connected to its system;
- use firm transmission service to transport power from QFs over the integrated system owned by both it and PSCo;
- connect QFs to its system with its own interconnection procedures and to request new delivery points on the jointly owned system "as needed" to serve load on its system.

Holy Cross also asked that the commission find that Xcel's interpretation of their power supply agreement (PSA) and transmission integration and equalization (TIE) agreement are flawed. The co-op said it has the "absolute right" to purchase capacity from QFs and have the purchases exempted from the PSA. The co-op argued that PSCo offers capacity offsets for its purchases from a nearby biomass QF.

Holy Cross linemen | *Holy Cross Energy*

But PSCo countered that in this case, Holy Cross will purchase QF output from Hunter Mesa that would exceed local load requirements and create an imbalance between generation and load. The company maintained that surplus power injections are not entitled to firm transmission service on the integrated system under the TIE agreement.

PSCo said "a new delivery point is not appropriate where Holy Cross' loads are already adequately served under the existing delivery points and the express purpose is instead to inject power onto the grid."

PSCo also said that because it operates the integrated system between itself and Holy Cross, it must process the Hunter Mesa interconnection request and determine whether a new delivery point is warranted. It further argued that the point of interconnection Holy Cross was eyeing for Hunter Mesa is located on a 138-kV line on its transmission system and that the facility would need to become an interconnection customer under the Xcel tariff.

Holy Cross countered that its QF purchases are for delivery to its own load. It also said there's nothing in the PSA or TIE agreement that "limits the right to capacity offsets to the amount equal to or less than the local load."

FERC dismissed Holy Cross' petition without addressing the arguments.

"In its petition, Holy Cross provided its proposed arrangement with Hunter Mesa as an example of a QF located on Holy Cross' system. However, Holy Cross' petition actually seeks relief for QFs more generally, and the petition is not limited to Hunter Mesa. In this case, we find that, given the facts and circumstances presented, it would be improvident to make the more generic findings regarding QFs that Holy Cross seeks," the commission said.

FERC also said it would not interpret the PSA and TIE agreement at this time.

"Even if we were to interpret the petition to seek relief regarding Hunter Mesa specifically, Holy Cross' assertions are too speculative upon which to base a determination. With respect to Holy Cross' request that the commission find that PSCo's interpretation of the PSA and TIE agreement violates the filed rate, we similarly find on this record that it would be improvident to address whether PSCo by its interpretation has violated the filed rate." ■

SPP Markets and Operations Policy Committee Briefs

Renewable Developers Applaud SPP's Plan to Reduce GI Queue's Backlog

Renewable developers were effusive in their praise as stakeholders endorsed SPP's plan to resolve a four-year backlog of generator interconnection requests by 2024.

"You've set an example for the other RTOs to follow," EDF Resources' Arash Ghodsian said during last week's virtual Markets and Operations Policy Committee meeting. "We see the light at the end of the tunnel."

Matt Pawlowski, NextEra Energy Resources | *SPP*

"When we started off this process, all of us in the development community said, 'Naw, this isn't going to work,'" NextEra Energy Resources' Matt Pawlowski said. "Then we worked though the stakeholder process and came up with a proposal that works."

The strategy is simple enough: reduce restudies through development milestones, increasing financial commitments, and simplifying and reducing study timelines.

"We are confident that advancing these recommendations will resolve the backlog within three years," said SPP's GI manager, Juliano Freitas.

Bold words, considering SPP's GI queue has a backlog of just over 100 GW from 533 requests, some dating as far back as 2017. Staff have grouped those requests into seven study clusters. One cluster is already going through a restudy, while a second, with 112 active GI requests from 2017, has just begun the process.

"We don't want to stop here. We want to push you guys. … We think we can beat this 2024 time frame by really focusing on getting those studies to be more efficient," Pawlowski said.

Renewable resources make up the bulk of SPP's GI requests. In March, the queue stood at 84.1 GW, with renewable and storage requests totaling 79 GW of that amount.

