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RTO Insider

YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKETS

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

CAISO

FEATURED STORY:

PG&E Building 'Remote Grids' in Fire-prone Areas

(p.5)

ISO-NE

Conn., ISO-NE not Seeing Eye to Eye on Winter Reliability Worries

(p.12)

ERCOT

Insurance Companies Suing ERCOT, Generators

(p.11)

Southeast

Santee Cooper Joins SEEM

(p.3)

CAISO

Calif. Governor Proposes Billions for Clean Energy

(p.10)

ISO-NE

FERC Accepts ISO-NE Request to Terminate Killingly CSO

(p.13)

MISO

Near-emergency Follows MISO's Winter Warnings

(p.16)

NYISO

New York TOs Defend New Public Policy Tx Category

(p.17)

NYISO

New York to Invest $500M in OSW Infrastructure

(p.18)

COVER: PG&E developed its first remote grid system to support Briceburg, Calif., an isolated community that had previously lost service because of burned power lines. | *BoxPower*

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In this week's issue

Southeast

Santee Cooper Joins SEEM

Market to Enter Operation this Year

By Holden Mann

South Carolina state-owned electric and water utility South Carolina Public Service Authority (Santee Cooper) has agreed to join the Southeast Energy Exchange Market (*SEEM*), the company said Thursday.

The move adds Santee Cooper to the list of "founding members" of SEEM, which comprises nearly 20 utilities across 11 states including Southern Co., Dominion Energy South Carolina, LG&E and KU, the Tennessee Valley Authority and Duke Energy. SEEM's members said last month they plan to launch the market in the third quarter this year. (See *FERC Rejects SEEM Opponents' Rehearing Requests*.)

Santee Cooper's embrace of SEEM shows the support the concept has gained in the energy industry since its supporters submitted the proposed agreement to FERC last February. Proponents say the planned expansion of bilateral trading across the Southeast will reduce trading friction through the introduction of automation, eliminating transmission rate pancaking and allowing 15-minute energy transactions, while also promoting the integration of renewable resources.

In a press release, Santee Cooper Deputy CEO Charlie Duckworth said the utility is "excited by the opportunities SEEM will offer our customers, including better capability for integrating renewables and savings from lower fuel costs and improved efficiencies."

The SEEM agreement took effect in October after FERC — which at the time had just four commissioners after the departure of Neil Chatterjee — split 2-2 over whether to approve the measure. Because it had been more than 60 days since supporters' response to FERC's last deficiency letter, the measure automatically became enforceable under *Section 205* of the Federal Power Act. (See *SEEM to Move Ahead, Minus FERC Approval*.)

Since then the commission has approved revisions to four of the participating utilities' tariffs implementing the special transmission service used to deliver the market's energy transactions. (See *FERC Accepts Key Tariff Revisions to SEEM*.) Members have also submitted further changes to the commission that would implement a series of "transparency enhancements" to the market. (See *SEEM Members Embrace Market Changes*.)

Santee Cooper is South Carolina's largest power provider and the ultimate source of electricity for 2 million people across the state. The utility's fate has been up in the air in recent years after losing billions in 2017 on a failed project to expand a nuclear power plant, which led the state to put it up for sale in 2019. Florida-based NextEra Energy put in the highest bid but *withdrew its offer* last April when it became clear that South Carolina lawmakers lacked the votes to approve the sale because of concerns that it would lead to layoffs and higher electric rates.

Instead of selling the utility, lawmakers *voted through* a package of measures that included removing nine of the 10 members of the utility's board of directors and restricting severance pay for any terminated executives. The changes also gave state regulators more power over Santee Cooper by allowing them to review its future generation plans and power forecasts and to require public hearings and government oversight ahead of future rate increases. ■

Clean Energy Group Hopes New TVA Board will Push SEEM Toward RTO

By Amanda Durish Cook

| *TVA*

A clean energy group that fears the Southeast Energy Exchange Market (SEEM) will stifle renewables is hoping that new appointees to the Tennessee Valley Authority will eventually lead to a more cost-efficient RTO.

The TVA board of directors will soon vote on whether to integrate into the new market. It next meets Feb. 10.

Maggie Shober, research director for the Knoxville, Tenn.-based Southern Alliance for Clean Energy (SACE), said President Biden's four nominees to the TVA board could shake up the agency's prevailing opinion on SEEM.

"I think they could take a critical look at SEEM and see if it aligns with their vision and the administration's vision on what TVA could be and how they could lead the clean energy transition," she said in an interview with *RTO Insider*.

However, Shober noted that Biden's nominees have yet to receive a hearing. All five current TVA *board members* were appointed by former President Donald Trump. Only Jeff Smith has an energy background.

Shober also noted that two more board seats will open in May, when Smith's and A.D. Frazier's terms expire. At that point, the TVA board would dip below quorum.

Southeast

Shober said SEEM would block independent and small developers' renewable projects, and its design wouldn't dictate any changes to utilities' integrated resource plans.

"The IRP point is important because SEEM will not encourage or prevent any renewable development," Shober said. "That's not only likely to not be enough, but it will keep projects uncertain. You have to know that there's going to be a buyer, and a buyer that is not going to block a project."

SEEM is set to go live later this year. (See *SEEM to Move Ahead, Minus FERC Approval* and *Panelists: SEEM Can't Be Southeast's End Goal*.) SACE joined the Sierra Club, the Sustainable FERC Project, the Natural Resources Defense Council and other Southern public interest organizations in *opposing* SEEM's creation.

"There are so many question marks about how this will work in practice and not lead to market manipulation," Shober said, adding that SEEM participants seem to be "trying hard to preserve their business models" while avoiding a new RTO or energy imbalance market.

TVA has a goal to lower its carbon emissions 80% from 2005 levels by 2035; it plans to achieve net-zero carbon emissions by 2050.

TVA spokesperson Ashton Davies said the federal utility is "committed" to SEEM.

"SEEM will provide an avenue for TVA and neighboring utilities to more easily buy and sell energy intra-hour, including excess renewable energy," she said in an emailed statement. "This platform aims to lower customer costs and optimize renewable energy resources, which supports TVA's mission of serving the valley."

TVA currently operates or contracts more than 1.6 GW of solar power.

Shober's preferred approach is one where the Southeast and TVA create their own RTO, something she admits is a "long shot." But she says SEEM might be useful in the long run.

"If there's anything that comes out of the SEEM development, it's that the utilities can work together and be constructive with something," she said.

However, Shober said SEEM will likely derail more efficient and green market designs under consideration in the Southeast that could hasten a clean energy transition.

And she doubts that SEEM can evolve into a more fleshed out market for its participants. "I think the way it's setting up with an algorithm and no central governance makes it harder to adapt it into something else," she said.

A Vibrant Clean Energy *report* last year showed that an RTO design would save the Southeast $119 billion over a SEEM model by 2040. The report also said an RTO would facilitate the utilities' clean energy goals and create about a million new jobs in the electricity sector.

Shober said she believes SEEM serves to dampen growing interest in a wholesale energy market in the Southeast.

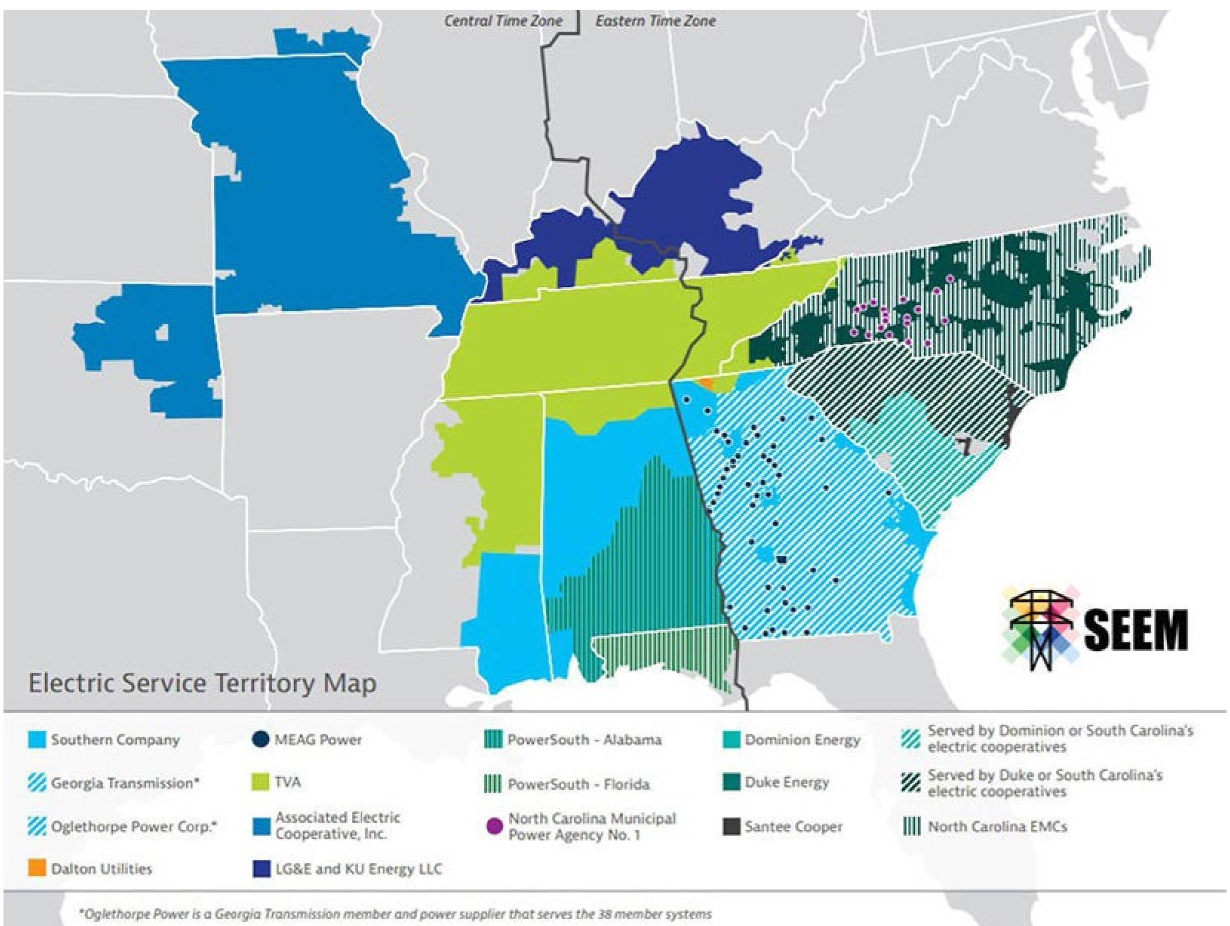
"I think utilities were hoping to quell some of that," she said. "This is not the kind of savings you'd see under an RTO."

SACE has said that the SEEM utilities' savings claims of $40 million annually would, at most, amount to $1/year for residential customers whose utilities are served by the new market.

Shober said TVA's inclusion will give SEEM a needed east-to-west direction. She pointed out that Associated Electric Cooperative Inc. likely wouldn't be able to connect with Duke Energy or Southern Co. without TVA's participation in the new market.

Shober also said documents obtained through a recent request under the Freedom of Information Act from SACE show that TVA — along with Southern and Duke Energy — spearheaded SEEM's creation as early as last January.

"It's pretty clear that TVA was involved in developing the SEEM idea from the get," Shober said. ■



Map of Southeast Energy Exchange Market's footprint | *SEEM*

PG&E Building 'Remote Grids' in Fire-prone Areas

By Elaine Goodman

Pacific Gas and Electric plans to build more standalone "remote grids" in California this year, allowing the utility to remove distribution lines serving small groups of isolated customers as a way to reduce wildfire danger.

After finishing its first remote grid project in Briceburg last year, PG&E said it was setting a target of having up to 20 remote grids up and running by the end of this year.

And community choice aggregators are partnering with PG&E on some of the projects. Sonoma Clean Power, which serves Sonoma and Mendocino counties, is hoping to have its first remote grid project completed within a year.

Sonoma Clean Power CEO Geof Syphers said the remote grids could increase the use of clean energy, decrease wildfire risk and reduce costs to electric ratepayers.

"It could be a triple win," Syphers told *RTO Insider*.

PG&E last year developed its first remote grid system to support Briceburg, Calif., an isolated community in Maricopa County that had previously lost service because of burned power lines. | *BoxPower*

Solar, Storage and Backup

PG&E decided to build the Briceburg remote grid after the 2019 Briceburg Fire destroyed a distribution line serving five customers. The power line ran across rugged terrain in a high fire-threat area near Yosemite National Park.

The Briceburg remote grid consists of solar panels, battery storage and backup propane generators. It serves two homes, a visitor center, and telecommunications and transportation facilities.

