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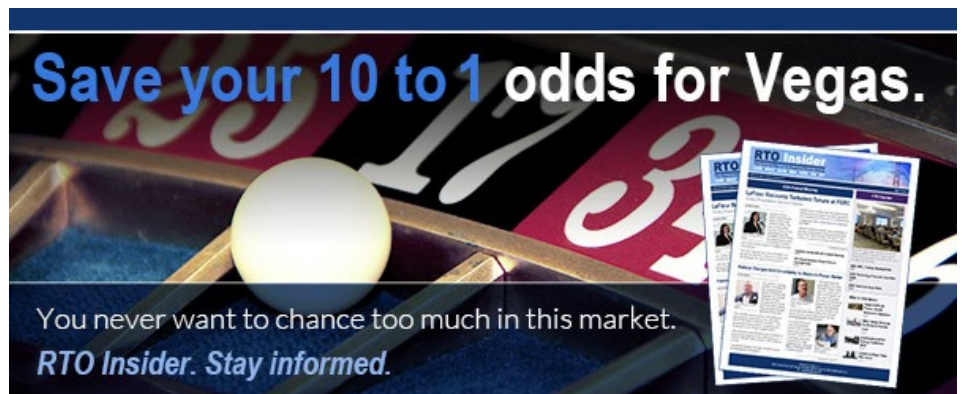
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FERC/Federal News



Glick: No Regrets over Gas Policy Statements

GOP Senators, Commissioners Join Manchin in Blasting FERC

By Rich Heidorn Jr.

WASHINGTON — FERC Chairman Richard Glick told senators on Thursday he has no regrets over the natural gas policy statements a split commission issued last month, rejecting criticism that he had overstepped the agency's authority and increased uncertainty for developers.



FERC Chair Richard Glick (D) | © RTO Insider LLC

FERC voted 3-2 along party lines on Feb. 17 to update its 1999 policy statement on natural gas infrastructure certificates (PL18-1) and release guidance on how it will evaluate the impacts of projects' greenhouse gas emissions in its environmental analyses (PL21-3). (See [Split FERC Updates Policies on Gas Infrastructure Applications](#).)

Glick defended the policy statements during a two-hour hearing before the Senate Energy and Natural Resources Committee, where Chairman Joe Manchin (D-W.Va.) and his Republican colleagues accused FERC's Democratic members of pursuing a partisan climate agenda that undermined U.S. energy security.

Glick and his fellow Democratic commissioners, Allison Clements and Willie Phillips, said the statements were needed because projects have been remanded or vacated by federal courts because of insufficient environmental analyses by regulators, including FERC.

'Beyond the Pale'

An angry Manchin opened the hearing by accusing FERC's Democrats of "elevat[ing] environmental considerations above American energy reliability, security and independence."



Sen. Joe Manchin (D-W.Va.), chair of the Senate Energy and Natural Resources Committee, left, and ranking member Sen. John Barrasso (R-Wy.) | © RTO Insider LLC



FERC commissioners respond to questions from the Senate Energy and Natural Resources Committee. | © RTO Insider LLC

After the hearing, Manchin joined Republicans and Democrats in both the House and the Senate to [announce](#) a bill that would bar the importation of Russian crude oil, petroleum products, LNG and coal until the country ends its invasion of Ukraine.

"To ... put up barriers to natural gas projects and the benefits they provide while [Russian President Vladimir Putin is actively and effectively using energy as an economic and political weapon against our allies is just beyond the pale," Manchin said. "If we could actually get natural gas infrastructure built, it would not only help with the energy transition here at home, it would also help keep costs down for American families, create good-paying jobs and strengthen our ability to use energy as a geopolitical tool to fight for our values abroad and support our strategic partners."

Republicans followed with their own fusillade, with Sen. Steve Daines (R-Mont.) accusing the FERC of "kneecapping energy providers," and Sen. Mike Lee (R-Utah) saying the commission was pursuing a "radical climate agenda [that] makes us more vulnerable to attack."

"These policies are going to make it next to impossible to build any new natural gas infrastructure or upgrade our existing facilities in the United States," said ranking member Sen. John Barrasso (R-Wyo.). "These orders were among the chief objectives of Commissioner [Allison] Clements' former employer, a group with a mission to block pipelines." Clements worked for a decade at the Natural Resources Defense Council.



FERC Commissioner James Danly (R) | © RTO Insider LLC

Republican Commissioners James Danly and Mark Christie, who had dissented on the policy statements, also were critical.

Danly said the majority put "far too much weight on a handful" of narrow court rulings and said the new policy

would cause reliability problems for the electric grid.

Christie said he would have agreed to reduce the reliance on precedent agreements between corporate affiliates to prove the need for pipeline capacity and to measures guaranteeing due process to property owners and communities.

"On the contrary, what the majority did was essentially assume it had the power to rewrite both the Natural Gas Act and the National Environmental Policy Act under the rubric of addressing climate change," he said. "But that is a power that this commission does not have; only you — the elected legislators in Congress — have that power and you have not delegated that power to us."

Glick: No Agenda

Glick said the majority made its decisions "based solely on the applicable law and the facts in the record," insisting, "I have no other agenda."

FERC/Federal News



“The D.C. Circuit has spoken on several occasions, and unless the court’s interpretation is reversed, we have no choice but to follow with unambiguous guidance,” he said.

The commission received defenses from the panel’s Democrats and Sen. Angus King (I-Maine).

Sen. Mazie Hirono (D-Hawaii) said it was “outrageous” that the commission had relied on contracts between corporate affiliates.

King recalled having to comply with environmental regulations while seeking a permit for a 2-MW hydropower project. “We had to do environmental analysis of wetlands; we had to work with U.S. Fish and Wildlife; we had to look at the effects on the water surrounding the project and fish passage and all of those issues,” he said. “And here we are saying that the FERC can’t require the examination of the most serious environmental threat that this country and world has ever faced — I think that’s preposterous.”

King said critics had made a case for FERC to work with stakeholders to clarify the order and reduce uncertainty. But, he added, “the fundamental premise is that this is an environmental impact. Methane is 80 times worse than CO₂. And it’s the low hanging fruit of climate change.”

More or Less Uncertainty?

Glick said he was confident that the policy statements “will lead to project orders that are more legally durable.”

“I think developers of energy infrastructure would agree that when regulatory agencies ignore judicial directives, or cut corners, the courts typically vacate permits and send the agencies back to the drawing board. This often adds a significant amount of time and hundreds of millions, if not billions, of dollars of additional costs onto a project.”

But Republicans said the commission’s actions would increase litigation and chill investments, with Barrasso citing a letter of complaint from Alan Armstrong, CEO of Williams Co., which transports about 30% of the natural gas in the U.S.

“There is no question that it will be wielded against every major natural gas project, future or pending, making the costs and uncertainties of even pursuing a project exponentially more daunting,” Christie said.

He said the majority was disingenuous in suggesting the statements were consistent with the commission’s prior handling of environmental impact analyses. “To compare drainage mitigation going through a wetland to ‘Oh, you’ve got to mitigate global climate change ...

that is a massive, massive step difference.”

Christie said he was certain that some licenses will be approved under the new policy but said they represented a “Potemkin village.”

“I think what we’re going to see is the deterrent factor is so great, I think you’re going to see a lot of applications that are never going to get even proposed. And maybe that’s the point. Because who can raise \$6 [billion] to \$8 billion of risk capital based upon a standard that says, ‘try your luck.’”

Under questioning from Sen. Bill Cassidy (R-La.), Glick said the new policy would only require developers to mitigate fugitive gases associated with the pipeline’s construction and operation. But Danly said the statement goes far beyond that in “encouraging” mitigation of downstream emissions.

“It is, in my opinion, a classic case of doing indirectly what cannot be done directly,” Danly said. “The general premise in this shows you my judicial minimalist streak: Every time you get a multifactor balancing test that is going to be done on a case-by-case basis by an administrative agency, what you effectively have is derogation of power to pick winners and losers at the whim of the decision-maker. And that will be the case here, where I predict that you’re going to see favored parties being given the nod and those who aren’t will have their applications rejected.”

Looking Forward

Sen. John Hickenlooper (D-Colo.) said the issues raised by the pipeline debate are “similar to the issues we’re facing around [electric] transmission.”

“Maybe it’s time that we get around the table and just discuss the legislative solution to gas and transmission at the same time,” he said, “because we really are running out of time” to address climate change.

Barrasso suggested Congress could seek to undo the policy under the Congressional Review Act.

“I’m now starting to think that perhaps we would be better off without FERC — which having been created by Congress, can be eliminated by Congress,” said Lee. “Perhaps it should.”

In an interview after the hearing, Glick said he had no regrets about how the commission issued the policy statements. “We have to move. These orders are sitting here,” he said.

“As I said before, give us some time. Let us pursue these orders. ... And if you still don’t like it, call me back and scream at me some more. I’m going to take it, but at least see how we implement the policy statements.” ■



FERC Commissioners Mark Christie (R) and Willie Phillips (D) | © RTO Insider LLC

FERC/Federal News



BNEF: 2021 a 'Blockbuster Year' for Clean Energy Investment But EIA Sees Fossil Fuels Booming Through 2050

By K Kaufmann and Sam Mintz

In 2021, the U.S. pulled in \$105 billion in capital investments in the clean energy transition, installed 37 GW of new wind and solar, along with 42 MW of battery storage, and put 657,000 new electric vehicles on the road, more than double the 325,000 EVs sold in 2020.

At the same time, according to the *2022 Sustainable Energy in America Factbook*, U.S. greenhouse gas emissions rose 5.8% year over year, and climate disasters cost the country \$145 billion in damages. Meanwhile, high natural gas prices opened the way for coal-fired generation to once again become competitive in wholesale power markets. Coal produced 22% of the nation's electricity in 2021, the highest level in 14 years, the Factbook says.

A joint project of the Business Council for Sustainable Energy (BCSE) and BloombergNEF (BNEF), the 2022 Factbook was one of two major energy industry reports released

Thursday, with each providing different and somewhat conflicting views of the U.S. energy transition.

The U.S. Energy Information Administration's *Annual Energy Outlook 2022* reported that fossil fuels will continue to dominate through the middle of the century even as renewables and electric vehicles ramp up.

"We don't see liquid fuels and natural gas losing their place as the top two sources of energy in the United States through 2050," acting EIA Administrator Stephen Nalley said during an announcement webinar.

The 2022 Factbook provides a chart-packed, by-the-numbers look at a U.S. and global clean energy transition that has become unstoppable but still faces many uncertainties as to its speed, costs and evolving portfolio of technologies and fuel sources.

A key chart in the report compares the \$80 billion in energy research and development funding — mostly for nuclear, hydrogen

and carbon capture — in the Infrastructure Investment and Jobs Act with the \$300 billion in incentives and tax credits for renewables, storage, transmission and manufacturing in the stalled Build Back Better Act.

"We need every technology that we can bring to bear, and we need them to be affordable, deployable and practical" to reach economy-wide decarbonization, BCSE President Lisa Jacobson said in an interview with *RTO Insider*. "Investments are needed in many innovative technologies, in addition to dramatically scaling up what we have readily available today."