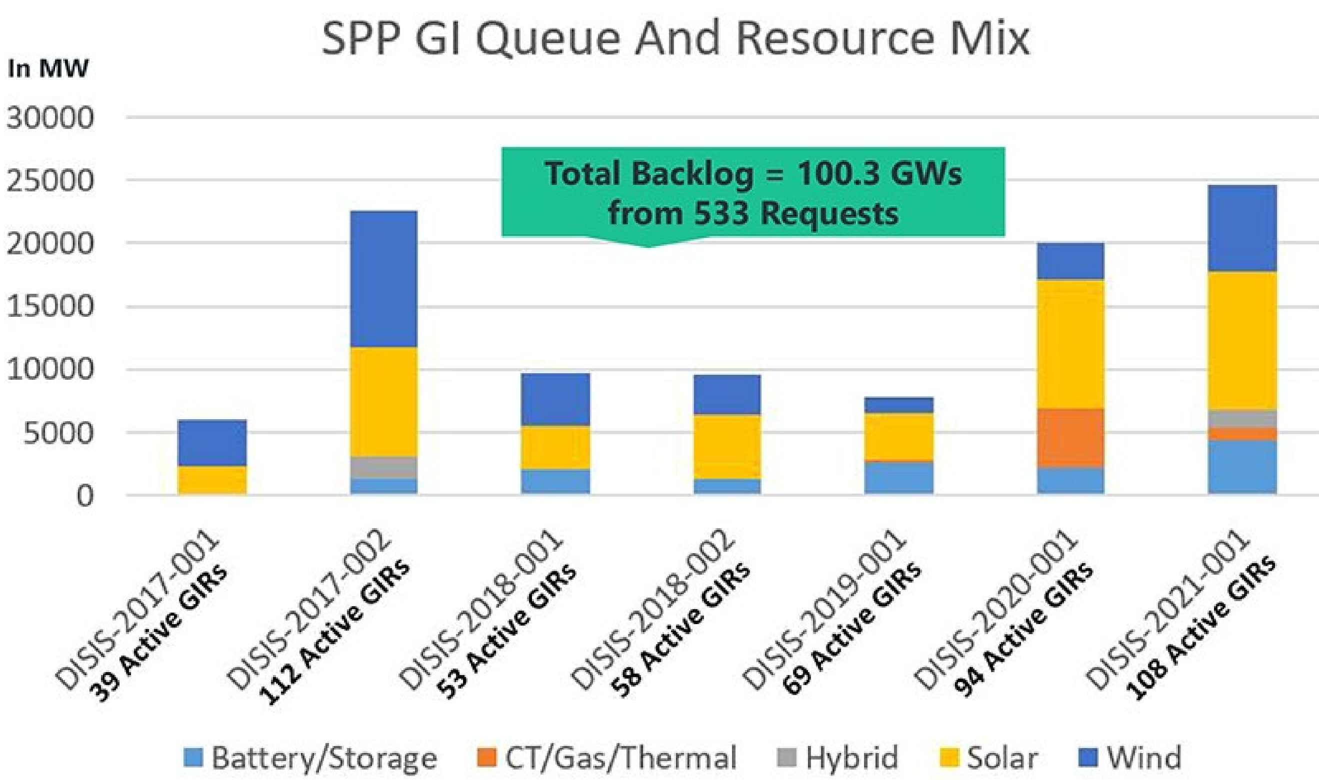
Antoine Lucas, SPP's vice president of engineering, said GI request withdrawals trigger restudies, which extends the timeline. Market participants have blamed renewable developers in the past for using the interconnection queue as a means of determining their projects' validity.

Withdrawals have "been the big driver for the backlog issue we have today," Lucas said. "We could be more efficient, and we are working on it."

"We're trying to reduce the number of restudy requests. We have to reduce the uncertainty by imposing different rules in the process," Freitas said. "Basically, we have to be more efficient in the restudies."

The plan was developed in conjunction with and endorsed unanimously in May by the Strategic and Creative Re-engineering of Integrated Planning Team (SCRIPT). The team has been doing an in-depth evaluation and consolidation of the RTO's various transmission planning and applicable cost-allocation processes.

Freitas said the proposal is only meant to reduce the current GI backlog and ensure FERC doesn't create its own requirements for SPP.



SPP's current backlog of generator interconnection requests dates back to 2017. | *SPP*

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SCRIPT recommended and approved doubling requests' minimum financial security to $4,000/MW and making 25% of it at-risk after the end of the RTO's definitive interconnection system impact study's first decision point. Increasing the financial commitment is also expected to reduce the number of withdrawals and requests.

Staff are also developing a "transitional queue advancement" that will be vetted by SCRIPT. Eligibility would be expanded to include load-serving entities, offering requests a chance to move up into the 2018-19 cluster.

The plan is scheduled to be brought before the board in October and a filing made at FERC in November. The backlog-clearing proposal will also be filed at the commission the same time.