The remote grid uses ground-mounted and container-mounted solar panels provided by BoxPower, a Grass Valley-based company. The containerized microgrid system may streamline development of future remote grids at similar sites, according to a *release*.

The remote grid includes a fire suppression system, and PG&E and BoxPower can monitor and control the grid via satellite.

The system is expected to provide up to 89% renewable energy per year.

"This hybrid renewable option reliably powers five customers without the need to rebuild the overhead line, and the remote grid is intended to meet customer needs at lower lifetime costs and a significantly lower risk of fire," PG&E spokesperson Paul Doherty said in an email.

PG&E said there are hundreds of potential sites for remote grids in its service territory. The company is evaluating high fire-threat areas in El Dorado, Mariposa, Sonoma, Tulare and Tehama counties.

Lessons learned from Briceburg and other early projects will guide PG&E's remote-grid expansion, the company said.

PG&E plans to provide an update on the remote grid program next month when the company files its 2022 Wildfire Mitigation Plan.

CCA Involvement

Community choice aggregators are helping PG&E with remote grid projects by reaching out to customers who might be good candidates for joining a remote grid.

Syphers at Sonoma Clean Power said the outreach includes a discussion on how to maximize the use of renewable energy. Thus far, one customer has agreed to a 100% renewable system, he said.

The trade-off for 100% renewable is the potential for reduced reliability, Syphers said. But he noted that customers might already be experiencing periods of public safety power shut offs while overhead distribution lines stay in place.

Syphers said a typical remote grid site would include one to three customers at the end of a power line running through a high fire-threat area.

Electric use for a remote grid should be on a residential scale, he said, although some non-residential uses such as agricultural water pumping could be accommodated.

It's ultimately up to PG&E to decide whether a remote grid makes sense for a particular site, Syphers said. One factor is how the cost of a remote grid compares to the cost of hardening an overhead distribution line in a high fire-threat area, which could involve replacing bare overhead conductor with covered conductor, installing sturdier poles or moving the line underground.

"This is an opportunity to just be smarter about how we're using ratepayer dollars," Syphers said.

Sonoma Clean Power's remote-grid planning also includes a "top-to-bottom" energy-efficiency retrofit.

Syphers said he could envision larger remote grids that include seven to 10 customers, but he noted that all customers must be willing participants.

"It could grow as we learn more," he said. ■

CAISO/West News

CAISO Working Groups Start EDAM Design

By Hudson Sangree

Three stakeholder working groups charged with designing key elements of CAISO's proposed day-ahead market for the West began work last week and plan to meet twice weekly until mid-March to finish the job.

The groups' intensive schedules reflect the importance of the extended day-ahead market (EDAM) in CAISO's bid to broaden its Western Energy Imbalance Market (WEIM) from a real-time to a day-ahead market in the next two years.

The *working groups* must address some of the thorniest issues that could threaten EDAM's viability, including resource sufficiency evaluations, transmission commitments and greenhouse gas (GHG) compliance, all of which could provoke dissent among would-be participants.

Previous stakeholder complaints about transmission rights and other matters, along with the energy emergencies that CAISO faced in summer 2020, put the EDAM initiative on hold until last fall, when the ISO revived it. (See *CAISO Reconvenes EDAM Stakeholder Meetings* and *EDAM Design Could Undermine Tx Rights, Critics Say*.)

Composed of WEIM member representatives, the working groups are starting with a broad set of design principles developed last year by a select group of stakeholders. Group members can accept or rework the design principles; they also must try to agree on more detailed design elements.

"A lot of the opportunity that exists here is that there aren't any hard-and-fast rules other than the principles, which are subject to reevaluation as well. Nobody is stuck in any deep details," Kevin Smith, a lawyer representing the Balancing Authority of Northern California, said Jan. 3 in the first meeting of *working group 1* on supply commitment and resource sufficiency evaluation (RSE).

RSE became a controversial issue in the WEIM when CAISO updated it last year to include measures dealing with the uncertainty of weather-dependent renewable resources, transmission outages and other variables. Some contended the "uncertainty" components of the RSE skewed test results and led to failures.

Participants also raised concerns around demand response resources, capacity counting rules and consideration of load conformance. (See *CAISO Reevaluating WEIM Resource Sufficiency Test*.)

CAISO wants to create a day-ahead market for the West. | © *RTO Insider LLC*

The resource sufficiency test is meant to ensure that each WEIM participant has enough capacity and ramping capability to supply its own needs and to prevent participants from "leaning" on the market to meet internal demand.

The RSE for WEIM's well-established real-time market is being reexamined in a stakeholder initiative, while the working group must wrestle with resource sufficiency in the proposed day-ahead market.

"Consistent with the 'prevention-of-leaning' concept supported by the existing EIM resource sufficiency test, the EDAM would have robust resource sufficiency requirements," the *common design principles* say. "This test would be developed and applicable to all participating entities in order to qualify for EDAM market participation each day."

The initial list of *questions* for working group 1 include, "What resources qualify for showing within the EDAM RSE?" and "What is the expected granularity and detail of the EDAM RSE?"

The *second working group*, which held its initial meeting Jan. 4, is addressing transmission commitment and congestion rent allocation. Its common design elements include maximizing the amount of firm or high-priority transmission available to EDAM while respecting open-access transmission principles.

The group is being asked to "define how transmission across EDAM entity network is made available, including consideration of any restrictions or limitations," and to consider the timing and duration that transmission is made available, among other topics.

Working group 3, which also met for the first time Jan. 4, is weighing questions around greenhouse gas accounting, including whether state boundaries will form GHG "compliance areas" and how GHG compliance costs will be recovered.

Group 3 plans to meet every Tuesday and Thursday afternoon through mid-March. Working group 1 will meet on Monday and Wednesday afternoons during the same period; working group 2 is scheduled to meet on Tuesday and Thursday mornings until March 16. ■

CAISO/West News

Judge Refrains from Adding Time to PG&E Probation

Utility's 5-year Term for San Bruno Disaster Ends Jan. 25

By Hudson Sangree

A federal judge on Friday canceled a hearing to decide if Pacific Gas and Electric should face additional probation time after prosecutors said they would not ask for an extension based on state criminal charges.

"In light of the United States' notice … that it will not seek to prove the allegations [of probation violations] … the hearing scheduled for Jan. 10, 2022, is hereby vacated," Judge William Alsup wrote in a one-page order.

The utility's five-year probation term for felonies related to the 2010 San Bruno pipeline explosion is scheduled to end Jan. 25. Prosecutors in Sonoma and Shasta counties have charged PG&E with starting wildfires in 2019 and 2020, and Alsup said last week he would consider extending PG&E's probation based on the alleged crimes.

But U.S. Justice Department prosecutors Thursday said that they did not believe the court could extend PG&E's probation because the sentencing judge gave the utility a maximum five-year term in January 2017. Any extensions would run concurrently with that sentence, meaning PG&E would still exit probation Jan. 25, they contended.

The prosecutors acknowledged that there appeared to be no case law backing their argument, leaving the matter ambiguous. They said in their report to Alsup that the state courts where PG&E faces charges are "the proper forum for development of the evidence."

"Furthermore, if PG&E is convicted, a broader array of sentencing options will be available in that forum," the prosecutors wrote.

Alsup, with the U.S. District Court in San Francisco, told federal prosecutors on Jan. 3 that he would give "serious consideration" to a request for additional probation time for PG&E based on charges that it started the 2019 Kincade Fire in Sonoma County and the 2020 Zogg Fire in Shasta County.

A federal judge found PG&E likely violated probation by starting the Zogg Fire in Shasta County. | *Cal Fire Shasta-Trinity Unit*

PG&E has been on probation since January 2017 for six felony convictions related to the San Bruno gas pipeline explosion in September 2010, which killed eight people and destroyed a suburban San Francisco neighborhood. One of the probation conditions is that PG&E does not commit any more crimes. Alsup found in November that PG&E had likely violated the probation terms by starting the Zogg and Kincade fires. (See *PG&E Likely Violated Probation, Judge Finds*.)

Sonoma County prosecutors filed 33 criminal charges against PG&E on April 6 in connection with the Kincade Fire, a 78,000-acre blaze that injured six firefighters, destroyed 374 structures and led to mass evacuations. The California Department of Forestry and Fire Protection (Cal Fire) found that a broken PG&E transmission line sparked the blaze.

In September, the Shasta County District Attorney's office charged PG&E with four counts of involuntary manslaughter in the Zogg Fire. The wildfire killed an 8-year-old girl, the girl's mother and two others. It burned more than 56,388 acres and destroyed 204 structures.

Cal Fire concluded in March that the fire began on Sept. 27, 2020, when a leaning gray pine tree fell onto a PG&E power line in rural Shasta County. (See *PG&E Equipment Started Zogg Fire, Investigation Finds*.)

PG&E has accepted Cal Fire's findings in both cases but denied criminal liability. It is fighting the charges in court.

Alsup, often a harsh critic of PG&E, said in last week's hearing that he hopes the Shasta or Sonoma prosecutors will try to keep the utility on probation because it needs continued supervision to improve its safety practices.

Disasters caused by PG&E equipment have killed 110 people since 2010, a court-appointed monitor reported.

PG&E pleaded guilty to 84 counts of manslaughter in June 2020 for the Camp Fire, the deadliest wildfire in state history. A 100-year-old "C" hook on a PG&E transmission line broke, starting the fire that leveled the town of Paradise. (See *PG&E Pleads Guilty to 84 Homicides and Arson*.)

Prosecutors did not seek additional probation in that case. A plea deal called for PG&E to pay the maximum fine of nearly $4 million. ■

CAISO/West News

Cal Fire Finds PG&E Started Massive Dixie Fire

Nearly 1 Million-Acre Dixie Fire Burned for 103 Days through 5 Counties

By Hudson Sangree

The California Department of Forestry and Fire Protection said last week it found that a tree falling onto a PG&E distribution line last July ignited the nearly 963,000-acre Dixie Fire, the second largest in state history, which destroyed more than 1,300 structures and killed one person.

"The Dixie Fire investigative report has been forwarded to the Butte County District Attorney's Office" for possible criminal prosecution, Cal Fire said in a Jan. 4 *news release*.

Butte County prosecutors won 85 felony convictions against PG&E for starting the devastating Camp Fire in November 2018, killing 84 residents, and now are leading a coalition of five counties investigating PG&E's role in the Dixie Fire.

The finding that PG&E started the wildfire was not a surprise; PG&E said soon after the blaze began that its line may have ignited the blaze. (See *PG&E Expects $1B in Costs from Dixie Fire*.)

"As we shared in our *public statement in Chico* in July after the start of the Dixie Fire, a large tree struck one of our normally operating lines," PG&E said in a statement following Cal Fire's announcement on Jan. 4. "This tree was one of more than 8 million trees within strike distance to PG&E lines."

"Taking a bold step forward, PG&E has committed to burying 10,000 miles of lines in addition to the mitigations included in PG&E's 2021 Wildfire Mitigation Plan," the utility said. "Regardless of today's finding, we will continue to be tenacious in our efforts to stop fire ignitions from our equipment and to ensure that everyone and everything is always safe."

Last year, prosecutors in Sonoma and Shasta counties charged PG&E in the 2019 Kincade Fire and the 2020 Zogg fire. Cal Fire determined a tree that fell on a PG&E line started the Zogg Fire. The cause of the Kincade Fire remains under investigation.

PG&E acknowledged its lines likely started both fires but denied it was criminally liable for either blaze.

Federal prosecutors on Thursday said they would not ask for an extension of PG&E's probation time based on California criminal charges. (See related story *Judge Refrains from Adding Time to PG&E Probation*.)

The Dixie Fire burned for more than three months in the northern Sierra Nevada and southern Cascade ranges of California. | *U.S. Forest Service*

Monitor Findings

In November, the independent monitor appointed by the court to oversee PG&E during its probation said the utility needs to make substantial improvements in its efforts to prevent wildfires through vegetation management and grid hardening.

"Multiple years of horrific wildfires" started by PG&E equipment showed "its progress regarding wildfire mitigation obviously has been inadequate, and we doubt anyone would seriously dispute that, given the ongoing and profound safety issues in that area of operations," the law firm Kirkland & Ellis, which the court appointed monitor, wrote in its report to Alsup.

"Including the Camp Fire fatalities, over 110 people have died as a result of wildfires where Cal Fire has determined PG&E equipment was involved since the San Bruno incident," which killed 8 people, the monitor wrote.