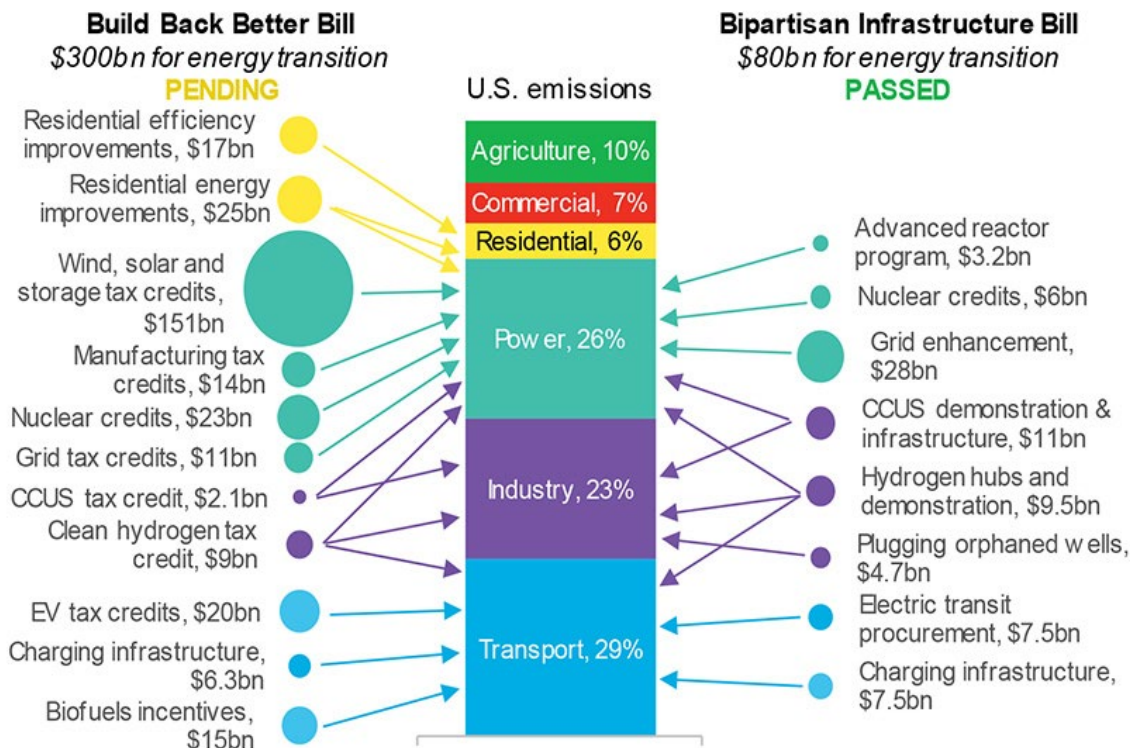
At a prerelease press briefing on Thursday, other energy industry officials spoke of the need to ramp up investments, deployments and the policies that will support them. Dan Whitten, vice president of public affairs at the Solar Energy Industries Association (SEIA), said solar deployments could drop in 2022 "if we don't get this right."

SEIA is particularly focused on the tax credits for manufacturing in Build Back Better, which he said are "critical, both in terms of investing in facilities and also in supporting production of everything from ingots to cells to wafers to panels themselves. We've got make that commitment."

Records for Venture Capital

For Ethan Zindler, head of Americas for BNEF, one of the report's biggest takeaways is the growth in investment and renewables deployment in 2021, which he called "a truly blockbuster of a year."

"In the flows of capital, almost every type of asset class or way that money could get deployed into the sector, it did," Zindler said. "We saw records for venture capital investment. It was everything from early-stage technologies to deployment of existing and commercially viable technologies ... which reflected a lot of bullish sentiment on the



Energy spending comparison: BBB vs. IJA | EPA, EIA, BloombergNEF

FERC/Federal News



part of investors.”

Renewables took the largest chunk of new U.S. investment, \$47 billion (45%), followed by electric transportation at \$35 billion (34%), he said. And investment in hydrogen doubled to \$200 million.

Paralleling those investments, the solar industry added 24 GW of new power to the grid and wind added 13 GW, helping to push renewables’ contribution to U.S. power generation — including hydropower — to a new high of 21%.

Transmission also saw record-breaking investments from both utilities and independent developers, close to \$28 billion, an 11% increase from 2020, according to the factbook. But, despite the hundreds of gigawatts of renewable energy projects in interconnection queues across the country, BNEF is predicting a slight downtick and plateau in coming years.

“I don’t think the issue is the lack of available capital,” Zindler said. “The challenge is lack of investible projects ... [caused by] the incredible challenge it takes to get a transmission project permitted.”

Emily Duncan, director of federal government relations for National Grid and BCSE board chair, pointed to the indefinite hold on construction of the \$1 billion Hydro-Quebec transmission line following a 2021 vote by Maine voters against the project.

“We’re living that right now,” Duncan said. The uncertain fate of the project “is a perfect example of just how important this transmission problem really is — the fact that we are going

to have to run transmission through states that may not directly benefit from it. And how do we square that moving forward?”

Cost of Renewables Matters

Offering a more cautious view of the energy transition, EIA’s Annual Energy Outlook begins with the premise that meeting global demand for cheap power will keep fossil fuels a growth industry in the U.S. Oil and gas production will continue to boom, hanging on to their top spots as the two biggest sources of energy in the U.S. through 2050, despite increasingly high rates of renewable energy growth, the report says.

“We see the United States continuing to produce record amounts of crude oil, natural gas and natural gas plant liquids through 2050 under a wide variety of assumptions examined in the reference case and side cases,” Nalley said.

Driving that trend is a nearly 50% baseline increase in global energy consumption between now and 2050, bringing with it hefty international demand for oil and gas.

On the emissions front, the reports look at a number of scenarios — a reference case and eight “side cases” — finding that the ongoing energy transition decreases emissions until 2037, but then they begin to gradually tick upward again. EIA assistant administrator Angelina LaRose said the upward trend reflects “an increase in overall energy usage as a result of increasing population and economic growth,” as well as assumptions about current laws and

regulations holding in place.

The share of renewables in the U.S. electricity generation mix more than doubles from 2021 to 2050 according to the outlook, with wind leading the way in the next few years and solar taking over after 2024. By 2050, the EIA sees solar at 22% of electricity generation and wind at 14%.

“The cost of renewables matters,” LaRose said. In one of the agency’s side cases, with low renewable costs, gas and nuclear generation fall compared to the reference case. In another, with renewables remaining at today’s costs, solar and wind still grow but gas prices remain competitive, and all of the energy sources keep growing.

“In the absence of changes in policy, the market is primarily driven by cost,” LaRose said. “There’s the potential for much variation.”

A ramp-up in electric vehicle sales, from 340,000 in 2021 to 1.52 million in 2050, starts to put a dent in the share of gasoline-powered vehicles in the reference case, which falls from 92% of light-duty vehicles in 2021 to 79% in 2050.

“There are a number of factors, including declining battery costs,” said Erin Boedecker, EIA’s team leader for energy consumption and efficiency modeling. “Also, an increasing number of available models on the market, and that’s expected to continue. And there’s a growth in the consumer market for longer-ranged electric vehicles, particularly in light trucks, in our projection period.” ■

National/Federal news from our other channels



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CAISO/West News

Calif. Addresses Electric ‘Affordability Emergency’

Wildfires and Switch to Clean Energy Contribute to Fast Rising Rates

By Hudson Sangree

Joined by lawmakers and other state energy officials, the California Public Utilities Commission met last week to deal with the looming crisis for ratepayers saddled with billions of dollars annually for fuel costs, wildfire prevention and the state’s switch to 100% clean energy.

The *two-day session* Feb. 28 and March 1 on electric and natural gas rates examined ways to control costs and to pay for major projects using public revenues rather than ratepayer funds. Panelists included wildfire experts, utility executives and ratepayer advocates.

“TURN is here today to declare a state of emergency, an affordability state of emergency,” Mark Toney, executive director of The Utility Reform Network, said during a panel on non-ratepayer sources of funding for infrastructure upgrades.

Toney called for a timeout on rate increases until the CPUC can come up with alternatives to pay for soaring capital costs for the state’s three large investor-owned utilities.

PG&E electric ratepayers, for example, were hit with a \$1 billion rate increase in January followed by a \$1.1 billion increase March 1. Together, the increases work out to a 19% rate hike in the past two months or about \$28/month for average households.

The January spike resulted from a \$671 million increase in FERC-approved transmission rates and a \$284 million increase in PG&E’s general rate case for program costs, the CPUC said.

The additional increase this month came from natural gas prices that were \$1.1 billion higher than PG&E had expected in 2021 and 2022. To cover the fuel costs, the CPUC *approved* a \$769 million increase to PG&E’s Energy Resource Recovery Account (ERRA) and a \$358 million addition for ERRA under-collection in 2021.

Southern California Edison and San Diego Gas & Electric have also seen significant rate increases.

For SCE, the CPUC approved a January rate increase of 2.9%, working out to an average monthly bump of \$3.99 in residential bills. The causes included the addition of \$385 million to SCE’s general rate case for wildfire mitigation

work, including vegetation management and installing covered conductor. Newer CPUC-approved increases for SCE, which take effect this month, reflect high natural gas prices and the recovery of \$401 million in wildfire prevention costs.

Starting soon, SCE residential customers can expect an additional 7.7% bill increase, adding \$11.48/month on average. Between the January and March rate hikes, SCE residential customers will be paying nearly 11% more for electricity this year, or about an extra \$12.50/month.

San Diego Gas & Electric residential bills rose by 11.4% in January because of a \$273.5 million boost to the utility’s revenue requirement, mostly based on high gas prices, and \$38.5 million for transmission costs authorized by FERC, the CPUC said.

Billions of dollars more could be required to pay for infrastructure upgrades such as PG&E’s proposal to underground 10,000 miles of power lines to prevent wildfire ignitions. CAISO predicts new transmission may be needed to reach wind resources on the Great Plains and in offshore wind farms along the West Coast. Thousands of additional megawatts of solar, storage and other clean energy resources are required in coming years to achieve the state’s goal of supplying retail customers with 100% carbon-free energy by 2045, according to the CPUC and Energy Commission.

“We’re dealing with multiple imperatives right now: the imperative to decarbonize and stave off the worst impacts of climate change, the imperative to deal with some of the climate consequences that are already upon us, and the imperative to deal with rising costs,” Energy Commission Chair David Hochschild said. “We have to deal with all of those together. There’s not one we can leave off the list. This is the challenge ahead of us.”

Non-ratepayer Funding

Among the major proposals discussed at the meeting were ways to use California’s large revenue surpluses to cover costs without adding to ratepayer bills or to pay for transportation and building electrification using fees for buying cars and homes.

“This discussion comes at an opportune time when the state general fund is experiencing



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CAISO/West News

large surpluses in the tens of billions of dollars,” CPUC Government Affairs Director Grant Mack said.

California has an estimated revenue surplus of \$76 billion in the current fiscal year and \$46 billion next fiscal year. The state received \$25 billion this year through the American Rescue Plan Act of 2021, and the \$1.2 trillion Infrastructure Investment and Jobs Act, signed by President Biden in November, appropriated \$58 billion for clean-energy investment and energy efficiency, Mack said.

The flood of public funding could limit increases in electric rates, panelists said, though they cautioned that the surpluses may not last, based on California’s prior record of boom-and-bust fiscal years.

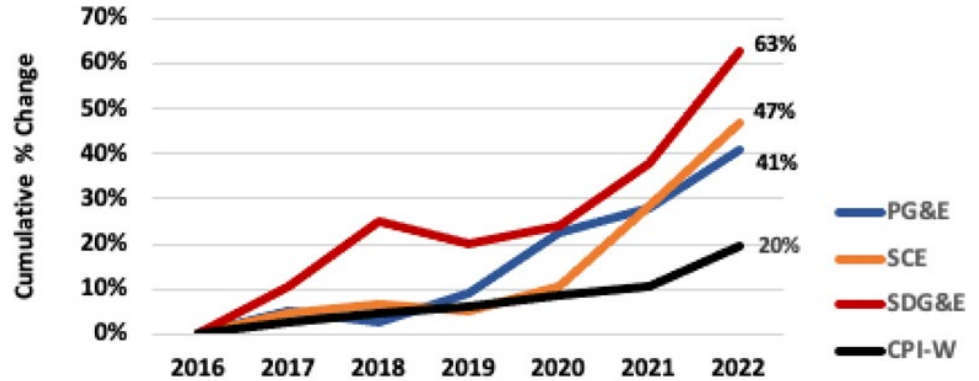
“I guarantee you we will not have a state budget surplus year in and year out,” Toney said.

Instead of relying on surpluses, he proposed paying for electric vehicle infrastructure and incentives with point-of-sale fees at dealerships instead of ratepayer fees. He also proposed funding building electrification in a similar way. Instead of spending hundreds of millions of dollars in ratepayer fees to electrify “10,000 homes here and there,” he recommended charging homebuyers a closing fee to pay for electric space and water heating upgrades.

In the realm of wildfire prevention, Michael Wara, director of the Climate and Energy Policy Program at Stanford University, said the state needs to better assess its spending to achieve the greatest impact.