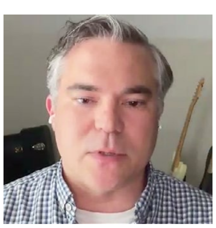
Tx Planning Mitigation Gets OK

The MOPC also endorsed approved staff's recommended mitigation plan for transmission-planning work, which would clear up another long-running issue that has bedeviled the grid operator.

SPP's planning staff, already swamped with other studies, have been trying to work on three Integrated Transmission Planning (ITP) studies at the same time. The 2021 ITP has been in red status since early this year, meaning it can't meet its scheduled October 2021 end date even with mitigation efforts.

Staff reviewed the ITP processes and other planning initiatives and brought a mitigation plan to stakeholders. However, MOPC rejected that proposal by a couple of percentage points. (See "Overburdened with Tx Planning Work, Staff Looks for Help," *SPP MOPC Briefs: April 12-13, 2021*.)

This time, the committee gave a revised version of the mitigation plan a 97% approval vote. It waives the requirements to perform all of the 2021 assessment's benefit metrics, performing only the adjusted production cost metric. The plan also waives the tariff requirement that the 20-year ITP assessment be performed at least once every five years, pushing its due date to April 2023, skips some sensitivities and will reuse the 2022 scope in 2023.



Casey Cathey, SPP | *SPP*

"This keeps the 2021 ITP on track and within this calendar year," Casey Cathey, SPP's director of system planning, told the committee. "It will have nice ripple effects in 2022. We're not starting from scratch … and it reduces consultants' costs."

February Storm Review Nearly Complete; MMU Issues Report

COO Lanny Nickell gave a high-level overview of SPP's comprehensive review of its performance during the February winter storm, which will be presented in greater detail to the Board of Directors and Members Committee next week. (See "Winter Storm Review," *SPP MOPC Briefs: April 12-13, 2021*.)

Nickell has been editing a report encompassing the work of five parallel workstreams that have been digging into February's events, when SPP had to shed load for the first time in its 75-year history.

The teams, focused on operational, financial, communications, regulatory and market monitor reviews, have been meeting mostly behind closed doors in identifying 22 recommendations for preventing a similar event. The recommendations have been divided into three tiers: those that deal with the root cause, those that would improve SPP's response and everything else. The categories include fuel assurance, resource planning and availability, communications, and emergency response process and planning.

Nickell declined to share much detail on the report, citing the ever changing data and the sensitive nature of documenting the findings. An executive session was held last month, drawing 254 staff members and stakeholders.

"If you haven't reviewed the details of the report, there will be a lot of opportunities in the future," Nickell said. "As we develop the policies and perform the assessments, there will be many, many opportunities for your involvement and feedback."

The day after the MOPC meeting, SPP's Market Monitoring Unit released a *report* it developed independently in conjunction with the RTO's comprehensive review. The report covers lessons learned and offers recommendations in pointing a finger at the unavailability of natural gas supplies, as have similar studies on the storm's devastating effects on the ERCOT grid.

"At the very heart of the cold weather event, natural gas plants were unavailable to generate," the MMU's report says. It notes gas-fired plants could not obtain fuel because they did not have enough credit when prices soared into triple figures, or there was not gas available at any price.

That led the Monitor to recommend accounting for "more granular approaches" to measuring capacity, including seasonality and forced outage rates. "Availability may require resources to have secondary or backup fuel sources, or alternatively storage capabilities," the MMU said.

The Monitor also recommended "meaningful incentives" for availability, a seasonal or more frequent resource adequacy requirement and that SPP plan for shocks to generator availability.

Uncertainty Product Endorsed

The Market Working Group ended several years of work on an uncertainty product by gaining the MOPC's strong endorsement of a revision request (*RR449*) that will add the product to SPP's market offerings.

America Electric Power's Richard Ross, who chairs the MWG, said his company still has some concerns over the product, "but at this point, we don't have a better solution."

"We're ready to move forward and see about getting this approved at FERC," he said.

Southwestern Power Service's Bill Grant agreed that SPP doesn't have a better product for the time being, but pointed out that it gives the operators another tool.

"I don't think this is a finished product by any means. It will have to be monitored and modified," he said.

The change, a Holistic Integrated Tariff Team recommendation, is designed to enable a market-based approach to manage uncertainty by procuring resource flexibility to respond to net load variations within a defined time horizon. The MWG said the product will increase reliability by factoring statistical uncertainty impacts into both commitment and dispatch; reduce make-whole-payments and the price suppression resulting from out-of-market actions to maintain reliability; and provide transparent prices and a new revenue stream for online and offline resources that participate.