Its reviews of PG&E safety practices showed the utility probably has missed tens of thousands of dangerous trees near its lines and failed to detect worn or broken equipment in many situations. PG&E still has a vast backlog of problems to fix from a 2019 inspection of 685,000 distribution poles, 50,000 transmission structures and 200 substations in high-fire threat districts, the monitor noted.

"There are over 500,000 tags from 2019 to present that remain unresolved to date," it said.

The monitor also expressed skepticism about PG&E's plans to bury 10,000 miles of power lines in fire-prone areas. CEO Patti Poppe announced the effort in July during the same media event in which she discussed the utility's possible role in starting the Dixie Fire. (See *PG&E Proposes Undergrounding 10K Miles of Distribution*.)

"The monitor team applauds PG&E's commitment to undergrounding to mitigate wildfire risk but notes that some serious questions and issues remain regarding PG&E's implementation of the undergrounding initiative," it said.

The utility did not give a time frame for the work but has plans to underground just 66 miles of lines this year and a total of 327 miles over the next three years, the monitor said.

Even if it greatly increases its efforts over a 20-year period, "there is substantial skepticism among PG&E field personnel that PG&E can feasibly underground more than 500 miles per year using current technology and hardening methodologies," the monitor said. ■

New Calif. Laws Help Electrify Cars, Houses

Diverting Household Organic Waste Could Increase Biogas Production

By Hudson Sangree

California laws that took effect at the start of 2022 included measures to increase electric vehicle charging, promote building decarbonization and eliminate greenhouse gasses from coal-fired cement plants.

Gov. Gavin Newsom signed most of the two dozen new energy laws last fall, but former Gov. Jerry Brown signed one of the new year's most significant measures — *Senate Bill 1383* — in 2016, with its implementation partially delayed five years.

SB 1383 sought to reduce methane emissions by requiring cities to divert 75% of organic waste from landfills by 2025. Regulations adopted under the bill took effect Jan. 1, requiring residents to put their food scraps into yard waste containers for recycling.

Much of that waste could be turned into biomethane to generate electricity, heat homes and fuel natural gas-powered vehicles, provided the infrastructure is built to turn the waste into gas through anaerobic digestion.

California expects to have enough anaerobic digestion facilities to handle 1 million tons of organic waste by 2025 but needs to be able to process 2.7 million tons to meet SB 1383's goals, the California Department of Resources Recycling and Recovery (CalRecycle) said in an August 2020 *report*.

"Organics recycling and recovery infrastructure is growing but still needs significant expansion to provide the recycling capacity necessary to meet the SB 1383 disposal and methane reduction goals," CalRecycle said.

Additional federal and state incentives are essential for meeting the goal, the department said.

A new facility near Sacramento sorts and processes organic waste for use in anaerobic digesters that produce biomethane. | *Republic Services*

Demand for the biomethane, which costs more than solar power and other renewable resources, must also increase.

Working under another measure, Senate Bill 1440 from 2018, the California Public Utilities Commission is currently developing targets for gas companies to procure enough renewable natural gas to generate 75.5 million MMBtu by 2030. (See *Calif. Wants to Turn More Waste into Gas*.)

EV Development

Several other measures that took effect seek to promote electric vehicles by accelerating the development of charging infrastructure, growing medium- and heavy-duty truck fleets and supporting workforce and supply chain development.

Assembly Bill 970 tries to address the slow progress of installing EV chargers that the state needs to meet its transportation decarbonization goals. (See *California Needs Huge Number of EV Chargers*.)

The bill seeks to create an expedited permitting process for applications to install EV charging stations by establishing timelines for cities and counties to follow. Under the bill, for example, an application to install 25 chargers or more will be "deemed completed" 10 days after it is submitted and "deemed approved" 40 days after it is completed.

Slow approval from local planning authorities has made it more difficult to meet the state's need for hundreds of thousands of EV chargers to support the goal of putting 5 million EVs on the road by 2030, developers have said. (See *Installing EV Chargers in Calif. is Slow, Costly*.)

"In California, a new-service utility interconnection takes an average of 39 weeks or nine months to complete, in our experience, having built more than 200 stations today," Matthew Nelson, director of government affairs for Electrify America, the largest network of fast-charging stations in the U.S., told a California Energy Commission workshop in October.

"The utility process for constructing the interconnection, the line extension and dropping the transformer … takes an average of 27 weeks, or more than six months, to complete," Nelson said. "As a result, building stations in California costs 34% more for the exact same station than it costs us to build the same station in any other state."

Another measure, *Senate Bill 372*, tries to make it more affordable for fleet operators to purchase medium- and heavy-duty zero-emission vehicles by establishing a fleet purchasing assistance program under the California Pollution Control Financing Authority, with priority given to fleets that impact low-income and disadvantaged communities.

Senate Bill 589's aim is to expand the types of projects eligible for state clean transportation funding to include projects that develop in-state workforce and supply chains for zero-emission vehicle manufacturing and raw materials needed for batteries, such as lithium from the geothermal wells near the Salton Sea in far Southern California.

Building Decarbonization

Senate Bill 68 requires the California Energy Commission (CEC) to develop and publish on its website "guidance and best practices to help building owners, the construction industry, and local governments overcome barriers to electrification of buildings and installation of electric vehicle charging equipment."

Topics include the "development of whole building electrification plans to help building owners prepare for future additions of electrical equipment."

The bill authorizes the CEC to award funds from its Electric Program Investment Charge program to foster technological advancements that reduce the costs of electrifying buildings and benefit ratepayers.

Cement Plants

Senate Bill 596 requires the state Air Resources Board (CARB) to develop a strategy by the end of 2023 for eliminating greenhouse gas (GHG) emissions from cement plants by 2045.

Cement makers are the last major coal burners in California, with eight coal-fired cement kilns in the Mojave Desert and Central Valley producing inordinate amounts of pollution. Cement production accounted for 1.8% of GHG emissions in 2017, CARB said.

The cement industry has agreed it is important to decarbonize production by 2045 but contended it may be difficult to replace coal as a fuel source. (See *Challenges Loom for Decarbonizing Concrete*.) ■

CAISO/West News

Calif. Governor Proposes Spending $10B on EVs

Proposal Would Add $6.1 Billion to Last Year's Record Amount

By Hudson Sangree

California Gov. Gavin Newsom on Monday released a fiscal year 2022/23 budget plan that proposes spending $22.5 billion over the next five years to fight climate change, including allocating billions of dollars for transportation and building decarbonization efforts.

Newsom's *plan* would invest an additional $6.1 billion to accelerate the adoption of zero-emissions vehicles on top of the record $3.9 billion in last year's budget, bringing the total to $10 billion over six years. The $6.1 billion in this year's plan includes more than $3.5 billion for medium- and heavy-duty trucks, and school and transit buses.

"For California, you can't get serious about climate change unless you're serious about tailpipe emissions," Newsom said in a *press conference* Monday. With such a large expenditure on EVs, "you'd think we were announcing for the United States government [but] this is a $10 billion state … commitment on zero-emission vehicles."

Vehicle emissions account for roughly 40% of greenhouse gas emissions statewide; electrifying the transportation sector has been a top priority for Newsom and former Gov. Jerry Brown.

Brown ordered the state to put 5 million EVs on the road by 2030, and Newsom issued an executive order in September 2020 requiring all new passenger vehicles sold in-state to be emissions-free by 2035. (See *Can California Meet Its EV Mandates?*)

Last year, state lawmakers devoted a record $2.7 billion toward zero-emission vehicle programs in FY 2021/22 and $1.2 billion over the next two fiscal years. The funding for zero-emission trucks, buses and passenger vehicles was far more than the $1.5 billion that Gov. Gavin Newsom had proposed in January 2021. (See *Calif. Earmarks $3.9B for ZEVs Through 2024*.)

In his new plan, Newsom proposes adding $2 billion to fund projects needed for the state's transition to 100% clean energy by 2045, including long-duration storage, green hydrogen and offshore wind infrastructure.

The past two summers saw CAISO's grid stretched thin as the state relied more on solar power and imports to meet demand, both of which can dry up during Western heat waves that extend into evening hours. CAISO has connected about 2,250 MW of short-duration storage since the energy emergencies of summer 2020, but long-duration storage for wind and solar power is required to discharge for more than four hours. (See *Long-duration Storage Needed for Decarbonization*.)

In the building sector, Newsom proposed spending nearly $1 billion, including $622 million to retrofit low-income housing with electric appliances, efficient lighting and insulation. Another $300 million would fund consumer rebates for replacing gas furnaces, water heaters and kitchen ranges.

The California Energy Commission made the electrification of commercial and residential structures a key part of its 2022 building code update, requiring new homes to be wired for all-electric appliances and to use an electric heat pump either for space or water heating. (See *Calif. Energy Commission Adopts 2022 Building Code*.)

The current market share for heat pumps in California is less than 6% in new home construction; the requirement is expected to greatly increase demand and make heat pumps more affordable and widely available.

The requirements will reduce greenhouse gas emissions by 10 million electric tons, the equivalent of 2.2 million internal combustion passenger vehicles, in the next 30 years, the Energy Commission forecasted.

The governor's total $286 billion budget plan is based on a second year of surplus revenue in California. This year's surplus is estimated at nearly $46 billion.

Newsom's proposal now must make its way through the legislature, with a revised plan scheduled to be issued in May. ■

Gov. Gavin Newsom presented his budget plan in a press conference Monday. | *California governor's office*

ERCOT News

Insurance Companies Suing ERCOT, Generators

137 Behind Lawsuit, Citing $10.3 Billion in Losses

By Tom Kleckner

More than 100 insurance companies are suing ERCOT and power generators for their policy holders' "significant property damage" during last February's winter storm, adding to the mountain of legal woes facing the Texas grid operator.

The 137 companies banded together to file their *lawsuit* Dec. 28 in the Travis County District Court's 459th Judicial District and asked for a jury trial (D-1-GN-21-007413).

They included as defendants 37 "power generation companies" — from industry heavyweights Luminant and NRG Energy down to individual wind farms — for failing to prepare for the 2020-2021 winter season by adhering to voluntary weatherization standards.

The insurance companies charge that ERCOT and the generators were "at fault" for the days-long power outages that resulted in hundreds of deaths and billions in property damage. According to a *report* from the Texas Department of Insurance, insurers have received more than 500,000 claims stemming from the winter storm. The report estimated that, as of July 2021, the companies will have to pay about $10.3 billion in losses.

The lawsuit said that while ERCOT has conducted weatherization-compliance spot checks since 2013, staff would regularly find that 25 to 35% of the generators were deficient and/or not complying with weatherization rules.

"ERCOT and the [generators'] unwillingness to accept or adopt any minimum weatherization standards runs contrary to the common law of Texas," the insurance companies said.

According to the lawsuit, Texas courts hold electric companies to the burden of showing they exercise "due care" in supervising and maintaining their facilities. It cited precedent that the interruption of service is not an event "that occurs without a cause."

"When a power failure occurs, there is a defect somewhere says," the lawsuit said.

ERCOT did not respond to a request for comment. However, the grid operator has consistently claimed sovereign immunity when sued, noting it is funded by generators' transaction fees.

The issue could be decided in two unrelated cases before different state appellate courts. ERCOT is battling San Antonio municipality CPS Energy in the Fourth Court of Appeals over charges of "exorbitantly high, illegal" wholesale costs during the storm. (See *CPS Energy Wins Round 1 vs. ERCOT*.)

Separately, the Fifth Court of Appeals in Dallas has heard arguments over a 2016 complaint against ERCOT by Panda Power Generation Infrastructure Fund. Panda argues that it spent $2.2 billion to build three new power plants based on the grid operator's faulty and misleading projections of the state's future energy needs.

The Texas Supreme Court last March declined to review an appellate ruling granting ERCOT immunity from lawsuits. (See *Texas Supremes Sidestep Ruling on ERCOT Lawsuit Shield*.)

In other litigation, more than *400 Texans have filed 170 lawsuits* against ERCOT and utilities over the February outages. The state officially *lists* the death toll at 246.

Gas Production Drops Again

FERC, NERC, academia and the electric industry have reached consensus that February's outages were mostly from gas infrastructure's lack of winterization, which reduced fuel supplies to gas-fired generation units. (See *FERC, NERC Release Final Texas Storm Report*.)

Over the New Year's weekend, gas supplies again dropped during Texas' first cold snap of the season. Bloomberg *said* gas production in West Texas' Permian Basin fell to its lowest levels since last February, leading to the loss of more than 10% of ERCOT's generation.

Naturally, that raised questions among industry experts and observers.

"Yes, poor performance of gas suppliers last weekend 'raises questions,' but more importantly, it provides answers," *tweeted* Stoic Energy President Doug Lewin. "The answers are they didn't winterize; they're not ready; and Texans are again vulnerable if there's another extreme cold snap like 2011 or 2021."