For instance, he said, utilities are spending billions of dollars in ratepayer money to harden the grid and prevent wildfire ignition. Prevent-

Percentage Increases In California Average Residential Electricity Rates



Investor-owned utility rates have soared in recent years. | The Utility Reform Network (TURN)

ing ignitions is important but so is limiting the rapid spread of fires, he said.

Wara cited the 2018 Camp Fire, which spread so rapidly that it leveled the town of Paradise in hours, and last year’s Dixie Fire, which advanced so quickly at times that it eventually burned nearly 1 million acres.

“Wildfire risk also comes from how wildfires spread,” Wara said.

“It’s very expensive to reduce utility ignitions to zero” by installing covered conductor and burying lines “and we can only do that so quickly,” he said. “But if we get to a place where we can tolerate ignition safely [by reducing spread, for example] it might mean that we don’t have to make some of these incredibly costly, long-run infrastructure investments, because we’re managing the landscape in a way that creates safety.”

Last year, state investor-owned utilities

proposed spending \$8.5 billion in ratepayer funds on wildfire mitigation, he said. At the same time, the state plans to spend \$1.5 billion in taxpayer revenues on fuel management and community protection and more than \$4 billion on fire suppression.

To offset those costs, California could consider charging additional fees to ratepayers in high-threat fire areas because providing service there is more expensive, Wara said. While those residents could not feasibly cover their full cost of service, they could pay additional fees to cover fire prevention and suppression costs, he said.

A state fee that expired in 2017 charged many rural residents around \$100/year to help cover wildfire costs, so the precedent exists, he said. The purpose of such a fee is to protect ratepayers outside of fire zones, “particularly low-income people who do not live in high-risk areas,” Wara said. ■

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CAISO/West News

Bill to Expand Powers of Wash. Siting Council Passes Senate

By John Stang

Washington Senate Democrats last week greenlit a bill that would expand the authority and stature of the body that makes siting decisions for energy facilities throughout the state.

The Senate passed [House Bill 1812](#) on a mostly partisan 29-20 vote on Thursday. The tweaked bill now goes back to the House for approval. The House passed the original bill with a bipartisan 95-3 majority.

Introduced by Rep. Joe Fitzgibbon (D), chairman of the House Environment and Energy Committee, HB 1812 would take Washington's Energy Facility Site Evaluation Council (EFSEC) outside the umbrella of its parent, the Washington Utilities and Transportation Commission, and make it an independent agency.

Currently comprising representatives from several state agencies, the EFSEC makes recommendations to the governor for final decisions on the placement of wind and solar

farms and other energy resources.

Under existing rules, a wind or solar developer can opt to seek state approval instead of obtaining county permits by going directly through EFSEC. Or a developer can choose to have the appropriate county government handle the permitting, sidestepping the council.

Fitzgibbon's bill would not alter that practice but instead extend the EFSEC's jurisdiction to clean energy product manufacturing facilities, renewable natural gas facilities and hydrogen production plants. The bill also would require the Washington Department of Commerce to meet with rural stakeholders and to prepare reports on those meetings, including recommendations on how to more equitably distribute costs and benefits of energy projects to rural communities.

The bill would direct a joint Senate-House committee to review inequities during the siting of large alternative energy projects with a report due by Dec. 1, 2023.

"This is creation of a more efficient and streamlined process," Sen. Reuven Carlyle (D), the Senate's champion on climate issues, said last Thursday.

Senate Republicans blasted the bill as taking local governments and local people out of the picture when decisions are made on siting wind turbines and solar farms. A controversy over a proposed wind farm in southeastern Washington lurks in the background of the debate over the legislation.

Scout Clean Energy of Boulder, Colo., has proposed building up to 224 wind turbines — each about 500 feet tall — on 112 square miles of mostly private land in the Horse Heaven Hills just south of Kennewick in Benton County. (See [Wind Project Sows Controversy in Horse Heaven](#).) County commissioners and many Kennewick residents oppose the project because they don't want wind turbines cluttering their view of the hills. Scout has opted to seek approval from the EFSEC instead of the Benton County government.

"The reason [HB 1812] is controversial is that Benton County has its local control taken away," Sen. Perry Dozier (R) said during Thursday's vote.

A common refrain from the state's critics of wind and solar farms is that rural Eastern Washington hosts most of the facilities while the electricity goes to heavily populated Western Washington.

Meanwhile, a Republican bill — [HB 1871](#) — to install a moratorium on EFSEC decisions through 2023, died in the House committee chaired by Fitzgibbon.

On Thursday, Republican senators portrayed Fitzgibbon's EFSEC bill as taking away more power from county governments, leading to Olympia bureaucrats deciding the fate of Eastern Washington farmlands.

"These projects are not in industrial areas, but in alfalfa fields," said Sen. Judy Warnick (R).

"It's really a shortcut around local government," said Sen. Keith Wagoner (R)

Sen. Ron Muzzall (R) said: "Are we willing to disenfranchise local governments and local people?"

"The only thing predictable about this is we'll see more wind farms on our side of Washington," Sen. Curtis King (R) said. ■



A controversial wind project proposed for Washington's Horse Heaven Hills region has sparked Republican opposition to a bill to expand the powers of the state's facility siting body. | BLM

CAISO/West News

California Governor Swaps Energy Officials

Changes at State Energy Commission Follow Moves at CPUC

By Hudson Sangree

California Gov. Gavin Newsom continued changing up the state's energy leadership last week by appointing Energy Commission (CEC) member Karen Douglas as his senior adviser on energy and naming Douglas adviser Kourtney Vaccaro, a former CEC chief counsel, to fill the vacant commission seat.

The changes followed a similar switchover at the California Public Utilities Commission (CPUC) late last year, when then-CPUC President Marybel Batjer decided to leave two years into her seven-year term and the governor named Alice Reynolds, then his senior energy adviser, to take Batjer's place.

The changes continue a trend in which Newsom has appointed senior staff, instead of outsiders, to fill seats on the CEC and CPUC daises.

Little more than a year ago, Newsom named new members to the three bodies that govern state energy policy — CAISO, the CPUC and the CEC — and reappointed a sitting member of the ISO's Board of Governors.

The governor picked CEC Deputy Director

Siva Gunda, a high-ranking staff member, as a CEC commissioner after former Commissioner Janea Scott left to take a post at the U.S. Department of the Interior in the Biden Administration.

Newsom chose then-CEC General Counsel Darcie Houck, a former CPUC administrative law judge, to fill an open spot on the CPUC after he selected former CPUC Commissioner Liane Randolph to head the California Air Resources Board.

Newsom also named Jan Schori, a long-time *NERC* trustee and former CEO of the Sacramento Municipal Utility District, to fill a seat on the CAISO board left vacant when former Chair David Olsen decided to retire at the end of November.

The latest appointments of Douglas and Vaccaro come as the CEC, the CPUC and CAISO are trying to head off energy shortfalls this summer as the state transitions from fossil fuels to renewables. The rolling blackouts of August 2020 led to calls for better synchronization among the three entities, which forecast energy demand, order utility procurement and run the state's grid, respectively.

The CPUC has struggled to prevent utility equipment from sparking wildfires and is currently attempting to control rate increases for customers of the state's three large investor-owned utilities. The CEC grants more than \$130 million a year for research and development of projects to decarbonize the transportation and building sectors, and to promote renewable energy and energy efficiency.

Douglas has served on the CEC since 2008. She was previously director of the Environmental Defense Fund's California Climate Initiative. Douglas earned a law degree from Stanford University and a master's degree in environmental policy from the University of Colorado, Boulder. Her new role does not require state Senate confirmation.

Vaccaro has served as Douglas' adviser at the CEC since 2019. Her prior positions at the commission from 2009 to 2019 included chief counsel and assistant executive director of compliance assistance and enforcement. Her appointment requires Senate confirmation.

Neither Douglas nor Vaccaro was available for comment Monday. ■

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CAISO/West News

California Faces Third Straight Drought Year

Dwindling Snowpack Means Less Hydropower for Summer Peak Demand

By Hudson Sangree

California should expect a third year of drought after two nearly rainless winter months, the state Department of Water Resources (DWR) said following its latest survey of Sierra Nevada snowpack.

Low reservoir levels will limit hydropower generation this summer, and extremely dry conditions could worsen wildfires, which burned close to 7 million acres in the past two fire seasons combined.

“With only one month left in California’s wet season and no major storms in the forecast, Californians should plan for a third year of drought conditions,” DWR Director Karla Nemeth said in a statement last week. “A significantly below-average snowpack combined with already low reservoir levels make it critical that all Californians step up and conserve water every day to help the state meet the

challenges of severe drought.”

The third snow survey of the season — conducted at Phillips Station, an alpine meadow near Lake Tahoe — showed snowpack there was 68% of average for March 1. Statewide, the snowpack was 63% of average for the date, the department said.

Heavy rains throughout the state in December had raised hopes of avoiding a third consecutive dry year. The snowpack on Jan. 1 at Phillips Station was 202% of average, and statewide snowpack was 154% of average. But an absence of new precipitation combined with early season snowmelt made those figures plummet.

“As the world continues to warm, precipitation is pushing toward extremes,” Jeremy Hill, manager of DWR’s Hydrology and Flood Operations Branch, said in the statement. “Even when we see large storms producing a lot of

snow early in the season, all it takes is a few dry weeks to put us below average.”

The agency said the snowpack would not be enough to fill the state’s reservoirs, which supply water for residential and agricultural use during California’s dry months and generate thousands of megawatts of electricity to help meet summer peak demand.

DWR’s State Water Project is the fourth largest power producer in California; hydroelectric generation historically supplies about 14% of peak summer capacity.

The state’s two largest hydropower-producing reservoirs were below half-full on Sunday. Lake Shasta stood at 37% of capacity and Lake Oroville at 46%. In an average year, Lake Shasta would be about twice as full by now, and Lake Oroville would have 28% more water.

The power plant at Lake Shasta, operated by the U.S. Bureau of Reclamation, has a nameplate capacity of about 700 MW, though actual production has diminished significantly over the past two years.

DWR’s 644-MW Edward C. Hyatt Powerplant at Oroville Dam has fared even worse. It shut down for the first time in its history on Aug. 5 because the lake had dropped to critically low levels. After the December storms, the plant restarted one generating unit to supply electricity to CAISO’s grid.

A two-decade drought in the Southwest has strained Colorado River supplies, with Lake Mead behind Hoover Dam and Lake Powell behind Glen Canyon Dam dropping so low that hydropower generation could cease. (See *Western ‘Megadrought’ Curtails Hydropower* and *Western Drought Puts Hoover Dam Hydropower at Risk*.)

In 2020 and 2021, California saw two of its driest years ever. Snow water content in California peaked at 60% of normal in 2021 after a similarly dry winter the year before, CAISO said. The ongoing drought reduced hydropower by 1,000 MW in 2021, the California Public Utilities Commission and California Energy Commission said last summer.

Since the rolling blackouts of summer 2020, CAISO and the CPUC have been working to install batteries to store solar power for summer evening peak hours. More than 2,000 MW of battery capacity were added by the end of 2021 with another 2,000 MW expected to come online this year, the ISO said. ■



A survey March 1 showed snowpack well below average for this time of year. | California Department of Water Resources

ERCOT News



Overheard at the 2022 Texas Energy Summit

Fingers Pointed at State's Gas Industry

By Tom Kleckner

AUSTIN, Texas — The Texas Energy Summit continued its focus on the *Texas Emissions Reduction Plan* as it gathered in person for the first time since the February 2021 winter storm that nearly collapsed the ERCOT grid.

The summit organizers from the Texas A&M Engineering Experiment Station's Energy Systems Laboratory have long emphasized a focus on energy management. However, the lead panel addressed — what else, after last year's storm? — increasing the ERCOT grid's resilience.

Moderator Evan Smith, the *Texas Tribune's* CEO, noted the grid didn't collapse during last month's winter storm, which was considerably less severe than the previous year's storm. (See *ERCOT Breezes Through Latest Winter Storm*.)

"Problem solved. Panel over. Do we really have to increase resiliency?" he asked his panel. "Isn't everything okay, based on what happened a couple of weeks ago?"