The Strategic Planning Committee (SPC) unanimously endorsed the measure during its

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meeting Wednesday.

The MOPC also endorsed:

- a joint recommendation (*RR414*) by the Operating Reliability Working Group and the Operations Congestion Management Task Force to develop recommended initial effective limits for reliability coordinators based upon previous experience or analysis that can be used for flowgates during congestion management events and reduce system operating limit exceedances. The revision's 74% approval was the lowest of the votes taken.
- the Regional Tariff Working Group's revision request (*RR432*) that defines which generation outages qualify for compensation, removes opportunity costs from consideration for compensation, removes the preliminary transmission provider approval step prior to rescheduling an outage and specifies the provider's use of revenue neutrality uplift to recover generation outage compensation costs.
- the Supply Adequacy Working Group's proposal to replace the planning criteria's current accreditation methodology for wind and solar resources with effective load-carrying capability methodology (*RR418*). The change takes into account the variability of wind and solar resources during peak load hours.

Continental Resources, L&O Power Join MOPC

The committee increased its membership to 93 with the addition of Continental Resources and L&O Power Cooperative. Both companies have been assigned a MOPC mentor as part of their onboarding process.

Oklahoma City-based Continental, a petroleum and natural gas exploration and production company, became SPP's 105th member on May 1. It is the RTO's third-largest retail customer, next to Walmart and Google.

Iowa-based L&O joined SPP earlier this year. (See "L&O Joins the RTO," *SPP Board/Members Committee Briefs: April 27, 2021*.)

Continental Resources has joined SPP as its 105th member. | *SPP via Twitter*

SPP to Receive Inverter-based Data

Members approved *RR430* by 89% after it was pulled off the consent agenda over concerns about the level of information it required from manufacturers of inverter-based resources. Without all the necessary data on the machines, SPP will have to use generic information that could result in more conservative operations and increased costs, MOPC Chair Denise Buffington, with Evergy, said in a report to the SPC the next day.

The Advanced Power Alliance's Steve Gaw said the RR's language implies the required data would pass through the developers to SPP, without a provision "that necessarily protects the manufacturer."

"We've had multiple calls with members as well as the original equipment manufacturers. We handle confidential data all the time," Cathey said.

Cathey said NERC staff believe they have the ability to require the data and they are working on a standard authorization request. In the meantime, the RR will allow SPP engineers to use a screening tool to analyze connecting the resources in weak areas of the transmission system to avoid control interactions leading to inverter instability.

The MOPC unanimously approved an otherwise light consent agenda that included four RRs:

- *CPWG RR446*: provides an alternative method for a credit customer unable to meet SPP's minimum capitalization requirements to participate in the Integrated Marketplace by including transmission congestion rights credit-exposure calculations in the financial security requirements.
- *MWG RR440*: adds language to outline the registration process for dispatchable demand response resources.
- *RTWG RR439*: resolves a conflict between business practice 7070, related to the assignment and novation of designated transmission owners in SPP's competitive transmission process, and the tariff.
- *TWG RR438*: corrects omitted revisions in the modeling policy for GI requests, adding that it should apply to off-peak periods during the light-load season. ■

— Tom Kleckner

Company Briefs

Berkshire Hathaway Abandons Natural Gas Pipeline Deal

Berkshire Hathaway said last week it is abandoning its purchase of a Questar natural gas pipeline from Dominion Energy and will receive a $1.3 billion refund on the proposed purchase. The deal was also supposed to include $430 million of Dominion's debt.

Berkshire backed away from the deal due to uncertainty about whether it could get regulatory approval. Dominion said it still plans to sell Questar and will work to find another buyer by the end of the year.

More: *The Associated Press*

Chevron Hit with Lawsuit Over Gas Deliveries During Texas Freeze

Cailip Gas Marketing, a Texas natural gas marketer, last week sued a unit of Chevron USA in Houston federal court asking for nearly $85 million from the oil giant for failing to make natural gas deliveries during the deep freeze in February.

Cailip is accusing Chevron Natural Gas of breaching a sales contract by delivering lower-than-agreed volumes of natural gas to a Houston facility just as Winter Storm Uri knocked out power and sent natural gas spot prices soaring. Cailip said Chevron agreed to deliver 90,000 million British thermal units of gas daily but did not make full deliveries from Feb. 14 to Feb. 22.