Lewin is among those who have criticized the gas industry's lack of winterization, saying the electric industry's more robust winterization practices are rendered useless when gas doesn't flow. (See *ERCOT, PUC Say Grid is Ready for Winter Weather*.)

The Texas Railroad Commission, which regulates the state's natural gas industry, has not required gas facilities to winterize this winter, as has the electric industry. Gas companies can also opt-out by paying a $150 fee and asking for an exemption. The gas network is being mapped to determine those facilities critical to power production, but that process isn't expected to be finished until 2023.

The cross-industry group working on the study have filed a progress *report* with the Public Utility Commission. It lists several best practices that "should be implemented … to prepare facilities providing natural gas critical to the electricity supply chain to maintain service in an extreme weather event." ■

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ISO-NE News

Conn., ISO-NE not Seeing Eye to Eye on Winter Reliability Worries

By Sam Mintz

A mild start to winter in New England has done little to ease the chill between the region's grid operator and Connecticut's energy regulator.

An *exchange of letters* between the two, published by the RTO last week, shows a continuation of a familiar back-and-forth that has intensified coming into this winter.

Katie Dykes, commissioner of the Connecticut Department of Energy and Environmental Protection, wrote to ISO-NE President Gordon van Welie on Dec. 17, following a push by the RTO to communicate with the press and public about the potentially precarious state of the region's grid this winter. (See *ISO-NE: New England Could Face Load Shed in Cold Snaps*.)

"I am deeply concerned that the ISO appears, at least in its public statements, to be more concerned about our fuel security risks this winter, yet the ISO has done less than in previous years in terms of using the available tools to ensure the region has the fuel supplies we need," Dykes wrote. She asked the RTO to answer eight questions, including about generators' LNG arrangements and why it has not reinstituted its winter fuel-buying program for this year.

Van Welie responded on Dec. 23, making clear that the RTO feels it has done all that it can and that state and regional policy changes are needed to find a long-term solution. He laid out what ISO-NE has done in recent years to mitigate winter fuel security concerns, many of the steps revolving around communication, situational awareness and data sharing.

He noted that the fuel-buying plan (Winter Reliability Programs) was only a temporary measure and also that it "subsidized the carbon-intensive, oil-fired generators that the region is trying to wean itself from." ISO-NE has no plans to reinstate them unless FERC directs it otherwise, van Welie wrote.

He instead pointed back to state and regional policymaking as the best long-term solution.

"We are concerned that the energy adequacy problem may get worse over time until policymakers and stakeholders in New England can successfully engineer a clean energy replacement for the current balancing energy source, which is largely natural gas," he wrote. "This is unlikely to occur without policy support, since the available technologies to provide a reliable long-duration balancing energy source are currently expensive."

In an interview, Dykes said she appreciated the response, which focused on the RTO's recent history of winter fuel security actions, but that it did not fully answer her specific questions regarding LNG supply and the prospect of resuming past winter reliability programs for the current and impending winters.

"They're the grid operator," she said. The RTO is "institutionally responsible" for assessing risks and being aware of what solutions are necessary. "Our inquiry was intended to drill into the ISO's plans or lack thereof for addressing the risk this winter that they have been raising alarm about."

"It's not acceptable to have a region facing the possibility of catastrophic outages should the temperature stay low for multiple days," Dykes said. "This is New England."

Connecticut DEEP Commissioner Katie Dykes | *© RTO Insider LLC*

So far, temperatures averaging 5 degrees Fahrenheit higher than normal have resulted in lower demand and temporarily eased worries about the grid. The latest 21-day forecast shows only short periods of low temperatures, ISO-NE COO Vamsi Chadalavada told the NEPOOL Participants Committee in a presentation Thursday. ■

ISO-NE News

FERC Accepts ISO-NE Request to Terminate Killingly CSO

By Sam Mintz

FERC on Jan. 3 accepted ISO-NE's request to yank the capacity supply obligation for the Killingly Energy Center in eastern Connecticut, dealing another near-fatal blow to the contentious 650-MW natural gas plant under development (*ER22-355*).

The RTO has said that Killingly, which secured a CSO for the 2022/2023 capacity period, has failed to meet developmental milestones and is on track to not be in commercial operation by the required date of June 1, 2024, two years after the start of that period. Developers have up to two years to find other resources to meet their CSO obligations if they themselves cannot.

Developer NTE Energy disagreed with ISO-NE's claims about delays on the project, saying they were out of its control because of factors including legal challenges and the COVID-19 pandemic. The company claimed in November that financing is "imminent" and challenged what it called "an incorrect assumption" by the RTO that led to a "premature" decision. (See *ISO-NE Seeks to Terminate CSO for Conn. Power Plant*.)

But last week FERC sided with ISO-NE, saying it was "persuaded by the evidence" presented that Killingly will not achieve critical milestones by 2024. After consulting with NTE, which it did in several meetings over two months, the RTO has the right to terminate the CSO, FERC said.

As a result of FERC's ruling, the company will lose its CSO, forfeit financial assurance associated with the terminated megawatts and no longer be eligible for the next Forward Capacity Auction in early February.

NTE, Opponents React

NTE says it's not giving up on the project.

"We are very disappointed and do not agree with FERC's decision," the company's managing director, Tim Eves, said in a statement. "The Killingly Energy Center is important for grid reliability, and we will continue to work to be the bridge for the region's carbon-free future."

But the plant's future is cloudy. The company itself has said in *filings* that FERC's approval of ISO-NE decision would cause it "irreparable" damage and lose it hundreds of millions of dollars of revenue.

Environmental groups in Connecticut, which have opposed Killingly and sued over the project in a case that was ultimately decided by the state Supreme Court, celebrated last week at the latest dimming of the project's future prospects.

"It was the outcome we hoped for, and we're happy," said Samantha Dynowski, director of the Connecticut chapter of the Sierra Club.

She said the plant ever being built appears "very unlikely" without a CSO.

"In the face of [ISO-NE] not wanting them and Gov. [Ned] Lamont saying he doesn't want the plant … they'd really just be forcing themselves on a market that doesn't want them here," Dynowski said.

The order has broader implications for ISO-NE, and the events leading to it should spur action by the RTO, said Dan Dolan, president of the New England Power Generators Association.

"Moving forward, more needs to be done to ensure that new facilities only offer into the market when they are ready to come in on time," Dolan said in an email to *RTO Insider*. "Market reforms should include proposals like escalating penalties for delays. This will help make continued improvements to provide reliability value for New England consumers and competitive revenue opportunities to those facilities providing the reliability services." ■

A rendering of the proposed Killingly Energy Center. | *NTE Energy*

ISO-NE News

NEPOOL PC Approves Tariff Changes for Aggregated DERs

By Sam Mintz

BOSTON — The NEPOOL Participants Committee on Thursday approved ISO-NE's proposed *tariff changes* aimed at allowing distributed energy resource aggregations (DERA) to participate in the RTO's markets.

The changes, intended to comply with FERC Order 2222, would create two new market participation models for DERAs and tweak five existing ones.

The proposal sets a minimum size of 100 kW for DERAs in all of the models and includes an opt-in provision which prohibits aggregation bids from distribution companies below 4 million MWh in annual sales unless the relevant retail regulatory authority signs off.

It creates a four-stage registration process to allow a distribution utility to confirm the necessary capabilities to participate in a DERA. Other changes would amend Forward Capacity Market rules to allow DERAs to take part.

The changes to the FCM would go into effect in the fourth quarter of 2022, and the others not until 2026.

Participation Model	High-Level Summary
Demand Response DERA (DRDERA)	• New model that accommodates demand reduction, energy injection, and energy withdrawal • Obligates DRDERAs to follow ISO-NE's Desired Dispatch Point, except when the distribution utility overrides the dispatch due to safety or reliability issues • Uses Demand Response Resource (DRR) baseline methodology for each distributed energy resource (DER)
Settlement Only DERA (SODERA)	• New model that accommodates energy injection and energy withdrawal • Non-dispatchable • No must offer requirements for SODERAs with Capacity Supply Obligations (CSOs)
Generator Asset	• Existing model expanded to accommodate energy injection
Binary Storage Facility Continuous Storage Facility	• Existing models expanded to accommodate energy injection, energy withdrawal, and regulation
DRR	• Existing model that is unchanged and accommodates energy injection
Alternative Technology Regulation Resource	• Existing model modified to meet Order No. 2222's size and locational requirements, which accommodates regulation

ISO-NE's Order 2222 compliance filing would create two new market participation models for DERAs and tweak five existing ones. | *NEPOOL*

Advanced Energy Economy (AEE), which argued that the proposal fails to remove significant barriers to market participation for DERAs, submitted seven amendments while it was under consideration in the Markets Committee. But those were voted down and the group declined to bring the amendments to a vote again for last week's PC meeting. (See *Stakeholders Approve ISO-NE Order 2222 Compliance Plan*.)

AEE declined to comment on whether it will advocate for changes once the proposal is under consideration by FERC.

ISO-NE has until Feb. 2 to file the proposal.

Billing, FCM Settlement Changes

The PC also voted Thursday on several other items, including changes to the way ISO-NE handles requests for billing adjustments. The requests will now have to be submitted via the AskISO system, instead of by email, because cybersecurity measures have "in some cases hampered receipt" of the requests, according to the RTO.

The PC also approved a change to convert certain credits and charges associated with the FCM from a monthly settlement to a daily settlement. The proposal will reduce financial assurance for load serving entities and accelerate payments to resource providers, the RTO said.

NEPOOL's Participants Committee vote moved one step closer to distributed energy resources being able to participate in ISO-NE's markets. | *Shutterstock*

Consent Agenda

The committee also approved:

- changes to Planning Procedure 10 (Planning Procedure to Support the Forward Capacity Market), including conforming changes for *ER21-640*, related to qualification of non-commercial resources in annual reconfiguration auctions, and *ER19-343*, related to the modeling of peaking generation in reliability reviews;
- changes to Operating Procedure 16K (Transmission System Data – Submission of Short Circuit Data), part of a biennial review with minor updates to process flow diagram; and
- changes to Operating Procedure 3 (Transmission Outage Scheduling), part of biennial review with minor edits and grammatical revisions. ■

MISO Makes 2nd Plea for Time on ROE Refunds

By Amanda Durish Cook

| © RTO Insider LLC

MISO has made another attempt to coax more time from FERC to calculate refunds to transmission customers over the commission's ever-changing return on equity percentage.

The RTO has now asked for an extension until May 31 to complete the refunds (*EL14-12-004*).

The grid operator previously requested a June 30 deadline to determine refund amounts; FERC granted a delay until Feb. 28 from its original Sept. 23, 2021, deadline to calculate the reimbursements. (See *MISO, TOs: More Time Needed for ROE Refunds*.)

In a filing Dec. 16, MISO said it has good cause to support a spring deadline, saying the "overall resettlement task remains unchanged" since it first requested an extension. The RTO said it and its transmission owners have completed resettlements from 2013 to 2019, but said the remaining refunds require a more complex calculation that relies on forward-looking transmission rates and true-up mechanisms.

The grid operator said it expects to crunch numbers through April, with transactions to take place in May. MISO Senior Manager of Transmission Settlements Christina Drake said it remains "infeasible to implement all of the directed refunds within the timeframe set forth by the commission's orders." It promised the refunds will include interest at FERC-approved rates.

MISO said as an example, 2020's refunds involve 103 transmission owners and "all charges made under related tariff schedules and attachments that use those parties' ROE, including the systemwide average rate for through-and-out service."

The RTO's extensive refund calculations stem from a return on equity that FERC changed several times over a handful of years as it tried to nail down an appropriate baseline for investors backing transmission projects.

The commission in 2020 enacted a 10.02% ROE for transmission rates effective Sept. 28, 2016, superseding the 9.88% and 10.32% ROEs approved in 2019 and 2016, respectively. Those figures were at different times intended to replace the 12.38% ROE established in 2002, which FERC deemed excessive almost a decade ago. In all, MISO TOs must pay refunds for the period of November 2013 to February 2015 and Sept. 28, 2016, to Dec. 23, 2020. (See *FERC Ups MISO TO ROE, Reverses Stance on Models*.) ■

MISO News

Near-emergency Follows MISO's Winter Warnings

By Amanda Durish Cook

MISO flirted with its first maximum generation event of the year early Friday, a month after it cautioned members that winter operations could be risky.

The grid operator announced conservative operations and a maximum generation warning before dawn Friday in its Central and North regions, where high temperatures were in the single digits and generation was forced offline. MISO's morning peak surpassed 97 GW. By 9:30 a.m. EST, the RTO was able to end both the warning and conservative operations.