"We know we're making progress," said Caitlin Smith, senior regulatory director for Jupiter Power, an energy storage resource consultant. "Things are changing in Texas. Our generation and our demand is changing. You have to constantly be working on it. I don't think there's ever going to be a point where everything is fixed and we're done."



Caitlin Smith, Jupiter Energy | © RTO Insider LLC

Virginia Palacios, executive director of Commission Shift, which seeks to reform natural gas regulator Texas Railroad Commission, noted the most recent storm was only the seventh coldest in the last 12 years.

"It got cold, and the grid held up. That's not something that should be celebrated," Evans responded.

Still, this winter's weather activity resulted in reduced gas production in West Texas, Palacios said.

"There are gas facilities that are not winterized. If we had a severe storm, we could expect more outages," she said. "So, there's a chink in the armor."

State Sen. Jose Menendez (D) agreed, referencing ERCOT interim CEO Brad Jones' recent comment that natural gas production declines might point to the grid's continuing vulnerability because of its reliance on gas generation.

"That was not [U.S. Rep. Alexandria Ocasio-Cortez] saying the quiet part out loud," Menendez said. "Gas is a weather-dependent resource. We still see signs of problems on the horizon."

"At the end of the day, there's no free lunch. Do you pay to keep the lights on? How much do we pay?" he asked. "Building more gas plants ... that would all be on the backs of the consumers. That's why we should focus on energy efficiency and demand response. How can we do more on the demand side, so we don't need as much generation as quickly as we think."

"We know what the problem is. The problem is expectations on different resources," Smith said. "We expected gas to be there, and then it wasn't."

Speakers Address Ukraine Conflict

While the conference was focused on clean energy and air, the specter of Russia's invasion of Ukraine hung over the proceedings.



Texas Energy Summit's Doug Lewin, Stoic Energy, discusses last-minute details. | © RTO Insider LLC

Ukrainians that are suffering so deeply right now."

Smith opened the summit with an update on the state's recent primaries and its political outlook, but the first question he fielded from the audience was about oil politics.

"Well, [Texas does] benefit from higher oil prices, right?" Smith said. "Prices over \$100 a barrel tend to be good for the economy and good for the state's bank account, but I don't think anybody wants to profit off of

Russian tyranny."

"We're seeing this really huge crisis that even I am having trouble sort of wrapping my brain around," said Amy Myers Jaffe, research professor and managing director of the Climate Policy Lab at Tufts University's Fletcher School in Massachusetts.

Jaffe, who recently published her latest book, *Energy's Digital Future*, referred to the global energy markets' "mega crisis," with gas and oil prices both rising to levels not seen for years.

"We're really in a very tenuous situation with a very fragile market," she said. "Gas prices are at historic highs, and we know from history that these kinds of crises end — especially when its oil-related — with a global recession. That is how prices come down."

But Jaffe also pointed to a bright side: "We know each time this happens, we get new technologies, new energy efficiency, new government policies that lower demand."

Solutions Offered to Improve Air Quality

Participating in a panel discussion on replacing Texas' highest polluting power plants with cleaner and more reliable resources, Daniel Cohan, an associate professor at Rice University, said any replacement resources will have to come from Texas, given much of the state's isolation from the rest of the country's grid.



Daniel Cohan, Rice University | © RTO Insider LLC

"The replacements for the polluting power grid will have to come from Texas. ... That's not true anywhere else on the continent," he said, noting that most of the state's power capacity is more than 30 years old. "We keep them because they 'keep the lights on.' Maybe they're killing us, but you can count on them. Except when they're not actually there for us, such as during the February storm."

"The gas plant existing isn't the problem," Cohan said. "The problem is how much it's used."

Several speakers offered up virtual power plants as being among the new, enabling technologies that could eventually replace conventional resources. Virtual power plants

ERCOT News



rely on aggregated rooftop solar customers or community distributed solar, often with battery storage.

Using a suburb north of Houston as an example, Jaffe said, “Imagine if everyone in The Woodlands had rooftop solar and also had something the size of the washing machine in their garage that stores that electricity. Say the developer of this [distributed energy resource] system gives everybody a battery 30% larger than their electrical use.

“Then, when it’s not sunny or there is a surge in demand for heat, we aggregate that 30% of everybody’s batteries. That’s why it’s called a virtual power plant,” Jaffe said. She said a similar system in Western Australia prone to massive brownouts proved to be a “very robust” solution.

Closer to home, Jaffe said California’s experience after the Aliso Canyon natural gas blow-out in 2015 fed the states’ optimism to pursue a 100% renewable energy goal. Developers offered to replace the natural gas capacity with solar energy and batteries. They installed 104 MW of solar and battery storage in a matter of months.

“And it’s still operating and it’s still working today,” Jaffe said.

“The cleanest energy is the kilowatt-hour you don’t use,” pointed out Keri Macklin, vice president of strategic energy management and carbon consulting for CLEARResult. She said placing a price on carbon has proven to quickly transition power companies from coal usage.

“It’s making it economically unfeasible for those coal plants to continue to run. That’s the cleanest and fastest way to do it,” Macklin said. “Politically, it may be more difficult, but it’s a very quick way to make the renewable energy more profitable.”

DOE Focused on Clean Energy

The Department of Energy’s Kelly Speakes-Backman made a virtual appearance at the summit to explain how the Biden administration intends to put the nation on an “irreversible path to clean energy.”

As the DOE’s principal deputy assistant secretary for the Office

of Energy Efficiency and Renewable Energy, Speakes-Backman oversees the agency’s \$2.8

billion portfolio of research, development, demonstration and deployment activities in energy efficiency, renewable energy and sustainable transportation.

“Secretary [Jennifer] Granholm likes to say that DOE is America’s solutions agency because we never back away from a challenge and because of how the many technologies and areas of society that our work actually impacts,” she said. “For decades, we’ve already been investing in these innovative renewable energy and efficiency and transportation technologies. But now it’s time to recognize and realize those returns on our investment by getting those solutions into the marketplace at scale as quickly as possible.”

Speakes-Backman said no single technology or solution will help the federal government reach its goal of a net-zero economy by 2050. Instead, it will take a coordinated effort in a wide variety of areas, with a strong emphasis on deploying technologies that are close to commercialization.

DOE has established five programmatic priorities: 1) decarbonizing the grid; 2) decarbonizing transportation; 3) decarbonizing the industrial sector; 4) reducing buildings’ carbon footprint; and 5) decarbonizing the agricultural sector.

The agency is relying on collaboration with the National Labs, federal agencies, the public sector and “our state local partners,” Speakes-Backman said, “because we know that we can only build a clean energy future if we’re going to be bringing these communities and workers along with us.”

DOE’s success will rely on investments in a diverse, STEM workforce “to provide a pathway forward for communities of workers who risked their lives to produce fossil fuels,” she said.

“We know that we have to build a clean energy economy in a way that’s going to benefit all Americans,” Speakes-Backman said. “We have to address the environmental injustice that disproportionately affected communities of color, low-income communities, indigenous communities and rural communities. We’re deeply committed to making sure that it’s embedded in all of our work.”

State Rep Pushes Tx Legislation

Before the 2021 February winter storm waylaid his best-laid plans, State Rep. Drew Darby (R) was pushing a bill that would have shortened the deliberation process for ERCOT economic projects and mandated a biennial ISO report identifying “critical designation”

transmission infrastructure projects.

Darby’s bill (*HB1607*) never made it out of the House, lost in the wave of legislation addressing fixes to ERCOT’s governance and its system following the storm. However, he promises the bill will be back for the 88th Texas legislature in January.

“As a policy matter, I believe we’re still going to need to have this discussion as we move forward in the next session,” Darby, who was first elected in 2006, said. “It takes anywhere from eight to 10 months to actually put in a wind farm, but the evaluation process takes eight to 10 years.”

Darby, a native West Texan, knows the importance of transmission infrastructure. He saw the 2005 Competitive Renewable Energy Zone (CREZ) initiative invest \$6.9 billion in 3,600 miles of new, high-voltage transmission lines and pave the way for Texas’ renewable energy boom.

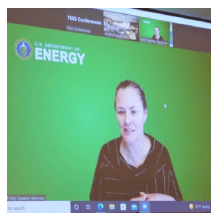
“There was no power generation at the end of [CREZ lines],” Darby said. “I questioned spending that many resources to provide access to power generation when there was no proposed power generation or a single plan. The master plan was ... if you build it, they will come. By gosh, we did build it, and they have come.”

With the wind farms, and now the solar facilities, congestion has increased on the ERCOT system. Carrie Bivens, the grid operator’s Independent Market Monitor, said real-time congestion rent — the impact of one additional MW on a constraint — was \$2.1 billion last year, up from \$1.4 billion the year before. The system incurred \$300 million during just one day of the February winter storm.

“It’s growing year over year. ... There is a lot of congestion throughout Texas,” Bivens said.

ERCOT has had 16 generic transmission constraints at one time. Seven of those were in South Texas’ Rio Grande Valley, which are being addressed in a PUC-directed project and a \$1.28 billion 345-kV line approved by the grid operator’s board. (See *Texas PUC Directs Tx Construction in Valley*, “Board Approves \$1.28B Tx Project,” *ERCOT Board of Directors Briefs: Dec. 10, 2021*.)

“We have a lot of land [in West Texas], a lot of solar and certainly wind farms. That has created an extraordinary opportunity for my region and Texas, but it comes with challenges that are impeding additional growth for power generation,” Darby said. “Let’s look at these projects in an expedient manner and move them quickly.” ■



DOE’s Kelly Speakes-Backman Zooms in to the Texas Energy Summit. | © RTO Insider LLC

ERCOT News



ERCOT, Brazos Agree to Mediation in Dispute

ERCOT and Brazos Electric Power Cooperative agreed last week to enter mediation over the amount of money the bankrupt cooperative owes the Texas grid operator's market.

The agreement paused a two-week proceeding in Houston before the U.S. Bankruptcy Court for the Southern District of Texas and followed testimony Thursday by Kenan Ögelman, ERCOT's vice president of commercial operations.

Ögelman explained to the presiding judge that ERCOT is a nonprofit, "invoice-in, payment-out" manager of the state's electric market. Defaults on any power purchases would be uplifted to its participants, he said.

"How does ERCOT pay? They're a clearinghouse. What assets do they have?" Chuck Gibbs, an attorney representing Brazos' largest member, said last month during an Infocast ERCOT Market Summit. (See [ERCOT's Legal Issues Continue to Mount](#).)

U.S. Bankruptcy Judge David Jones suggested the two sides reach an agreement over their differences "to make this all work. ERCOT ... [is] a lifeblood for everybody that lives in this state."

ERCOT and Brazos will mediate their dispute before Judge Marvin Isgur, the court's other presiding judge. The bankruptcy proceeding is expected to resume in April.

At issue is \$1.9 billion in market charges ERCOT assigned to Brazos during last February's winter storm, when regulators ordered prices be kept at \$9,000/MWh over four days. The cooperative is not disputing how much



ERCOT and Brazos Electric Power Cooperative are disputing \$1.9 billion in market charges assessed during February 2021's winter storm. | © RTO Insider LLC

energy it bought to compensate for its own plants that did not run, but it argues it should

owe about \$800 million (21-03863). ■
— Tom Kleckner

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ISO-NE News

Draft Study Weighs Tradeoffs of CO₂ Pricing, FCEM for ISO-NE

By Sam Mintz

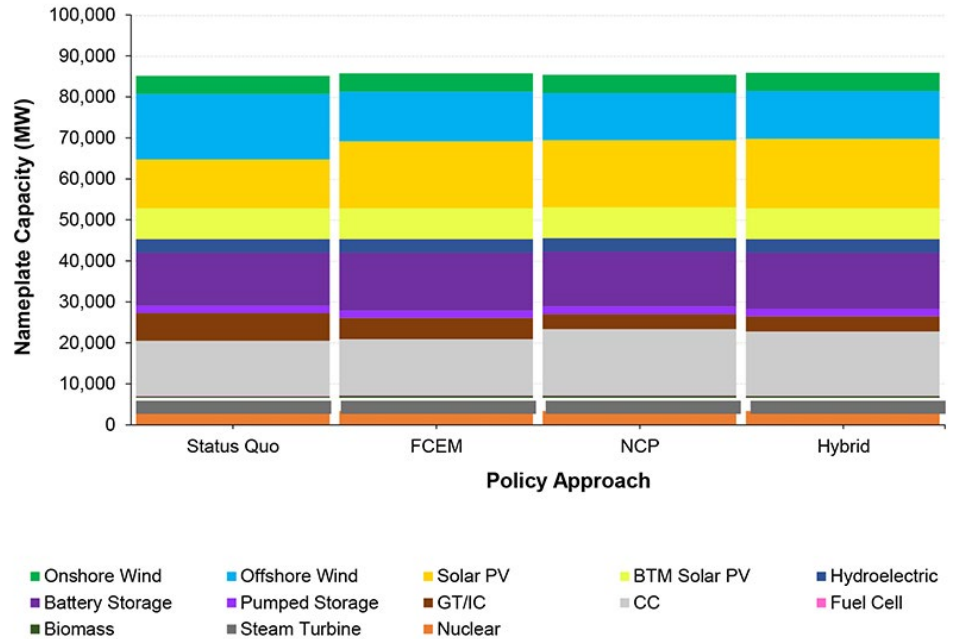
A new draft study evaluating ways to decarbonize New England's power sector finds multiple advantages for carbon pricing, but also significant tradeoffs that underscore the tough choices facing policymakers.