More: *Reuters*

Enel Green Power Buys 3.2 GW of US Solar Projects

Enel Green Power North America last week announced it has acquired 24 development-stage solar projects in the Mid-Atlantic, Midwest and Western U.S. with a combined capacity of 3.2 GW.

The projects are in New Jersey, Pennsylvania, Delaware, West Virginia, Missouri and Colorado, including 450 MW of storage capacity tied to some of them. They are planned for commercial operation beginning in 2023.

More: *Renewables Now*

US Urges Chevy Bolt Owners to Park Outside Due to Fire Risks

The National Highway Traffic Safety Administration last week urged about 50,000 owners of General Motors' electric Chevrolet Bolt vehicles to park outside and away from homes after charging because of fire risks. The recommendation was prompted after GM said it was investigating reports of two recent fires in vehicles that were recalled in November for fire risks.

The 50,000 Bolts are from the 2017-2019 model years and were recalled for the potential of fire in the high-voltage battery pack underneath the backseat's bottom cushion.

More: *Reuters*

Vistra Accelerates Closure of Ohio Coal Plant to Mid-2022

Vistra last week announced it will close the Zimmer Power Plant in Moscow, Ohio, by mid-2022. The company had previously announced the plant would retire no later than 2027.

The early retirement decision comes after the plant failed to secure any capacity revenue in the latest auction held in May by PJM.

Vistra plans to retire the site on May 31, 2022, and will evaluate the site for potential investment in renewables or grid-scale battery storage by using existing infrastructure.

More: *Vistra*

Federal Briefs

Democrats Seek to Tackle Climate Change with Import Tax

A senior Democratic aide said that the $3.5 trillion budget deal key Senate Democrats reached this week would propose "polluter import fees" but did not include specifics.

The tax would be on imports from countries that don't have strong policies aimed at combating climate change. However, Democratic lawmakers still must determine how exactly they want to design the import tax proposal. Many tax and climate policy experts questioned the idea of pursuing the import tax when the U.S. doesn't have a federal carbon price of its own.

More: *The Hill*

NuScale Nuclear Reactor Project Downsized

Planners of the Carbon-Free Power Project last week announced the project has been downsized. Initially planned as 12 interconnected miniature nuclear reactor modules to produce 600 MW, the number was revised to six module reactors that produce 462 MW after it was found that the reactors could be more power-efficient.

The project developed by Utah Associated Municipal Power Systems and reactor producer NuScale received $1.4 billion from the Department of Energy last year. The reactor is to be built on the DOE's 890-square mile desert site west of Idaho Falls at Idaho National Laboratory and is expected to be running by 2029.

So far 28 participants have committed to a total of 103 MW.

More: *Post Register*

White House Appoints New Director to Steer Climate Change Report

The Biden administration last week tapped scientist **Allison Crimmins** from the EPA to guide the government's next authoritative report on the consequences of climate change.

The report, known as the National Climate Assessment, is due out by the end of 2023 and is a congressionally mandated effort intended to support federal climate policy.

Crimmins has worked for the past two years coordinating climate work done by the policy and research arms at the EPA. Before that she spent nearly eight years engaged in the EPA's climate change science assessment work. She takes over for Betsy Weatherhead, who was removed from the position and reassigned.

More: *The Washington Post*

State Briefs

CALIFORNIA

Hayward Power Plant Allowed to Resume Operations After Explosion

The Russell City Energy Center was allowed to go back online last week following a recent explosion. The natural gas plant had been shut down since May.

The Energy Commission acknowledged that the incident was serious and deserves more follow up but chose to support the reopening due to the threat of outages in the state.

More: *KPIX*

Liberty Utilities Proposes Rate Hike for Fire Prevention

Liberty Utilities last week sent a proposal for a rate increase to the Public Utilities Commission; the money would be used to harden its systems to reduce wildfire risk, increase vegetation management, and cover the cost of wildfire insurance.

Liberty customers recently received a notice informing them of possible rate increases of about 41% ($48) per month in the winter and 42% ($37) in summer.

If the commission approves the proposal, rates will not be impacted until 2022.

More: *Tahoe Daily Tribune*

COLORADO

Garfield County Commissioners Agree on Solar Facility

Garfield County commissioners last week unanimously approved a 5.38-MW solar facility east of Colorado Mountain College.

Ameresco Solar, the developer, said the project will include three separate arrays.

Construction is expected to begin later this summer and take eight months to complete.