Real-time prices topped $230/MWh in MISO's Indiana and Illinois trading hub during the evening peak.

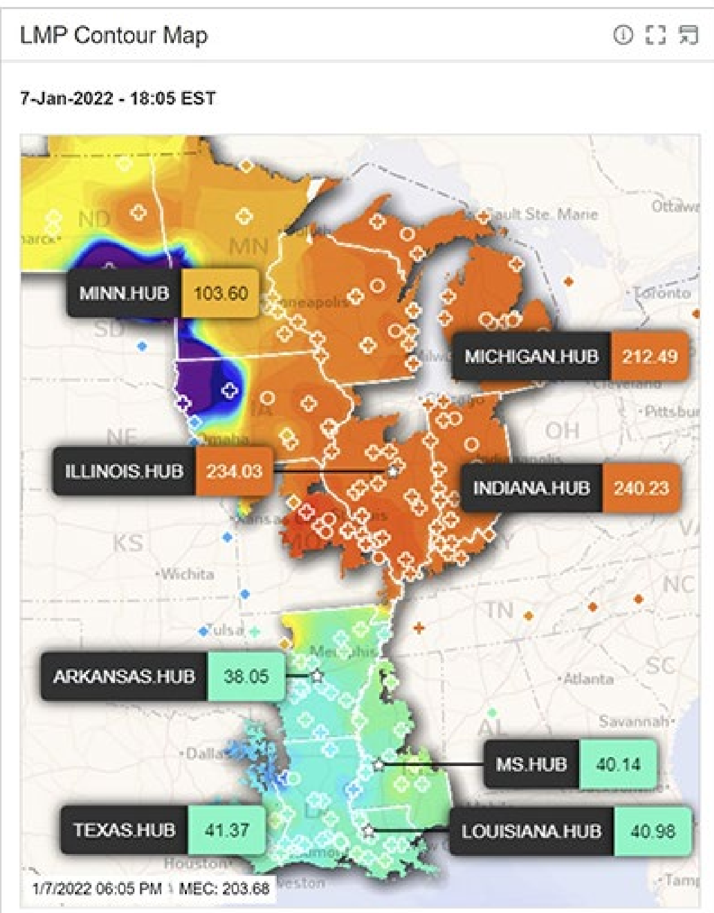
The close call followed several warnings by MISO executives about natural gas and coal fuel security and forced generation outages during cold fronts. (See *MISO Sounds Alarm on Potential Winter Fuel Scarcity*.)

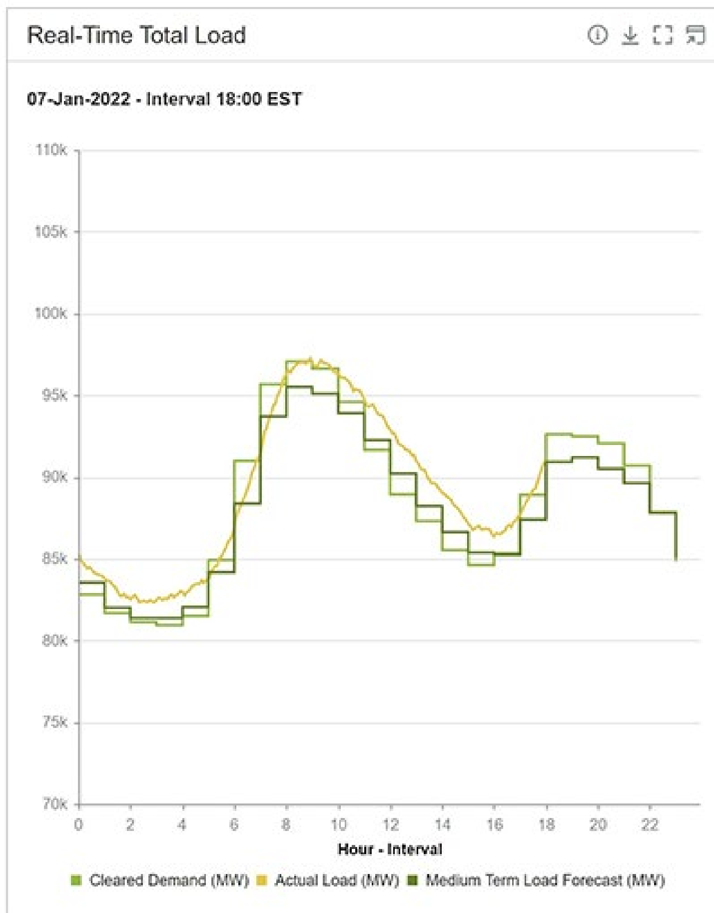
MISO maximum generation warnings direct market participants to update generation resource availability and load-modifying resource availability. They also ask transmission owners to ready reconfiguration options. Under conservative operations, members are asked to determine whether any generation or transmission maintenance can be rescinded or postponed.

To better manage winter hazards, the RTO is collecting weekly fuel surveys through February from about 400 generators to assess natural gas and coal fuel security. The task is unpopular among some generation owners, but MISO has been firm that it needs to better understand fuel positions during winter.

The grid operator also issued a cold-weather alert New Year's Day for the Dakotas, Minnesota and Manitoba, Canada. MISO expected some areas within those states and province to see temperatures drop to -20 degrees Fahrenheit, prompting fuel restrictions. That alert did not escalate.

The RTO has singled out January as its riskiest period for the remainder of the planning year. It has said it expects a 101-GW system peak this month and 108 GW in available capacity to meet the demand. (See *MISO Warns of January Emergency Procedures*.) ■





MISO real-time pricing and actual and forecasted load Jan. 7 | *MISO*

NYISO News

New York TOs Defend New Public Policy Tx Category

By Michael Kuser

New York transmission owners on Jan. 3 urged the Public Service Commission to reject a challenge to its new category for transmission projects intended to help the state meet its climate goals (*20-E-0197*).

The TOs, including all the investor-owned utilities in the state as well as the New York Power Authority and the Long Island Power Authority, said that LS Power Grid New York's *petition* for a rehearing was "legally defective" and construed the facts of the PSC's order.

The PSC in September *established* a category for transmission and distribution investments made to help achieve the state's environmental goals. It directed IOUs to revise their proposed benefit-cost analyses and resubmit them within 90 days. (See *New York Adopts Groundbreaking Tx Investment Rules*.)

LS Power in October argued that costs of local transmission can only be allocated under the NYISO tariff's FERC Order 1000 processes; that any regional cost allocation is pre-empted by FERC's exclusive jurisdiction over transmission; and that any facilities that operate over 200 kV are not "local" facilities. On the last point, the company urged the commission to "clarify this bright line."

The TOs countered that LS Power did not meet the requirements for rehearing requests, as it "points to no errors of fact or changed circumstances, and the legal errors it alleges are wrong as a matter of law and/or are procedurally barred."

They also said that NYISO's competitive solicitation and planning process does not displace alternative, voluntary, multi-TO funding of transmission projects, which remains lawful and is encouraged by FERC.

In addition, they said, LS Power's 200-kV argument is flawed because FERC permits participant funding for both local and non-local transmission projects, irrespective of voltage. FERC's definition of local transmission "does NOT apply a 200-kV bright line" to projects that generally serve local load, they said, and the state's Accelerated Renewable Energy Growth and Community Benefit Act does not contain a voltage bright line.

With both LIPA and Consolidated Edison having proposed projects above 200 kV, LS Power argued that any PSC decision to permit New York utilities to recover the costs of such high-voltage projects through a statewide assessment would interfere with FERC's exclusive jurisdiction over transmission services under the Federal Power Act.

"The commission should make clear to all the New York utilities that they should not undertake needless and expensive planning for such projects," LS Power said.

The TOs refuted LS Power's claim, saying it "is negated by the PSC's explicit recognition of FERC's jurisdiction over voluntary participant funding agreements," and that LS Power "erroneously assumes that the NYTOs would not file FERC-jurisdictional participant funding agreements for FERC's review in advance of implementing the associated rates." ■

NYISO News

New York to Invest $500M in OSW Infrastructure

By Michael Kuser

New York will invest $500 million in offshore wind manufacturing and supply chain infrastructure and electrify 2 million homes by 2030, Gov. Kathy Hochul said Wednesday in her 2022 State of the State *address*.

The state entered 2022 having approved the largest transmission projects in New York in 50 years, with its first OSW project, South Fork, ready to put steel in the water and with officials having approved a plan for reaching emission limits set by the Climate Leadership and Community Protection Act (CLCPA). (See *New York Set to Start Building Big in 2022*.)

"With this investment, New York will lead the nation on offshore wind production, creating green jobs for New Yorkers and powering our clean energy future," Hochul said.

New York will invest up to $500 million in the ports, manufacturing and supply chain infrastructure needed to advance its OSW industry, with state agencies and its Green Bank leveraging private capital to deliver more than $2 billion in economic activity while creating more than 2,000 green jobs.

Hochul also said that the New York Energy Research and Development Authority (NYSERDA) will launch its next OSW procurement this year, resulting in at least 2 GW of new projects. NYSERDA will pick up the pace on OSW transmission planning and conduct a study to identify strategic OSW cable corridors and key points of interconnection to the grid.

Anbaric Development Partners lauded the governor's recognition of the need for a planned transmission system to deliver offshore wind power.

"Studies have continuously demonstrated that transmission planned to accommodate and integrate significant amounts of offshore wind is a much more cost-effective, environmentally sound and electrically reliable approach to integrating clean electricity," Janice Fuller, Anbaric president for the mid-Atlantic region, said in a statement.

New York also will work to electrify 2 million homes or make them electrification-ready by 2030, and new legislation will seek to ensure that all new building construction reaches zero-emissions by 2027, Hochul said.

Building emissions cause more than one third of New York's climate pollution, and the new plan will help more than 800,000 low-to-moderate income households secure clean energy upgrades.

"Gov. Hochul's announcement of $500 million in investments for offshore wind, on the eve of the state's third solicitation and the upcoming NY Bight Lease sale, is a win for New York communities, workers, businesses and our climate," Allison Considine, senior campaign representative for Sierra Club, said in a statement. "This significant investment, when paired with commitments to double battery storage to 6 GW by 2030, planning to phase out dirty peaker plants and achieve 2 million all-electric homes by 2030, demonstrates that New York will continue to lead the nation in transitioning from fossil fuels to zero-emission electricity."

The state-level move on building emissions follows action last month by the New York City Council, which voted to ban the use of natural gas for heating or hot water in new construction or renovations beginning in 2024. (See *NYC to Ban Natural Gas in New Buildings Beginning 2024*.) ■

Gov. Kathy Hochul delivers her 2022 State of the State address at the State Capitol on Jan. 5. | *Darren McGee, Office of Governor*

FERC Denies Motion of Kittell Estate in GreenHat Case

By Michael Yoder

FERC on Wednesday denied a motion from the estate of one of the owners of GreenHat Energy for the commission to drop its enforcement action after it emerged last fall that Office of Enforcement lawyers violated regulations related to the electricity market manipulation case (IN18-9).

Lawyers for the estate of Andrew Kittell, one of three owners of GreenHat, made a filing in October, arguing that a series of emails between Enforcement's Division of Investigations (DOI) lawyers Thomas Olson and Steven Tabackman were "not only unlawful, but deceptive."

FERC released the emails after Olson, who is part of the litigation staff in the GreenHat proceeding, disclosed them to Enforcement management. (See *Estate of GreenHat's Kittell Lobbies FERC to End Enforcement Action*.)

In November, FERC said it determined that GreenHat and its owners violated the Federal Power Act by "engaging in a manipulative scheme" in PJM's financial transmission rights market, issuing a total of $242 million in fines for the company's 890 million-MWh default in 2018. The commission assessed civil penalties of $179 million on the company and $25 million each on owners John Bartholomew and Kevin Ziegenhorn. It also directed GreenHat, Bartholomew, Ziegenhorn and Kittell's estate to disgorge more than $13 million in unjust profits, plus applicable interest. (See *FERC Levies $242M in Fines on GreenHat, Owners*.)

GreenHat acquired the largest FTR portfolio in PJM between 2015 and 2018, but defaulted on the portfolio in June 2018, leaving PJM stakeholders to cover more than $179 million in the market. When the company defaulted, FERC said, GreenHat had only $559,447 in collateral on deposit with PJM. (See *Doubling Down — with Other People's Money*.)