The *draft* of the Pathways Study, commissioned by ISO-NE and written by the consulting firm Analysis Group over the last year, was presented to the NEPOOL Participants Committee on March 1.

It looked at four policy approaches: a status quo scenario in which the New England states continue their unilateral clean energy policies; a forward clean energy market (FCEM) to compensate non-emitting resources; a net carbon pricing plan to price emissions from generators; and a hybrid approach which combines the latter two.

In theory, all four approaches can achieve "substantial" levels of decarbonization, the draft report says, but they come with unique challenges and costs.

Net carbon pricing would be cost-effective, a standard that the report says the other solutions fall short of. It would "create price signals that incent all substitutions that can reduce emissions," it says.



All of the plans considered in the study would theoretically be able to achieve decarbonization. | © RTO Insider LLC

Carbon pricing would also result in the lowest social cost, a 28% decrease from the cost of the status quo. Importantly, however, it wouldn't be the cheapest option for consumers; that prize goes to the hybrid plan, which

would reduce customer payments, unlike the others.

Carbon pricing would also be the most feasible approach to develop, the report says, because policymakers have more experience creating that type of design than something like the FCEM.

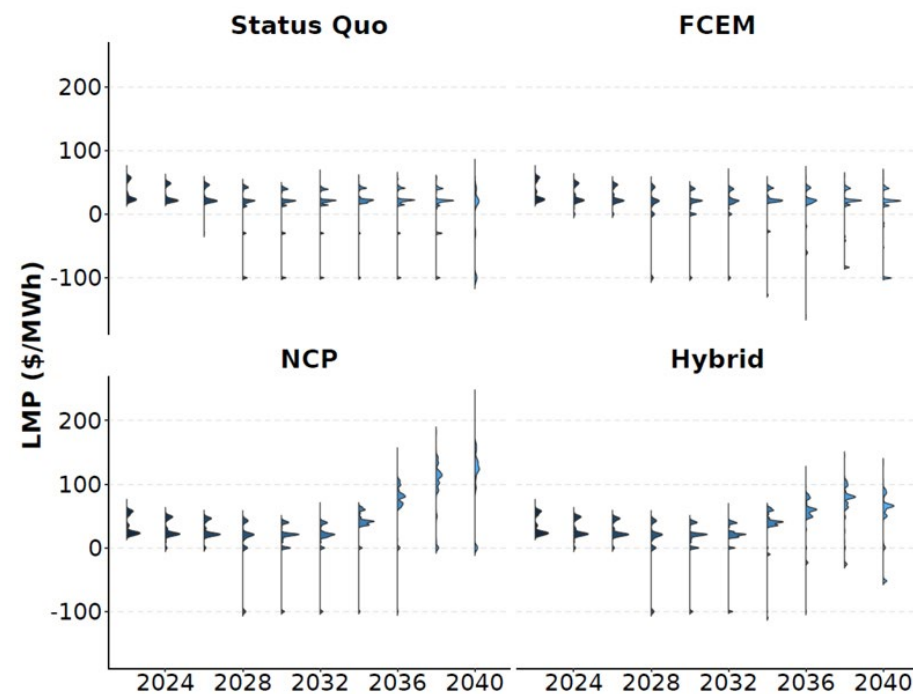
"While there is experience with market-based systems for environmental attributes ... the FCEM would involve certain policy design elements that have not been used previously and would likely require significant time and effort to develop," the report says.

However, carbon pricing is less well-suited to coordinating individual state policies and clean energy targets.

ISO-NE has been a supporter of carbon pricing but has struggled to find consensus in the stakeholder process and particularly among state policymakers. (See *ISO-NE: States Must Lead on Carbon Pricing*.)

NESCOE, representing the New England states, has opposed the concept of incremental carbon pricing administered by the grid operator, arguing in 2020 *comments* to FERC that "consumers could be exposed to costs exceeding several billions of dollars each year."

The hybrid approach involves combining a carbon price sufficient to provide revenue ade-



The differences between the policy approaches laid out in the study | Analysis Group

ISO-NE News

quacy for existing clean energy resources (like the Millstone nuclear plant, used as an example in the report) with an FCEM that provides incremental compensation only to new clean energy resources. It's a "completely novel" approach and the report raises questions about its feasibility for that reason.

One other issue found with the FCEM and hybrid approaches is storage "churning," in which battery owners "consume otherwise-curtailed variable renewable energy and earn net revenues through energy losses," the report says. The conditions leading to that inefficiency would be caused by frequent and large negative LMPs, which occur in those two scenarios.

In effect, the storage resources would be being paid to generate clean energy credits for clean energy resources even though the energy wouldn't be replacing carbon-intensive generation.

Another advantage the report finds for carbon pricing is that it would provide incentives for fossil fuel generators to reduce their carbon-intensity when it's cost-effective to do so, although the scope for those emissions reductions is "limited given current technologies," it finds. ■

Policy Factor	Status Quo	FCEM	Net Carbon Pricing	Hybrid Approach
<i>Reliance on Regional Coordination and Consensus</i>	Low	Moderate	Moderate/High	Moderate/High
<i>Cost Allocation Flexibility</i>	Low	High	Moderate	Moderate
<i>Cost-effective CO₂ Emission Reduction</i>	Low	Moderate/High	High	Moderate/High
<i>Incentives for Reductions in Carbon-Intensity</i>	No	No	Yes (efficient)	Yes (below efficient)
<i>Incentives and Cost-Effective Investment in All Clean Energy Resources</i>	No	Yes	Yes	Yes
<i>Efficient Incentives for Storage Resource Use and Investment</i>	Not Efficient (storage "churning," incentive reflects PPA price)	Not Efficient (storage "churning," incentive reflects CEC prices)	Efficient	Not Efficient (storage "churning," incentive reflects CEC prices)
<i>Transparent Price Signals</i>	No	Yes	Yes	Yes
<i>Creates Potential Distortions in Market Offers (e.g., curtailment based on PPA price not costs)</i>	Yes	No	No	No
<i>Negative LMPs ("churning," inefficient battery use/investment, inefficient commitment and uplift)</i>	Yes	Yes	No	Yes (less frequently than Status Quo and FCEM)
<i>Price Discrimination (capital allocation between new / existing assets, need for additional out-of-market contracts)</i>	Yes	No	No	Yes (risk of resource exit may remain)

The distribution of locational marginal prices under each of the possible policy solutions |Analysis Group

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ISO-NE News

ISO-NE to Publish Auction Results After Unprecedented Delay

By Sam Mintz

ISO-NE will publish the results of its capacity auction this week after the D.C. Circuit Court of Appeals lifted a stay retaining the capacity supply obligation of the Killingly Energy Center.

The grid operator confirmed its plans in a [news release](#) March 1, ending the uncertainty surrounding the capacity auction since it took place in early February. (See [Killingly Uncertainty Could Delay Capacity Auction Results Another Month.](#))

ISO-NE has also begun plotting out the schedule for next year's capacity auction, FCA 17, a process that has been delayed as well by the Killingly saga.

In a presentation to the NEPOOL Participants Committee on Thursday, ISO-NE Resource Qualification Manager Alex Rost said that activities for FCA 17 will start in April and that the auction will take place on March 6, 2023, a month later than usual.

The process will be compressed in at least two sections to make up for the lost time, Rost said.

That plan is not final, and ISO-NE said it's asking market participants for feedback before it publishes the schedule.

Financial Assurance Proposal Update

Also at Thursday's Participants Committee meeting, Competitive Power Ventures delayed a vote on its proposal to revamp New England's financial assurance rules, adding new penalties for developers who miss key milestones. (See [NE Stakeholders Propose Retirement,](#)



The Killingly Energy Center has been at the center of controversy and uncertainty in New England's capacity auction process. | NTE Energy

Financial Assurance Changes.)

The proposal, which has been discussed at several NEPOOL stakeholder meetings in the last few months, recently came under criticism from the renewable energy advocacy group RENEW Northeast.

RENEW [wrote in a memo](#) that the changes call for "excessive levels of Financial Assurance that would create an unnecessarily high burden for new entry, beyond what would be needed to incent the proper behavior."

The group said it's not opposed to increasing the required FA before each capacity auction, but that level should be a "careful balance" that doesn't create overly punitive barriers

for entry.

RENEW also challenged some of the language in CPV's proposal as unclear. CPV is expected to revisit the proposal in other NEPOOL meetings over the next few weeks.

Consent Agenda

The committee also unanimously approved revisions to Planning Procedure No. 11 (Planning Procedure to Support Geomagnetic Disturbances) to conform to and support the requirements of NERC Reliability Standard TPL-007-4 (Transmission System Planned Performance for Geomagnetic Disturbance Events), as recommended by the Reliability Committee at its Feb. 15 meeting. ■

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ISO-NE News

As Climate Changes, Weather Becomes Obsession for New England Grid, State Officials

By Sam Mintz

"If you don't like the weather in New England now, just wait a few minutes," goes a saying attributed to Mark Twain.

State officials and grid operators in New England are seeing more and more weather they don't like, but they don't have a few minutes to wait. In the wake of last year's crisis in Texas, and with the growth of renewable energy technology reliant on fluctuating sunlight and wind, weather and forecasting have turned into something of an obsession in the region.

In Massachusetts, state officials started having weekly meetings this winter to pore over the latest data from ISO-NE, paying close attention to weather and load forecasts and oil reserves.

"I'm one of those people that never watches the weather," said Patrick Woodcock, commissioner of the Massachusetts Department of Energy Resources. "But I have never paid more attention to the weather than this winter."

Before the winter started, ISO-NE turned a spotlight on the weather, warning that extended cold snaps could lead to blackouts in the region this year.

"Watching what played out in Texas, and realizing that most people in this region don't understand how vulnerable we are when it gets cold, we thought that it's time for us to start communicating more openly about these risks," CEO Gordon van Welie told reporters in December. (See [ISO-NE: New England Could Face Load Shed in Cold Snaps](#).)

So far, New England has dodged a bullet, with limited cold weather and only a few brief moments of strained conditions on the grid, but the worries haven't gone away.

"We can't control the weather, and we can't always see it coming early enough to react to it," ISO-NE spokesperson Matt Kakley said. "It's outside of our control. So we are focused on it, and that's why we want to make sure people understand the conditions under which we're most at risk."

Changing Weather, Growing Challenge

Part of the difficulty of adjusting to weather

is that it's changing significantly as the planet warms.

Much of the research into the effects of climate change on storms has focused on hurricanes, but blizzards in the Northeast are changing too, said Jason Shafer, a professor of atmospheric sciences at Northern Vermont University.

"Warmer and wetter climates mean that more snowstorms are going to be closer to freezing," Shafer said at a recent renewable energy conference in Boston. "More wet snow causes more grid impacts."

Those more intense storms are windier too, and wind is one of the biggest hazards for grid reliability, he said.