More: *The Aspen Times*

CONNECTICUT

PURA Finalizes Fines for Eversource, United Illuminating

The Public Utilities Regulatory Authority last week gave its final approval for a $28.6 million civil penalty against Eversource and a $1.2 million civil penalty against United Illuminating for what the authority called the companies' failures in their preparations and responses to Tropical Storm Isaias.

The penalties are in addition to profit reductions that will cost Eversource about $31 million a year and United Illuminating about $1.3 million a year.

More: *NBC Connecticut*

ILLINOIS

McLean County Approves Wind Farm

McLean County board members last week approved a proposed 250-MW wind farm by Sapphire Sky Wind Energy and Invenergy. The board accepted the application by an 18-0 vote after the Zoning Board of Appeals approved the wind farm last month.

The $350 million project calls for 64 590-foot turbines in Bellflower and West townships.

Construction could begin as soon as this fall.

More: *The Pantagraph*

INDIANA

Madison County's Solar Moratorium Expires

Madison County's moratorium on the construction of commercial solar parks, in effect since 2019, expired two weeks ago.

The expiration means companies interested in starting a commercial solar park can submit applications under the terms of the existing ordinance adopted in 2017.

A more restrictive solar ordinance has been presented to the Madison County Plan Commission that could include a property value guarantee for surrounding landowners and limits the placement of a solar park to no more than 20% of the county's prime agricultural land.

More: *The Herald Bulletin*

KENTUCKY

PSC Rejects Proposal to Keep Coal Plant Open Past 2028

The Public Service Commission last week rejected Kentucky Power's request for a certificate to implement and recover costs for federally required environmental upgrades at the Mitchell coal plant that would keep it operational for another 19 years.

The PSC found that Kentucky Power failed to prove that a project to keep the plant in compliance with limitation guidelines regulating wastewater discharges at coal-fired facilities was cost-effective.

Instead, the commission approved another plan that completed enough environmental upgrades to keep the plant federally compliant and operating through 2028.

More: *Charleston Gazette-Mail*

MONTANA

Butte Denies Permit for Solar Project

The Butte-Silver Bow Zoning Board last week voted 5-0 to deny a special use permit to build a 1,600-acre solar array.

Board members denied the permit due to the size of the $250 million array, saying it would undeniably change the landscape of those who live in the area.

More: *Montana Standard*

NEW YORK

PSC Approves Storage Project

The Public Service Commission last week approved a Certificate of Public Convenience and Necessity for the 100-MW East River Energy Storage project.

The project, which is being developed by 174 Power Global in Astoria, Queens, has been contracted by Con Edison.

More: *Renewables Now*

OREGON

PGE CEO Warns of Possible Power Cuts

Portland General Electric CEO Maria Pope last week said the utility is prepared to cut power in some areas to prevent wires from sparking fires in dry and windy conditions this summer.

Pope said the shutoffs would come as a last resort.

PGE has done only one preventative outage before, cutting off 5,000 customers in September as wildfires burned near Mt. Hood. The Public Utility Commission also adopted temporary rules in May to improve communication between utilities and customers when shutoffs occur.

More: *Bloomberg Green*

PENNSYLVANIA

PUC Approves Settlement over Revolution Pipeline Explosion

The Public Utility Commission last week approved a $1 million settlement made last December with Energy Transfer for safety violations in a 2018 natural gas pipeline explosion that destroyed a home.

The Revolution Pipeline ruptured and exploded after heavy rains caused a landslide in Beaver County. The new 24-inch diameter pipeline was just being brought into service when the failure occurred.

Under the settlement, Energy Transfer does not admit it violated the safety regulations alleged by the PUC's Bureau of Investigation and Enforcement, however it will conduct five annual inline inspections of the pipeline through 2025.

More: *Pittsburgh Post-Gazette*

VIRGINIA

Fairfax County Pledges Carbon Neutrality by 2040

Fairfax County last week announced a goal to become carbon neutral by 2040 in its energy use for government operations.

In addition to increasing solar power usage, the county pledged to transform the Fairfax Connector diesel bus fleet to an electric fleet and reduce energy costs in all government buildings.

More: *WDVM*

WISCONSIN

PSC Approves Solar-plus-Storage Project

The Public Service Corporation last week unanimously approved the 325-MW Darien Solar Energy Center.

The project, which will sit on about 2,000 acres, includes 250 MW of solar generation and a 75-MW storage system.

More: *Wisconsin State Journal*