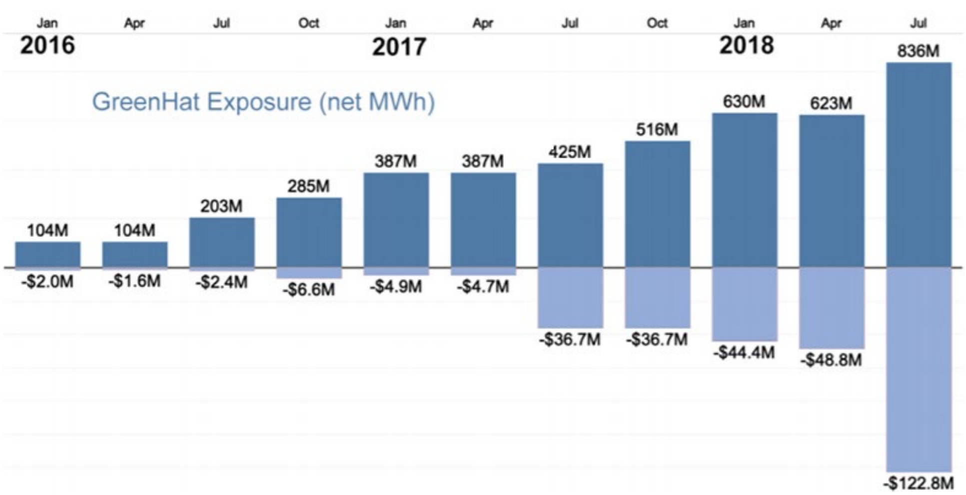
FERC said in Wednesday's order that it was "troubled by the exchange of emails between decisional staff and litigation staff," but the email exchange did not rise to the level of having to dismiss the case.

"The commission reviewed the prior allegations regarding the investigative process in this case and found such allegations to be without merit," FERC said in its order. "With regard to the October 2021 notice, we need not decide here whether the Tabackman-Olson email exchange identified in the notice violated the commission's regulations because we conclude that the conduct at issue here would not warrant the extraordinary remedy of dismissal."

Email Exchange

In the email exchange disclosed in October, Olson notified the commission that he received emails through his personal Gmail accounts on Sept. 17 and 18 from Tabackman, who was serving as decisional staff in the GreenHat case. The two were discussing a pair of U.S. Supreme Court case decisions that Tabackman believed could strengthen FERC's case.

Tabackman urged Olson not to reveal where he received the information on the cases, saying, "You never heard that here."



GreenHat's significant growth in exposure and MTA loss | *PJM*

Olson questioned Tabackman on whether the latter sent information on 1940's *U.S. v. Summerlin* and 2006's *Marshall v. Marshall* with the GreenHat case in mind, "or something else?"

Tabackman responded, "Yes — you should be familiar with them — though you should not mention how you came upon them."

After receiving another email from Tabackman on Sept. 18 that referenced Tabackman's work with the decisional team, Olson realized the emails "constituted a violation of the commission's separation-of-functions regulation."

The regulation prohibits any employee assigned to work on an enforcement proceeding or assisting in a trial "to participate or advise as to the findings, conclusion or decision, except as a witness or counsel in public proceedings."

FERC removed Tabackman as a counsel of record in its federal court case.

In its motion, lawyers for the estate of Kittell, who killed himself by jumping off the San Diego-Coronado Bridge in California on Jan. 6, 2021, argued that the commission should drop all enforcement action against the estate, ban Tabackman and Olson from any future involvement in the investigation and "order other offices within the commission to investigate what happened."

FERC said in its order on Wednesday that the email exchange "addressed procedural matters that might arise under California probate law in the state probate proceeding on the Kittell estate." The commission said the procedural matters discussed in the emails were not an issue before FERC, but it decided to refer the matter to the OIG for an investigation.

The commission said the OIG "declined to take further action and deferred to the commission to proceed as appropriate" after finishing its investigation. "FERC said the commission's Designated Agency Ethics official and staff conducted an internal administrative inquiry into any other communications regarding the Kittell matter and found no other violations.

FERC said it expects its staff to "conduct themselves in accordance with the highest ethical standards and is committed to ensuring that the subjects of investigations receive due process, both in perception and reality."

"Because the commission 'is charged with safeguarding the integrity of our nation's interstate energy markets,' it is obligated to take necessary and appropriate action when

PJM News

it finds violations of the statutory and regulatory prohibitions on manipulation of those markets," FERC said in its order. "Moreover, numerous courts have recognized that administrative agencies are charged by Congress to enforce laws on behalf of the American people and thus dismissal of an agency enforcement action may run counter to the public interest. Accordingly, absent extreme circumstances such as a violation of Constitutional due process, courts generally will not set aside agency decisions based upon a violation of procedural rules."

The commission determined that there was "no evidence" that the Kittell estate was harmed by the email exchange between Tabackman and Olson.

"To the degree that there was any harm from the email exchange, OE staff appropriately remedied that harm by immediately disclosing that exchange, thereby providing respondents with an opportunity to respond, and, as discussed, the commission both referred the matter to the OIG and tasked the commission's designated ethics official to conduct an inquiry to assess whether additional prohibited communications occurred to confirm

GreenHat listed its address as 826 Orange Avenue, Suite 565, Coronado, Calif. — a UPS store between a nail salon and a RiteAid. | *Google*

our decisions in this case were reasoned and unbiased," FERC said in its order. "Accordingly, we find that dismissing the action would serve no purpose other than to deprive the public of justice in the underlying matter."

Danly Dissent

FERC Commissioner James Danly issued a dissent in the order. Danly previously had harsh words for PJM in the case, saying the RTO was partially to blame for the result of the default and had a "share of the blame that must rightly be assigned to PJM."

In his dissent issued Wednesday, Danly said the ethics of prosecutors "must be above suspicion," and for the commission to do "anything less than fully consider and respond to these claims damages our credibility."

"Under these circumstances, the movant and the public deserve an answer," Danly said in his dissent. "And while I acknowledge that enforcement and the commission have taken some action to redress enforcement's misconduct, our enforcement program would be better served by issuing a commission order with a clear-eyed and unflinching response to the misconduct alleged in both the Oct. 5, 2021, motion and the respondents' answer to the order to show cause." ■

PJM News

Can Youngkin Stop Clean Energy Growth in Virginia?

VCEA and RGGI Already Driving Utility Renewable, Grid Modernization Plans

By K Kaufmann

Governor-elect Glenn Youngkin (R) shook Virginia's environmental and clean energy advocates Jan. 6 with his controversial nomination of Andrew Wheeler, who led EPA under President Donald Trump, to be Virginia's next secretary of natural resources.

But when Youngkin takes office Saturday, he will be leading a state widely recognized as a Southern leader in the U.S. energy transition, with strong targets for grid decarbonization under the Virginia Clean Economy Act (VCEA).

Further, with a slim Democratic majority holding the line in the state Senate, Youngkin and the Republican majority in the House of Delegates will not be able to repeal the VCEA or take Virginia out of the Regional Greenhouse Gas Initiative (RGGI), as the governor-elect has vowed to do. Democratic lawmakers have also declared they will fight Wheeler's nomination "tooth and nail." (See *Youngkin Taps Trump's Former EPA Chief to Head Virginia DNR*.)

Even putting the partisan state of play aside, the momentum of cleantech in Virginia may be hard to slow down, as demonstrated by a series of plans and reports announced in the runup to Youngkin's inauguration.

On Dec. 30, Appalachian Power filed its 2022 renewable energy plan, as required by the VCEA, with modest commitments to add 294 MW of solar and 204 MW of wind to the utility's generation mix over the next three years.

And on Jan. 1, the outgoing administration filed its *VCEA-mandated report* on the least-cost strategies for grid decarbonization, including a finding that the low cost of clean energy will outweigh any need for the state legislature to prohibit new fossil fuel plants. Dominion Energy also started the new year with a Jan. 7 *ruling* from the State Corporation Commission (SCC) giving it the go-ahead for the second phase of its grid modernization program, which includes preparing the utility's distribution system for high levels of distributed energy resources.

Solar Grows, but Coal Stays

Appalachian's new solar and wind power procurements were the top-line items in the company's *Jan. 4 announcement* of its 2022 VCEA plan. The utility will acquire a 204-MW wind farm in Illinois and a 150-MW solar plant in Virginia; it will also sign power purchase

Appalachian Power plans to replace its 4,235 MW of coal-fired power with electricity from projects like the 20-MW Leatherwood installation that went online in October 2021. | *Energix Renewable Energies*

agreements for three additional solar projects, totaling 89 MW, according to the plan, which will need approval from the SCC.

The utility "intends to meet its VCEA targets primarily through investments in solar, wind, energy storage and purchase of market renewable energy certificates," it said. "By 2040, the company expects to add approximately 3,300 MW of solar, 2,600 MW of energy storage and nearly 3,000 MW onshore wind to its current portfolio of wind and hydro resources."

Building out its renewable portfolio will provide near-term savings, according to Ismael Martinez Jr., resource planning manager for the utility's parent company, American Electric Power. In the 2022 plan submitted to the SCC, Martinez said the new solar would "help Appalachian avoid costs it would otherwise incur as a PJM participant, especially by helping the company to avoid purchasing energy from the PJM energy markets, which can be volatile."

Solar can also be used as a distribution resource, Martinez said, to "reduce the company's load during the PJM … coincident peak hours, thus providing a capacity obligation benefit by allowing the company to avoid an incremental purchase of capacity in the future."

But reaching these and other VCEA goals could be challenging. The most recent figures on Appalachian's generation mix, from September 2021, show that close to 65% of its power comes from coal and another 19% from natural gas, according to a company spokesperson. Most of that coal-fired power comes from two plants in West Virginia, which the utility intends to keep online through 2040, eventually replacing their combined 4,235 MW with carbon-free power.

If fossil fuel generation were to be used to replace the coal plants, it would be located out of state, the plan says.

Appalachian looked at the possibility of closing the coal plants by 2028, according to the plan. But in August the West Virginia Public Service Commission ordered the utility to make improvements at the two plants to bring them into compliance with federal wastewater regulations, which will allow them to stay online past 2028. Who will pay for these improvements has become a flash point since the SCC rejected Appalachian's request to recover part of the costs from its Virginia customers, while the PSC has said West Virginia consumers may have to foot the bill for the upgrades on their own.

Andy Farmer, interim director of the SCC's Division of Information Resources, said the commission has yet to schedule any hearings on Appalachian's plan.

"Commission staff is reviewing the application to ensure that it is complete, and in a few weeks the SCC will issue a procedural order

PJM News

that provides opportunities for public comment and a schedule for hearings," Farmer said.

Least-cost Path to 100% Clean Power

The VCEA report — compiled by the Natural and Historic Resources Department and Commerce and Trade Department, and submitted to the legislature on Jan. 1 — looks at the least-cost strategies for reaching a decarbonized grid by 2045, which it says can be done with existing technologies based on its renewable energy and energy efficiency standards and the emission reductions possible through RGGI.

The law calls for the state to add 16,100 MW of solar and onshore wind, along with 3,100 MW of energy storage. The solar industry alone could add tens of thousands of jobs to the state's workforce as the sector grows from $1.3 billion to $8.1 billion in economic activity over the coming decades, numbers that underline the "economic strength of the clean energy sector," the report says.

"The emerging/advanced/clean energy sector is already a significant share of the energy economy in the commonwealth and is only poised to grow — largely because of the VCEA and the policy certainty it provides," the report says.

Perhaps with Youngkin in mind, the report also warns that "markets working to drive clean energy growth will be limited without policy to help drive that growth. Low-carbon energy technology is widely acknowledged as the cheapest source of new electricity capacity, but strong policy signals ensure that the market responds at a rate reflecting the pressing need to eliminate greenhouse gas emissions."

Rolling back the VCEA "could send a negative signal to industries already investing in Virginia," the report says, pointing to the state's expanding offshore wind industry as a key example. The rapid development of the sector is being driven by the VCEA's target of 5,200 MW of offshore projects by 2034.

At the same time, the report does not recommend that the legislature pass any laws prohibiting the permitting of new fossil fuel generation. Such resources will be needed in the near term for reliability and flexibility, and the clean energy and efficiency targets in the VCEA will provide a competitive advantage for solar, wind and storage, the report says.

It also anticipates that nuclear power, which currently provides about just under a third of the state's electricity, will continue to provide a significant portion of its power. Natural gas, while still in the mix in 2045, will have shifted from baseline to seasonal backup power. By 2040, the state will have retired all but 20% of its legacy fossil fuel plants, and almost all new generation will be solar, wind and storage, the report says.

DERs

With the SCC's approval of the second phase of Dominion Energy's grid modernization plan, the utility announced it will be investing $650 million this year and next for a range of distribution system improvements and upgrades, from the installation of 1.1 million smart meters to a management system for integrating DERs.