"Our climate is relatively resilient in the Northeast ... but the risks are going to get stronger because of extreme weather becoming a little stronger," Shafer said.

It's a problem that ISO-NE has recognized in its rhetoric, and on which it's starting to take action.

"It's obvious that climate change is producing more volatile weather and extreme weather, and we need to factor that into our planning," Kakley said.

The grid operator, again motivated by events in Texas and California, recently launched a *study* on the operational impact of extreme weather events, in partnership with the Electric Power Research Institute.

The probabilistic energy security study will use climate data to model extreme weather and its impact on the grid, employing ISO-NE's 21-day energy forecast tool.

"Extreme weather events in Texas and California have made it apparent that multiday or longer energy deficiencies have serious consequences to residents and the economy," ISO-NE said in its description of the project.

The Solar Question

The other big factor that has the grid operator paying increasingly closer attention to the weather is the influx of renewable resources to the region, which see their output shift based on even small fluctuations in sunlight, the wind or precipitation.

"The power flows on the system are changing very rapidly, so you need, for instance, to know if it's a cloudy day; are we going to have a thunderstorm that's going to come in; when is it going to be sunny?" said Jennifer Schil-

ling, vice president for grid modernization at Eversource Energy. "What it took to operate the system even five or 10 years ago is very different than what it takes today."

The patterns of solar in particular have vexed grid managers in California and elsewhere, and New England isn't immune to the now well known "duck curve" problem, which causes unique patterns of energy demand to navigate. (See [New England's Duck Curve Days Chart Solar Growth](#).)

Renewable generators are also inherently more vulnerable to certain weather impacts. In Vermont, for example, solar panels lose about 5 to 10% of their effectiveness from snow cover, Shafer said. "This is a hard problem. Just a little bit of snow on a solar panel ... is a big deal."

Kakley noted that as more and more solar comes onto the grid, the consequences of changes in weather grow.

"A 10% increase in clouds might be a 400-MW drop in production. We need to be prepared to make up for that in other resources," Kakley said. "It's trying to get more information; better information; more accurate information. When you talk to the forecasters and the control room, more information is always going to help them do their jobs better."

There's increasingly powerful technology that can help bring in that information, such as sky imagers that can help with hourly forecasts; better satellite data for hours-ahead predictions; and weather forecast models for day-ahead looks at the conditions.

"We can do this. There are tools out there," Shafer said. "I think there's a lot of opportunity, a lot of dots we need to connect."

ISO-NE, which already contracts with four forecasting companies to get weather information and also employs its own meteorologist to track weather impacts on the grid, is looking to boost its capabilities.

In a recent *budget report* to federal regulators, the grid operator said that it is expanding its forecasting to 23 cities from the current eight and adding two new "weather concepts" to its forecasts to get more granular information. It's also bringing on new vendors to add to its behind-the-meter solar PV forecasts.

"The science behind forecasting has improved, and we want to make sure we're using the best software available," Kakley said. ■



Patrick Woodcock, commissioner of the Massachusetts Department of Energy Resources | © RTO Insider LLC

MISO News

MISO, SPP Finalize JTIQ Results with MISO Tx Duplicates

By Amanda Durish Cook

MISO and SPP on Friday [announced](#) that they have completed their Joint Targeted Interconnection Queue (JTIQ) study, though two of the project proposals might not proceed under the interregional planning effort.

The final [study report's](#) portfolio includes seven projects, costing about \$1.65 billion, designed to foster more generator interconnections and unclog the RTOs' queues. If approved, the transmission projects could resolve 48 reliability constraints and deliver about \$724 million in adjusted production costs savings to MISO and \$247 million to SPP.

However, two of the JTIQ's portfolio projects are also included in MISO's long-range transmission portfolio. The transmission lines, in North Dakota and from South Dakota to Minnesota, could invalidate or seriously alter the RTOs' plans for similar projects. (See [MISO Stakeholders Uneasy Over Long-range Tx, JTIQ Overlap.](#))

MISO stakeholders have asked that SPP load bear some of the two projects' costs, even if

SPP's benefits are shown to be small. Both projects are in the MISO footprint.

MISO planners have been firm that their long-range planning takes priority over the JTIQ study. Staff have also said the RTO's benefits on the two projects eclipse SPP's, and they have pointed out that the grid operators haven't yet delved into meaningful cost-allocation negotiations.

According to the JTIQ study, the \$424.5 million South Dakota-Minnesota line yields a \$487 million APC benefit to MISO and a \$32 million benefit to SPP. The \$165 million North Dakota line results in \$405 million in benefits to MISO and \$56 million in SPP benefits.

The JTIQ study began in late 2020 and evaluated 59 project ideas. MISO [kicked off](#) its long-range planning in mid-2020.

In a joint statement accompanying the study's release, MISO CEO John Bear and SPP CEO Barbara Sugg said the need to build transmission to accommodate increasing renewable energy requests "transcends boundaries."

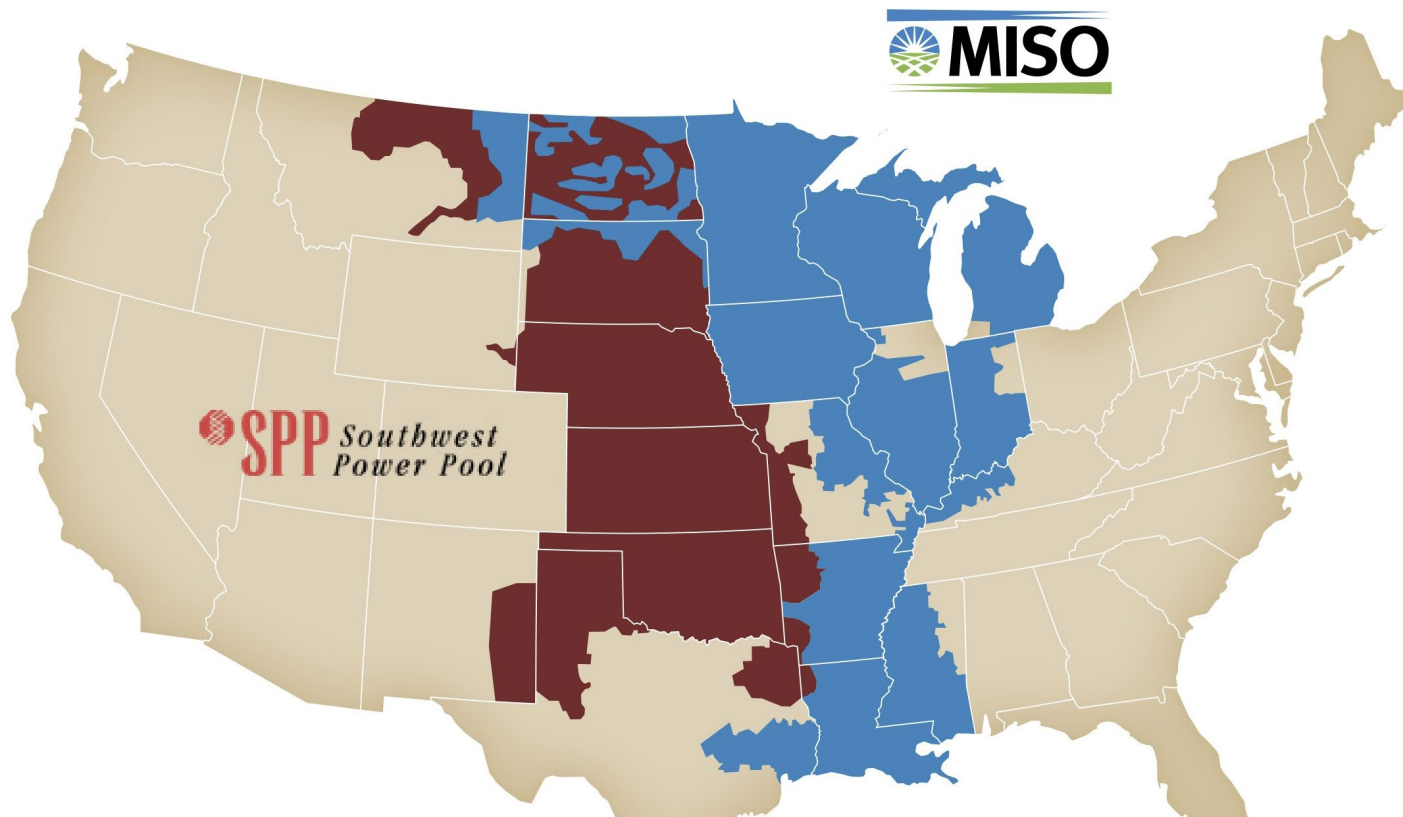
They said a lack of new transmission projects along their seam caused generation projects

in both footprints "to drop out of the study process because costly network upgrades are triggered."

MISO's interconnection queue currently contains 127.1 GW of proposed generation. SPP has 97 GW worth of new generation in its queue. Both are overwhelmingly tipped toward renewable energy and storage projects. Their analysis shows the JTIQ portfolio could support a range of 28 to 53 GW worth of new generation along their seam.

"Both MISO and SPP have existing planning processes, and the JTIQ partnership allowed us to focus on future reliability risks based on the trends in our generation portfolios," Antoine Lucas, SPP vice president of engineering, said in a press release. "The resulting portfolio of projects fully resolves the set of transmission constraints evaluated in the study, providing considerable reliability benefits to both RTO regions."

The RTOs said they're after an "equitable cost allocation mechanism between interconnection customers and load in MISO and SPP." They expect cost-allocation discussions to continue "well into 2022." ■



MISO and SPP seams | [MISO and SPP](#)

MISO News

MISO Seeking New Tx Cost Allocation for Major Buildout

By Amanda Durish Cook

A month after filing a cost-allocation method for its long-range projects, MISO is on the hunt for a better approach to funding major transmission builds.

During a cost-allocation committee meeting Feb. 28, the RTO opened the floor to stakeholder input on a new funding mechanism for the next round of long-range projects.

Staff have repeatedly said the separate-but-equal postage stamp rate divided between MISO Midwest and MISO South is meant to be temporary. The RTO has filed for FERC approval to use that design for the first two collections of projects from its long-range plan. (See [MISO Finalizes Long-range Tx Cost Sharing Plan.](#))

MISO's Jeremiah Doner said the grid operator is committed to applying a more permanent, "granular" cost allocation for future long-range projects.

"We want to have something with longevity in place," Doner told stakeholders during the meeting.

Michigan Public Service Commissioner Dan Scripps, who chaired the committee, said the discussion on additional benefit metrics and quantifying them will continue well into 2023.

MISO envisions a new cost allocation for the third and fourth cycles of its multiyear long-range transmission plan. The planning will occur in four parts, with the first two focusing on the RTO's Midwestern footprint and more immediate needs. (See [MISO Long-range Tx Plan Overlaps with SPP Study.](#))

The third planning cycle will include transmission needs in MISO South. The fourth and final cycle will include MISO's Midwest and South regions and solutions to increase transfer capability between the subregions.

The RTO will complete its first cycle of long-range projects in June and begin studying prospective projects in the second cycle in late spring or summer.

"We're going to have to spend some time on what granularity means from a benefits perspective," Doner said of cost-allocation talks for the third and fourth project batches.

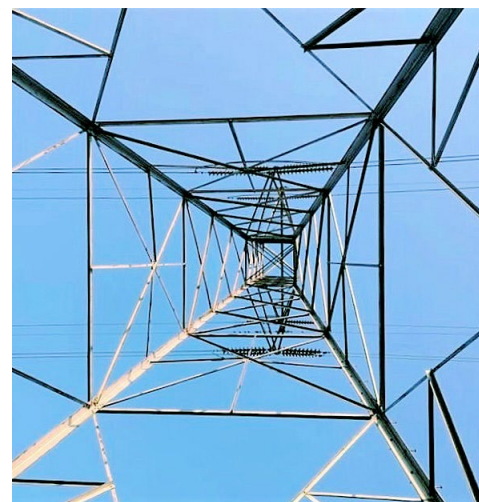
He predicted that defining new reliability benefits will probably be most challenging. He said it's easy to define reliability that satisfies NERC requirements, but it's harder to pin down reliability that benefits regions, hardens the grid and leaves the system better positioned for extreme weather events.