But the commission's ruling also came with conditions that Dominion show the value of those investments. For example, the utility's plans to spend $198.3 million on smart meters must also ensure the technology will be optimized to provide customer savings and demand-side flexibility. A time-of-use rate the utility has been piloting will be developed into a systemwide offering, along with the creation of an opt-in demand response program providing peak-time rebates.

Dominion's request to spend $5.2 million on a DER management system drew opposition from commission staff, who argued that the utility's distribution system can handle the relatively low levels of DERs now installed.

The company had also pitched for the investment as necessary to better leverage aggregated DERs for the PJM system in compliance with FERC Order 2222. Again, staff raised concerns, this time about the uncertainty surrounding the RTO's compliance filing, and Dominion agreed to put a hold on system implementation until the filing is submitted and approved. ■

Company Briefs

Ford Increases Production of Electric F-150

Ford last week said it will nearly double the annual production of its electric F-150 Lightning pickup truck based on a high number of advance orders.

The company said it will increase its build rate from 80,000 pickups per year to 150,000 at its factory in Michigan by the middle of next year.

Ford said nearly 200,000 people have put down refundable deposits on the trucks.

More: *The Associated Press*

CFO Says Rivian Will Prioritize Growth Over Profits

Rivian CFO Claire McDonough last week said the electric-vehicle maker plans to put growth before profit as the company looks to build out its business following its public listing in November.

The Irvine, Calif.-based startup said last month it would spend up to $5 billion on a second plant in Georgia, which would have an annual capacity of 400,000 vehicles and is slated to begin production in 2024. That is in addition to the 150,000 vehicles Rivian wants to build annually at its plant in Normal, Ill. The company began manufacturing trucks there in September.

The company, which generated $1 million in revenue from the sale of 11 vehicles in the third quarter of last year, was valued at $76.16 billion last week.

More: *The Wall Street Journal*

Solar Developer Silicon Ranch Raises $775M in Equity

Silicon Ranch, the U.S. solar project developer backed by Royal Dutch Shell, last week said it raised $775 million in equity capital from new and existing investors.

The round was led by new investor Manulife Investment Management, a division of Canadian life insurer Manulife Financial, which contributed $400 million. Existing investors Shell, TD Greystone Infrastructure Fund and Mountain Group Partners also participated in the round.

Silicon Ranch, based in Nashville, Tenn., owns and operates more than 150 solar energy facilities in 15 states.

More: *Reuters*

Stellantis' Chrysler Brand to Go All Electric by 2028

Automaker Stellantis' Chrysler brand last week said it plans to shift to an all-electric lineup by 2028.

CEO Christine Feuell said the brand plans to offer its first EV by 2025 and add additional vehicles as it shifts from gasoline-powered engines.

Stellantis said last July that it planned to invest more than $33.87 billion through 2025 on electrifying its vehicle lineup.

More: *Reuters*

Tesla Unveils Megapack Battery Project

Tesla last week unveiled its new 81-Megapack battery project in Texas via a YouTube video.

The project, which has a capacity of 100 MW/200 MWh, is one of the biggest Tesla storage projects in the world.

More: *Electrek*

Federal Briefs

DOJ Backs Ameren's Move to Retire Coal Plant Early

The Department of Justice last week agreed with Ameren's plan to close its coal-fired Rush Island Energy Center by March 2024; however, department lawyers said in a court filing that the company's proposal "runs astray" and is pitching a "drawn out" plan it engineered for itself.

Recently, multiple court rulings against Ameren left it with a choice of either installing expensive pollution controls estimated to cost up to $1 billion or closing the plant ahead of its 2039 schedule. The utility was supposed to install pollution controls called "scrubbers" by March 2024. But now that it is not installing the technology and instead retiring the plant, the DOJ said compliance "can occur much more quickly" and recommended that its latest motion be denied.

DOJ lawyers argued that "the need for prompt compliance is particularly acute in this case" and that "it is up to the court, not Ameren" to set the deadline for when the plant shuts down.

More: *St. Louis Post-Dispatch*

NRC Denies Oklo Application to Build Advanced Nuclear Reactor

The Nuclear Regulatory Commission last week denied an application from Silicon Valley nuclear power start-up Oklo to build and operate an advanced nuclear reactor in Idaho.

The NRC cited a lack of sufficient information about potential accidents and safety measures.

Oklo's plan is to build nuclear reactors that are much smaller and cheaper than conventional nuclear reactors. The miniatures are supposed to be powered by the waste of conventional reactors and housed in A-frame structures. The company has raised more than $25 million from venture investors.

More: *CNBC*

Oil Lease Sale Planned in North Dakota, Montana

The Bureau of Land Management is planning a lease sale this winter for 6,850 federally owned mineral acres in North Dakota and Montana. The agency has not yet announced a date, nor has it finalized details of the sale.

President Joe Biden halted the leasing process upon taking office, issuing an executive order announcing a review of the program "to restore balance on America's public lands and waters to benefit current and future generations." The Interior Department, which oversees the BLM, recently wrapped up its review of the leasing program and recommended the government raise royalty rates.

Oil and gas companies will bid to secure leases during the event, and those that are successful will have a 10-year window to obtain a federal permit allowing them to drill.

More: *The Bismarck Tribune*

Pace of EV Charger Installation Must Triple to Meet Biden Goal

Nearly three times more electric vehicle chargers must be installed each quarter to meet President Joe Biden's goal of having 500,000 charging ports in place by 2030, a National Renewable Energy Laboratory report recently found.

The report assessing the state of EV infrastructure across the country said an average of 5,322 public charging ports had been installed in each quarter from 2020 to the second quarter of 2021. With that, NREL researchers say about 14,706 new public installations will be required each quarter for the next nine years to meet the administration's 2030 target.

According to NREL, the number of public EV ports increased by 5,006 in the second quarter of 2021, bringing the total to 105,765 and representing a 5% increase since the first quarter of 2021.

More: *IHS Markit*

US Becomes World's Top Exporter of LNG

The U.S. has become the world's leading exporter of LNG after exports topped 7.7 million tons in December. The nation has become the world's top exporter just six years after it shipped its first LNG cargo from the lower 48 states in 2016.

Export capacity should continue to grow, said the EIA, which estimates that peak capacity was 11.6 billion cubic feet per day in November 2021. That should increase to 13.9 billion cubic feet per day by the end of this year as new export facilities are completed.

More: *CNN Business*

US Greenhouse Emissions Surge in 2021

U.S. greenhouse emissions surged back from a pandemic slump faster than expected in 2021, said an analysis by the Rhodium Group.

Preliminary 2021 data estimates economy-wide greenhouse emissions increased 6.2% compared to 2020, which saw a steep drop in emissions because of the COVID-19 economic shutdown. Still, 2021 emissions remained 5% below 2019 levels. Coal use, a big driver in the rebound, spiked 17% in 2021 — the first time since 2014 that coal generation increased in the U.S.

World Resources Institute Senior Associate Devashree Saha said if President Biden's Build Back Better Act and its $555 billion worth of climate and clean energy provisions passed Congress, the U.S. could reduce its emissions by an estimated 43% by 2030.

More: *CNN Politics*

State Briefs

REGIONAL

Heavy Snow, Winds Cause Power Outages in DMV Area

Heavy, wet snow and 45 mph winds knocked out power lines early last week and resulted in multiple outages throughout Delaware, Maryland and Virginia, the National Weather Service said.

At its highest count, Maryland reported more than 97,000 outages. PowerOutage.us, an online tool that reports and tracks power outages, reported more than 430,000 in Virginia and just more than 3,000 in Delaware.

More: *Salisbury Daily Times*

ARIZONA

ACC, Tribes Discuss Utility Help for Coal-impacted Communities

Tribal leaders of coal-impacted communities made their case to the Corporation Commission last week about how the state's economic transition from coal should be handled. The meeting was the first of a series of workshops that the Corporation Commission ordered in the most recent Arizona Public Service rate case.

The question of what role regulated utilities have in compensating the Navajo Nation, Hopi Tribe and northeastern communities affected by the mining and burning of coal had largely been avoided by the commission despite the decommissioning and demolishing of the Navajo Generating Station. But with the planned closure of the Cholla Power Plant and the Four Corners Generating Station, the communities that are feeling the economic fallout continue to pressure the agency for what they call a just and equitable transition.

A second workshop to discuss what should be included in the transition will be scheduled for February.

More: *ABC 15*

CONNECTICUT

Report Shows Cyberattacks Pose 'Significant' Risk to Utilities

A new report by the Public Utilities Regulatory Authority found that phishing attacks pose "a significant risk" to the state's utilities.

The PURA report found that in 2021 "the lack of multi factor authentication was the primary cause of many successful phishing hacks of utility vendors and business partners." The report highlighted several hacks last year, including vulnerabilities Microsoft found in its exchange servers "that were being actively exploited by Chinese state actors," who compromised some 30,000 devices in the U.S.

The report recommends utilities hold annual training events on phishing to prevent employees from clicking on suspicious emails.

More: *CT Insider*

FLORIDA

FPL Publicly Attacks Miami Herald After Solar Power Coverage

FPL

Florida Power & Light last week published a piece on its website entitled "Truth Matters: Why is the Miami Herald afraid to let its readers hear opposing voices?" criticizing the newspaper and a senior reporter for not publishing the entirety of an editorial opinion piece written in response to a Dec. 20 story about the company's role in preparing legislation affecting rooftop solar power generation.

The Herald story on solar panels was written by Capitol Bureau chief Mary Ellen Klas and Mario Alejandro Ariza. Klas' story detailed how the company wrote and delivered draft legislation to state lawmakers, at least one of whom benefited from an FPL donation. The bill could dramatically curb the growth of net metering, which allows homeowners and businesses equipped with rooftop solar panels to sell excess power back to FPL.

Three days later, FPL asked the Herald to publish an op-ed by David Reuter, the company's chief communications officer, calling the story a "huge disservice, focusing on misinformation and petty anti-utility biases over facts," blasting sources and criticizing Klas. The Herald published most of the piece as a letter to the editor after removing the attacks on Klas. That prompted FPL's 1,000-word-plus blog post, which included a timeline of its correspondences with editors and frustration over the pace of response.

More: *Miami Herald*

IDAHO

Idaho Power Cuts Coal by 2028 in Plan to PUC

Idaho Power last week said it has submitted a 20-year Integrated Resource Plan to the Public Utilities Commission that will phase out coal-fired power plants by 2028 as part of its effort to provide only clean energy by 2045.

The company's latest plan, which was also submitted to the Oregon Public Utilities Commission, cuts coal two years earlier than the plan it submitted in 2019. It also differs by including significant amounts of clean energy resources with 700 MW of wind, 1,405 MW of solar and 1,685 MW of storage.

Idaho Power's overall energy mix in 2020 was 41.7% hydro, 20.9% coal, 11.9% natural gas, 11.1% wind, 4.1% solar and 2.9% geothermal, biomass and other sources. Additionally, 7.4% came from energy market purchases.

More: *The Associated Press*

INDIANA

Delaware County Enacts 2-Month Solar Farm Moratorium

Delaware County commissioners last week voted to place a two-month moratorium on the approval of any plans for construction of solar farms in the county while changes to the solar farm ordinance are considered.

Proposed changes, said Commissioner Shannon Henry, would include increasing the setback of a solar field from homes from 50 to 100 feet and making sure a corridor out of wooded areas exists for large animals to run free.

The motion came during a public hearing on a proposed solar farm by Invenergy, which calls for construction to start in the middle of 2023 and for the farm to be operational by the middle of 2024.

More: *Muncie Free Press*

IOWA

Plymouth County Supervisors Against Eminent Domain for CO_2 Pipelines

The Plymouth County Board of Supervisors last week joined other counties in requesting that the Utilities Board deny the use of eminent domain for two proposed carbon dioxide pipelines.

County Supervisors Chairman Don Kass recently wrote a letter to the board that addressed proposed pipelines from Summit CO_2 Solutions and Navigator Ventures Heartland Greenway Systems. He said the supervisors feel there are good uses for eminent domain but that carbon dioxide pipelines aren't one of them.

"Things like roads and bridges and schools and police stations and fire stations — that is what eminent domain was for. This is nothing more than a profit center for their investors that has to do with CO_2 sequestration," Kass said.

More: *Radio Iowa*

MINNESOTA

PUC Approves Sale of Tx Line Tied to Coal Creek Station

The Public Utilities Commission last week voted unanimously to approve transfer of the 436-mile high voltage line from the ownership of Great River Energy to Nexus Line as part of a larger deal that seems poised to rescue North Dakota's largest coal plant from shutting down.

Great River Energy entered into an agreement with Rainbow Energy last summer to sell the transmission line alongside the 1,100-MW Coal Creek Station. The deal pays just $1 for the coal plant and roughly $225 million for the line, though the original agreement has undergone recent amendments that could alter the dollar figures. Recent amendments to the agreement extend Great River's operations of the transmission line to 20 more years and include plans for the cooperative to develop up to 400 MW of new wind power.