Some stakeholders asked how the RTO will reconcile different allocations in the two halves of the long-range planning effort. Staff said cost-allocation methods morph over time.

"It's a fair question. It's a little hard to answer that from where we sit today," Doner said.

Stakeholders are already advocating for a wider range of benefits in a new allocation design.

"If we're really going to have a more granular cost allocation in place, we need to quantify more benefits," Sustainable FERC Project's Lauren Azar said. "As we've said ad nauseum, our current benefit metrics only identify a narrow slice of the benefits. So, there are a lot of free riders on our system."



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Currently, long-range cost allocation project benefits must support state or federal energy policies; address NERC issues and show reliability benefits across multiple zones; and demonstrate multiple types of economic value across multiple pricing zones with at least an overall 1:1 benefit-to-cost ratio over the first 20 years of service.

Several stakeholders said transfer capability could be a good resilience measure because the ability to flow power has been crucial during past winter storms. They also revived the debate on whether new generation should bear a portion of new transmission costs.

MISO will hold another cost-allocation workshop April 26.

"We've got some work ahead of us," Scripps said, closing the meeting. ■

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MISO News

MISO Stakeholders Uneasy Over Long-range Tx, JTIQ Overlap

By Amanda Durish Cook

MISO stakeholders continue to voice frustration over two transmission projects included in both the RTO's long-range planning and its interregional Joint Targeted Interconnection Queue (JTIQ) study with SPP.

Multiple stakeholders during the Planning Advisory Committee meeting March 1 asked why the RTO continues to show the projects on both its long-range and JTIQ maps. (See [MISO](#)



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Long-range Tx Plan Overlaps with SPP Study.)

Andy Witmeier, the grid operator's director of resource utilization, said a long-range allocation mechanism is in place while MISO and SPP are just beginning cost-sharing negotiations for JTIQ projects. (See [MISO, SPP Regulators to Engage on Tx Cost Allocation](#).)

Witmeier said while MISO is keeping its options open, it's almost certain that the two recommended lines in both plans will end up in the long-range analysis. "The benefits to MISO far exceed the costs. The benefits to SPP are small," he said.

MISO's Jarred Miland said staff is finalizing long-range project recommendations and will have the first of four portfolios ready for the Board of Directors' approval in June.

The RTO has said repeatedly that its long-range plan takes precedence over the JTIQ's project proposals.

"Shouldn't there be some way of discussing the [project] hierarchy?" energy consultant Kavita Maini asked.

Maini said that MISO should devise some way to allocate a portion of costs to SPP because it knows the other RTO will benefit from the two projects. Other stakeholders chimed in, asking staff to find some way to ensure SPP's load shoulders some costs, even if they are small.

Otter Tail Power's Stacy Herbert, who also represents MISO's transmission owners sector, said many stakeholders seem to mistakenly assume that the two JTIQ projects will move ahead despite the minimal benefit to SPP. She pointed out that historically, the two grid operators don't ultimately agree on potential projects.

"Projects that move forward are those that have a more even sharing of benefits," Herbert said. She also said that SPP could share in the long-term project costs through export charges once they are built.

Clean Grid Alliance's Natalie McIntire asked that the RTOs quickly schedule their JTIQ meetings this year so stakeholders have notice when the next discussions will occur. ■

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MISO News

MISO to Loosen Some Interconnection Requirements

By Amanda Durish Cook

MISO said it will alter some interconnection rules so that generation owners can more easily replace generation at the same point of interconnection or share a single point of interconnection with other owners.

The RTO will remove the requirement that transmission owners must sign off on a shared facilities agreement among interconnection customers, saying there was never a need for transmission owners to be signatories to agreements for shared interconnection facilities.

During a March 1 Planning Advisory Committee, MISO's Jackson Evans said that after the RTO's shared network upgrade process was introduced in 2019, multiple disputes arose between interconnection customers and transmission owners over who has ownership rights to interconnection facilities and who would be responsible for their maintenance.

"It almost led to multiple withdrawals" in the interconnection queue, Evans said.

MISO will still require interconnection customers wishing to share interconnection facilities to submit a shared facilities agreement upon filing their request. However, that agreement will no longer be tied to the transmission own-



| Pattern Energy

ers' interconnection facilities.

Customized Energy Solutions' Ginger Hodge thanked MISO for the changes and ending a year of "delays, disagreements and frustrations."

The grid operator said it will prepare a FERC filing for either April or May. The revised process would apply to entrants in the generator interconnection queue's next cycle

The RTO also said it will make it easier for generation owners to replace units, allowing generators to request longer-term suspension reliability studies with the replacement

requests. Previously, the grid operator granted reliability assessments only for the gap period between winding down generator operations at the outgoing unit and the replacement unit's startup.

MISO added that it will reduce its decision time to approve suspensions for units set to be demolished and replaced. It also said it can shorten a required 26-week notice period to 30 days for generator suspensions in certain replacement situations.

The RTO intends to file the replacement generation process changes with FERC sometime in May. ■

Midwest news from our other channels



Mich. Appeals Court Rules for Wind Turbines near Airport



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MISO News



Nonprofits: NorthWestern's Net-zero Goal Not Enough

By Amanda Durish Cook

Dozens of Montana organizations are demanding that NorthWestern Energy decarbonize by 2035, years ahead of its midcentury target for net-zero emissions.

More than 30 groups, including environmental nonprofits, public consumer advocates, health care professionals, consultants and a Montana State University professor, sent a letter Thursday to NorthWestern Board Chair Dana Dykhouse. The organizations demanded the utility decarbonize its fleet no later than 2035, saying the plan should be based on science and

contain benchmarks.

The letter also said NorthWestern, which serves 753,600 customers across Montana, South Dakota and Nebraska in SPP and MISO, should model multiple scenarios that “eliminate the utility’s dependence on fossil fuels.”

“We urge you, as a fiduciary of NorthWestern Energy, to exercise your responsibility in a manner that guarantees the company’s long-term financial well-being,” the letter urged Dykhouse. “That can only be accomplished by requiring the company to adopt a meaningful climate strategy that will make it more resilient

and prepared for the clean energy future.”

The same day, NorthWestern set a goal of achieving net-zero carbon emissions by 2050. Montana’s largest utility called it an “achievable target” in a press release.

“NorthWestern Energy begins this transition to an even cleaner energy future building on the considerable progress we have already made,” Energy CEO Brian Bird said. “We have the tremendous honor to be the stewards of this critical energy infrastructure that delivers safe and reliable energy to our region. Now is the time to raise the bar and start the transition to net zero by 2050.”

Northwestern said that last year, 56% of its electricity was generated from carbon-free resources, better than the electricity industry’s 40% average. It pointed out that its 10 hydroelectric facilities supplied 33% of the utility’s load.

Montana Environmental Information Center Co-Director Anne Hedges, one of the letter’s signatories, blasted the 2050 goal as a “PR move to improve lackluster” environment, social and governance perception. She said the target allows NorthWestern to raise emissions through 2035 by building more fossil fuel generation and pipelines.

“There are no benchmarks for reaching its 2050 goal in the electricity section of its business. Until we see NorthWestern actually plan for a clean energy future with benchmarks and actions that decrease its reliance on fossil fuels instead of increasing its reliance, it’s hard to take its proposal seriously,” Hedges said in an email to *RTO Insider*. “Anything short of meaningful planning and implementation is just more of the same from this laggard utility.”

She said NorthWestern’s largest financial investors have “raised concerns about companies that fail to plan for a lower carbon future” and added that financial analyst Moody’s has recently given the utility poor environmental and social scores. She said NorthWestern’s 2050 net-zero goal is only a “small step” and about a decade behind other utilities in the region.

“Increased fossil fuel dependency means increased costs for customers, more expensive stranded assets and a failure to decarbonize according to the latest scientific research,” Hedges said.

NorthWestern did not respond to a request for comment. ■



| NorthWestern Energy

MISO News

MISO Winter Fuel Security Surveys Now Permanent

By Amanda Durish Cook

With winter largely behind it, MISO staff last week told stakeholders that winter fuel security surveys will become an annual fixture.

The RTO rolled out the weekly surveys to its fossil fuel generation fleet's owners in early December, despite some members saying it was a burdensome task. At the time, MISO said it was receiving concerning reports about possible fuel scarcities ahead of the winter. The mandatory surveys ended last month. (See [MISO Sounds Alarm on Potential Winter Fuel Scarcity](#).)

During a Reliability Subcommittee meeting Thursday, staff's J.T. Smith said the grid operator will refine the format to make sure it's efficient and easier to use by next winter.

"We know that this was a very ad-hoc, quick move," Smith said of last year's abrupt rollout. He said staff will examine whether the RTO is "asking the right questions or not."

He admitted that not all generation owners responded to the survey after it was introduced. MISO has said some operators were "hit and miss" in filling out the weekly surveys.

"By the time we started to get decent informa-

tion, it wasn't as relevant anymore," Smith said.

MISO said the survey results showed "healthy" fuel stockpiles this winter. It said the mild winter weather also contributed to the positive fuel management. Some operators reported slower train deliveries because of supply chain issues, labor shortages and harsh weather.

The RTO also delivered a refresher on how it positions itself for extreme weather. (See [NERC Cold Weather Project Moves Forward](#).)

MISO's Trevor Hines said each extreme weather event is different and the RTO prepares differently across heatwaves, arctic blasts, hurricanes or tornadoes.

He said the bulk of preparations rely on members' most up-to-date offer data available. "We're only as good as the information provided to us," Hines said.

He said staff considers an extreme weather event's unique risk before committing generation in advance. Hines said control room operators will monitor storm paths to anticipate what resources could become unavailable and will order early start times if it becomes too cold for generators to start up normally. MISO often dispatches additional units to account for forced outage risk, he said.

MISO is considering using extreme weather historical data to influence its decision-making, Hines said. He said going forward, staff might use past load data and generation- and transmission-failure data to predict response during unfolding events.

The RTO will also remove the "other" option when generation owners input data into the outage scheduler.

Senior engineer David Schoon said MISO suspects the generic option is overused as a cause code in the outage tickets that market participants submit for outages. In its place, staff will add several new outage explanation selections.

Staff said it's important they understand why generation outages are occurring. MISO said it hasn't meaningfully updated its outage-cause codes since 2014.

Some stakeholders said it isn't immediately clear what causes generation to trip. They added that MISO's outage ticket system is rigid and doesn't allow members to retroactively modify their entries.

Staff said they would investigate why members can't seem to edit outage notices. ■



| Madison Gas and Electric

NYISO News



Large NY Consumers Oppose National Grid Tx Upgrades

By Michael Kuser

A group of large electricity consumers opposes National Grid's petition to New York state regulators to allow development of and cost recovery for 19 transmission upgrade projects (Case Nos. 20-E-0197 and 20-E-0380).

National Grid subsidiary Niagara Mohawk Power's November 2021 [petition](#) to the Public Service Commission included a 2030 Regional Plan and also sought approval of cost deferrals and surcharge recoveries from its approximately 1.6 million electric customers.

But "it is not clear that all, or even many or any, of the proposed projects truly are needed at this time," Multiple Intervenors (MI), an *ad hoc* group of more than 50 large commercial, industrial and institutional energy consumers, [said](#) Feb. 28. MI was party to a recently concluded electric and gas rate proceeding for Niagara Mohawk.

None of the 19 projects was included in the \$3 billion electric capital expenditures in a three-year rate plan [approved](#) in January, the group noted.

"Thus, the proposed projects either were not subjected to the typical scrutiny attendant in rate proceedings or, perhaps in certain instances, were subjected to such scrutiny and ultimately excluded from the long list of proposed projects used to justify the utility's negotiated level of capital expenditures," MI said.

National Grid argued in its petition that "each of the company's Phase 1 solutions were designed after assessing existing reliability-based transmission projects – those projects already requiring upgrades to address condition issues, enhance storm resiliency, or improve operational performance – to minimize the cost to unbundle renewable energy,"

Under the New York Public Service Commission's new transmission planning rules, Phase 1 projects are traditional utility investments that address system reliability or resilience issues, while Phase 2 projects are primarily intended to facilitate the state's environmental targets. (See [New York Adopts Groundbreaking Tx Investment Rules](#).) National Grid said it assessed existing reliability-based projects based on their ability to improve renewable energy deliverability as designed or improve deliverability if redesigned.