Because the companies have established a new agreement, the revised contract will require another vote by Great River's member co-ops. Finalization of a deal is expected "no earlier" than May 1.

More: *The Bemidji Pioneer*

MONTANA

Effort to Reverse New Nuclear Bill Fails

A lack of signatures has ended an effort to reverse a 2021 state law and once again require any proposed nuclear power project to be put to a public vote.

In 1978, the People's Power League got a ballot referendum passed that put proposed nuclear power plants up to a public vote. It was overturned by HB 273 in 2021 after the governor signed the bill into law.

Carole Mackin of the People's Power League said there was not enough time to gather the nearly 35,000 signatures needed to get the referendum on the November ballot.

More: *Independent Record*

NEBRASKA

OPPD Solar Applications Rose More Than 700% Year-over-year

The Omaha Public Power District last week said applications for solar installations on private property from home and business owners topped 532 in 2021, a 780% year-over-year increase.

OPPD made solar more attractive by increasing the maximum generation allowed on customer-owned property to 100 kWh in Sept. 2021.

More: *KETV*

NEW MEXICO

PNM Merger's Rejection Appealed to State Supreme Court

The Public Service Company of New Mexico, Avangrid and Iberdrola of Spain last week appealed the rejection of their proposed merger by state regulators to the state Supreme Court.

The Public Regulation Commission last month rejected the three companies' merger plan. The commission cited several reasons, including Avangrid subsidiaries' service record in the Northeast, and also objected to some of the tactics used by the companies in trying to get their plan through the state agency.

A PNM spokesman said the applicants will lay out their arguments within the next 30 days.

More: *Santa Fe New Mexican*

NORTH CAROLINA

Pee Dee Electric to Install New Cost-saving Battery Tech

Pee Dee Electric last week said it will install "cutting-edge" battery energy storage technology in Rockingham, which the co-op says will enhance system resilience and reliance.

The technology will be integrated with an existing electric substation. The battery will be one of 10 substation batteries that will be installed in rural areas by cooperatives, which all together will provide 40 MW of power. The batteries will charge when demand for electricity is low and will be used during moments of peak demand, the co-op said. Installation will begin in the early part of this year and is expected to be activated this summer.

More: *Richmond County Daily Journal*

NORTH DAKOTA

Judge Rules Thousands of Disputed DAPL Documents are Public Records

A state judge ruled last week that thousands of documents related to security during the construction of the Dakota Access Pipeline in the state are public and subject to the state's open-records law.

The Intercept sued in 2020 to get access to documents being held by the state Private Investigation and Security Board that are related to Energy Transfer, the Texas-based company that built the pipeline, and TigerSwan, the North Carolina company that Energy Transfer hired to oversee security during construction.

TigerSwan gave about 16,000 documents to the board during a two-year battle over whether the company operated illegally in the state in 2016 and 2017, when thousands of people protested and law enforcement made hundreds of arrests.

More: *The Bismarck Tribune*

RHODE ISLAND

Neon Marketplace Opens New Gas Station with EV Charging

Neon Marketplace last week announced it is expanding its brand with a new convenience store with gas pumps and electric vehicle charging stations close to Rhode Island T.F. Green International Airport.

The new location in Warwick features "Tesla Superchargers" alongside gas and diesel pumps, the company said.

More: *Providence Business News*

VIRGINIA

Dominion Gets Approval for Large-scale Smart Meter Rollout

The State Corporation Commission last week approved Dominion Energy's request to replace roughly 1.1 million existing meters with newer technology that will allow customers to adjust energy usage based on real-time data.

The project will cost $198.3 million and bring the utility close to a full deployment of smart meters in the state by 2023.

The SCC twice denied smart meter proposals in Dominion's Grid Transformation plans and in April 2020 again rejected the utility's request to reconsider its denial. In a formal order, the commissioners said it believed the potential benefits were "too speculative and uncertain for the commission to choose to approve such a large expenditure at this time, the large costs of which impact Dominion's customers."

More: *Virginia Mercury*

Officials Say State Should not Forbid New Fossil Fuel Plants

Secretary of Commerce and Trade Brian Ball and Secretary of Natural and Historic Resources Ann Jennings last week recommended that the General Assembly not forbid any new carbon-emitting power plants "at this time" and said the state can meet its decarbonization goals without a moratorium.

The two said, "the 2045 carbon-free electricity generation goal can be met through existing natural gas infrastructure, existing nuclear energy facilities (with renewed permits) and new renewable energy investments" and warned that "a moratorium may prove counterproductive if it prohibits vital reliability projects and stifles other forms of clean energy innovation."

The Virginia Clean Economy Act commits the state's grid to becoming carbon-free by 2045, both by requiring the state's two largest utilities to source increasing percentages of their electricity from renewables and by mandating the development of wind, solar and battery storage.

More: *Virginia Mercury*

WEST VIRGINIA

Board of Public Works Approves Reduced Utility Values, Tax Rates

The Board of Public Works last week approved reduced property values and tax rates for the state's major utilities.

According to the State Tax Department, the total final assessments for 2022 are $12.4 billion, which is $23.2 million less than the total final assessments for 2021. It is also $500 million less than the tentative assessment released by the State Tax Department at the board's September meeting.

Furthermore, the final recommended values of utility properties in 2022 were $4.5 billion, which was $482.7 million less than the recommended tentative value of nearly $5 billion.

More: *The Parkersburg News and Sentinel*

FirstEnergy Customers See Rate Increases

The Public Service Commission last week approved a $19.6 million rate increase for Mon Power and Potomac Edison, both subsidiaries of FirstEnergy. The new rates took affect this past weekend.

The increase, which represents a 1.5% increase for customers, will allow the companies to recover costs for fuel, purchased power agreements and the costs of transmission.

The commission also rejected a request from environmental and energy efficiency groups to order the companies to reinstate and provide access to energy efficiency programs.

More: *The Weirton Daily Times*

Sierra Club Challenges DEP's Approval of MVP Water Permit

The Sierra Club last week filed a lawsuit against the Department of Environmental Projection, objecting to the department's recent approval of a key water permit for the Mountain Valley Pipeline project.

The suit, filed by lawyers from Appalachian Mountain Advocates on behalf of the Sierra Club and other environmental groups, claims the DEP violated the Clean Water Act when it approved the permit two weeks ago.

The pipeline is projected to permanently impact 1,276 feet of streams, as well as less than a half-acre of wetlands. The DEP also determined that more than 20,000 feet of streams and about 12 acres of wetlands will be temporarily impacted during construction. Still, it determined the pipeline complied with state water quality guidelines.

More: *WVNews*

WISCONSIN

PSC Approves $90M in Pollution Controls for Elm Road Plant

The Public Service Commission approved plans for three utilities to spend nearly $90 million on pollution controls required to continue burning coal at a power plant slated for conversion to natural gas.

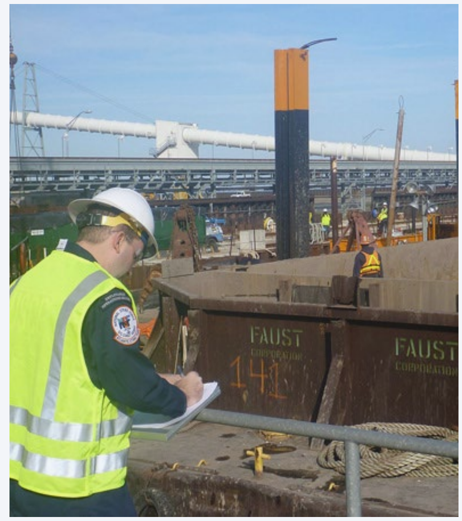
Completed in 2011 at a cost of more than $2 billion, the Elm Road Generating Station in Oak Creek is jointly owned by We Energies, Madison Gas and Electric and WPPI Energy. To comply with federal regulations, the plant needs a new treatment system to remove toxic metals from water dumped into Lake Michigan.

But since applying for a permit in February, We Energies announced that it is phasing out coal by 2030 and plans to convert the 1,268-MW plant to burn natural gas. Under EPA rules that took effect in December, the new treatment system must be in place by the end of 2023 so long as any coal is burned.

More: *Wisconsin State Journal*

PSC Approves Wind Farm Purchase

The Public Service Commission last week voted unanimously to authorize Wisconsin Public Service (WPS) and Madison Gas and

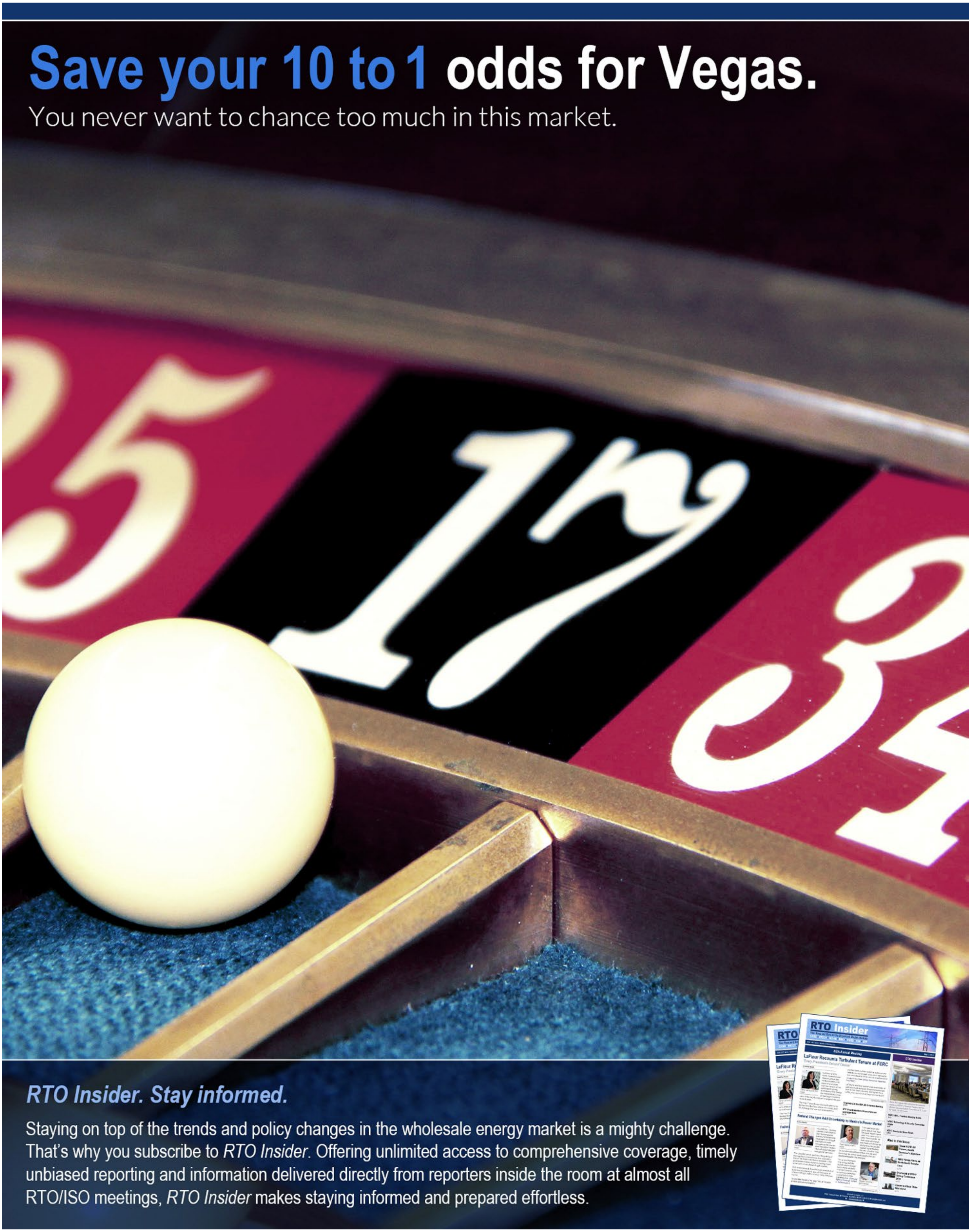


Electric (MGE) to spend $162 million on the 92-MW Red Barn Wind Farm as part of long-term strategies to phase out coal-fired power plants and reduce greenhouse emissions.

WPS will own 90% of the project, with MGE owning the rest. The utilities will not take possession until the project is completed and operational, which is expected to happen before the end of the year.

The wind farm would include up to 29 turbines spread across more than 12,000 acres.

More: *Wisconsin State Journal*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