MI countered that the proposed projects would expose customers to near-term and

long-term rate impacts.

"The impacts that would flow from the proposed authorizations should not be evaluated in a vacuum," MI said.

In addition to the more than \$3 billion in budgeted electric capital expenditures approved through fiscal year 2025, the commission previously has authorized tens of billions of dollars in customer collections for various clean energy programs and initiatives, and wholesale energy prices have jumped substantially in 2022, MI said.

"Because customer funds are far from limitless, and rising energy costs have significant, negative impacts on economic activity, the commission needs to ensure that Niagara Mohawk's electric rates are shielded from capital expenditures that are not truly necessary for safe and reliable electric service," MI said.

The group also opposes the approval of cost deferrals and surcharge recoveries, saying there is no clear urgency to start and complete all of the upgrades proposed now during a major expansion of Niagara Mohawk's normal electric capital expenditures budget and while large-scale renewable generation development is occurring at a slower pace than previously had been anticipated.

"Quite simply, the commission needs to

proceed very cautiously, else future electric rates and prices will become less affordable for customers and even less competitive with other regions, thereby harming state and local economies that still are reeling from the effects of the COVID-19 pandemic," MI said.

National Grid said the 2030 Regional Plan "represents timely solutions to excessive renewable energy curtailments or 'bottling,' which leads to the undesirable effect of chilling generation investments, increasing energy prices and continuing to rely on the generation commitment and dispatch of fossil-fueled resources."

The Alliance for Clean Energy New York (ACE-NY) [supports](#) National Grid's petition, noting that the utility deems several of the Phase 1 upgrades as needed to enable further upgrades that will alleviate constraints threatening renewable development.

"Indeed, Grid points to the high-execution risk that Phase 1 upgrades pose to subsequent Phase 2 upgrades if Phase 1 upgrades are not approved" in a timely manner in certain areas of the state, ACE-NY said. "National Grid emphasizes it has staged the deployment of both Phase 1 and Phase 2 projects to provide benefits in the time frames needed for current and planned renewable generation development." ■



Niagara Mohawk map showing its southwest territory and 18 circuits, of which 13 circuits are 100 years old or older, contributing to "bottling" of new renewable generation. | National Grid

NYISO News

NYISO Launches 2022 Grid Planning Study

By Michael Kuser

NYISO on Wednesday presented stakeholders with a *plan* to clarify by year-end what increasing amounts of renewable energy mean for the grid over the next decades.

“I want to look at the evolution of load and net load shapes over time, i.e., load net of wind and solar, both behind the meter and in front of the meter, because that is really what the rest of the resources have to respond to,” Nicole Bouchez, principal economist for market design, told the Installed Capacity/Market Issues Working Group.

The multiphase study will first dive into the ISO’s Climate Change Phase I *report* from 2020 and follow with two studies coming this year that will have additional information.

The first new analysis planned is the Outlook study, followed by the Reliability Needs Assessment (RNA), which could possibly be leveraged for the Grid in Transition effort. (See *NYISO Updates Grid in Transition Work and*

Plan for 2022.)

NYISO will examine “things like the distribution of hourly ramps over time, because in many ways that is what we are anticipating will be changing and what California has seen changing,” Bouchez said. “We’re also going to be looking at periods with low wind and solar and what that implies for these net energy and hourly ramps.”

Several stakeholders said that while some previous studies identified the dispatchable emission-free resource capacity that New York will likely need in the future, there is not much information available on the duration and magnitude of wind and solar lulls.

“It’s not just the energy amount, but how long and how often do we have a one-week lull; how many times do we have a two-day lull; and how many times do we have an hour or two lull – [in order] to understand what kind of pallet of dispatchable emission-free resources would most appropriately apply to the system conditions that we’re likely to see,” said David Clarke of Long Island Power Authority.

Accurate forward weather forecasting will become increasingly important, and the duration and frequency of wind lulls directly impact other resource requirements and other technology requirements as planners start to look out over a 10- or 20-year period, said Chris Wentlent of the Municipal Electric Utilities Association.

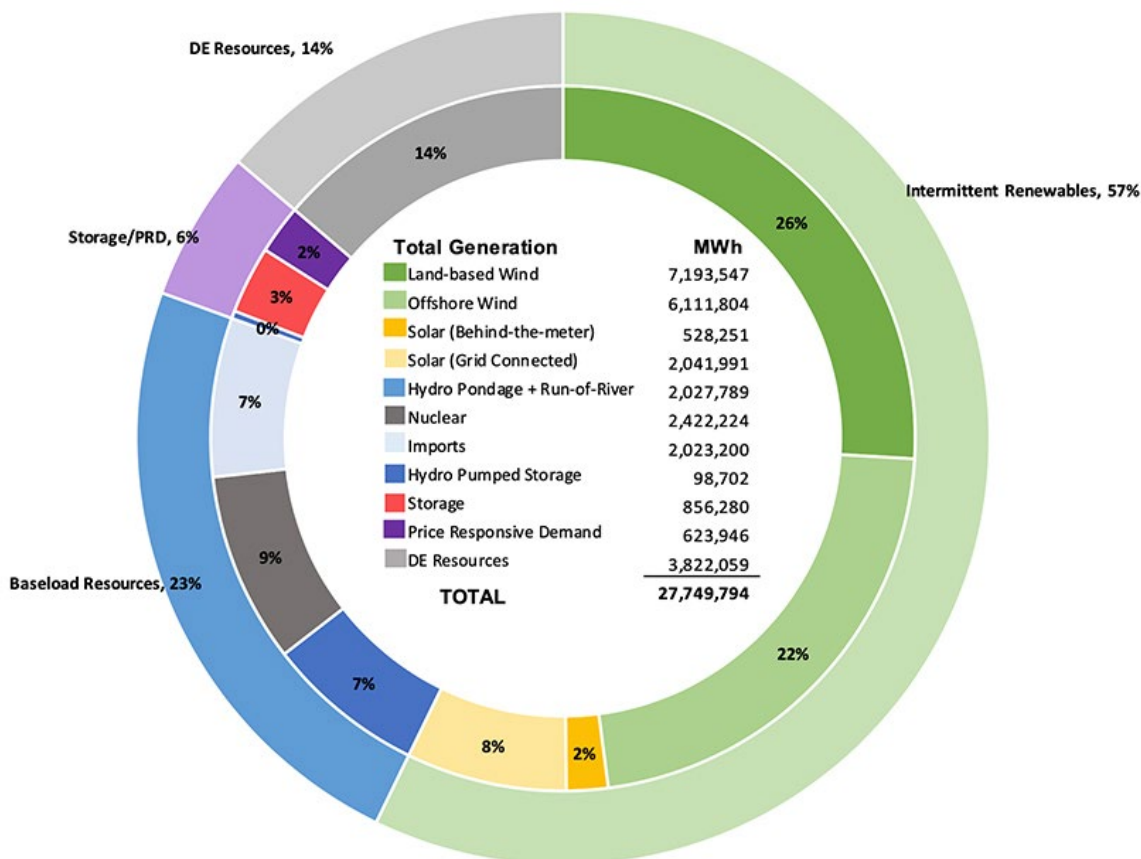
“So if we’re seeing a two- or three- or four-day lull, that creates a certain requirement as we think about storage going forward and storage capability,” Wentlent said. “Same thing with zero-carbon resources and the amount that we might need as backup in in those type of events.”

In terms of forward weather forecasting, Bouchez said she didn’t know of any studies specific enough to say at exactly what time of the year lulls will change, but that the second phase of the climate change *study* looked at historical data, and what scenarios could happen.

NYISO commissioned Analysis Group to perform the Phase II study, which examined the potential impacts on reliability based on the electricity demand projections for 2020-2050 developed in the initial climate change study. Those include the impacts on load and resource availability from more frequent and severe storms and extended heat waves and cold snaps.

“We can definitely go back and re-leverage that information and look to see what we can leverage in terms of wind lulls, especially when we’re looking at periods of multiday potentially low solar,” Bouchez said. “We’ll see what we can pull to make those as realistic as possible, given what is expected in the future.”

The ISO plans to present the Phase I analysis in March and April in terms of market design and then the policy case from the Outlook study in the third quarter, Bouchez said. The RNA study would be presented in the fourth quarter. ■



Example of New York generation by resource type as modeled for 2040 | NYISO

PJM News



FERC Orders Negotiations in Duke-Muni Contract Dispute

Duke Says Muni's Load-shaving Storage Shifts Costs to Other Customers

By Rich Heidorn Jr.

FERC last week conditionally approved Duke Energy Progress' proposed changes to its supply contract with the North Carolina Eastern Municipal Power Agency (NCEMPA) but ordered the two parties to negotiate over how the pact should be changed to reflect the latter's use of batteries to shave its demand charges (ER22-682).

NCEMPA, which serves 32 cities and towns with municipal electric distribution systems, asked FERC in 2019 to issue an order declaring that its "full requirements" power purchase agreement with Duke permitted it to use battery storage to reduce the munis' load during the peak hour each month that is used to determine capacity charges. FERC granted NCEMPA's request in September 2020 (EL20-15), a ruling that was upheld by the D.C. Circuit Court of Appeals in January. (See [DC Circuit Upholds FERC on Duke-Muni Battery Dispute.](#))

The capacity charge — based on NCEMPA's *pro rata* share of the demand on Duke's system during the one-hour coincident peak (CP) — is intended to cover Duke's fixed costs and provide a return on its infrastructure investments.

New Contract Sought

DEP responded to the commission's 2020 order by seeking to reopen the PPA, telling FERC that a revised rate design was needed because of statements by NCEMPA members announcing their intention to procure enough storage to reduce or eliminate their capacity charges "by superficially reducing or eliminating their demand only during the single CP hour of the month." Since December 2020, NCEMPA and its members have issued solicitations for almost 150 MW of battery storage, DEP said.

The company said NCEMPA's peak shaving was shifting capacity costs to four other wholesale requirements customers and that DEP's retail customers also could be harmed because they pay a portion of the fixed costs.

DEP's revised PPA would replace the current 12-CP methodology with a process that compares NCEMPA's CP demand with its monthly non-coincident peak (NCP). In any month in which NCEMPA's NCP exceeds its CP by 200 MW or more, the difference between the CP and the NCP minus 200 MW would be added back to the CP for setting demand charges.

The company told FERC the amended PPA is needed because "DEP's system planning can no longer merely assume that the monthly coincident peak is the appropriate proxy for each customer's use of the system.

"DEP's limited visibility into NCEMPA's intended time and magnitude of load management and demand cost mitigation measures creates real-time operational problems in so far as DEP must ramp (expensive and carbon-intensive) generation to meet NCEMPA's anticipated load only to have NCEMPA members deploy demand cost mitigation measures, creating temporary and artificial load reductions to which DEP must quickly respond in real time," it said, adding that the operational challenges will increase as it integrates more solar onto its system.

The company also proposed to change the nearly one-year notice period for proposed changes to the PPA. It currently gives the parties 60 days to reach an agreement on an amendment; if they are unable to agree, a 240-day informal dispute resolution process follows. DEP proposed shortening the notice and negotiation period from 300 days to 60 days, saying the current contract allows one party to "effectively hold the change hostage for almost a full year."

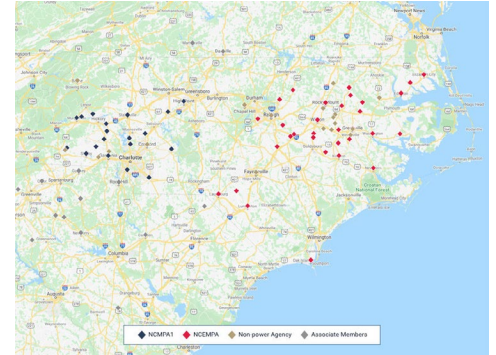
NCEMPA protested, saying Duke's proposal would penalize the development of distributed energy resources and that it violates cost-causation principles because the 200-MW threshold is arbitrary. It also complained that DEP would apply a cost allocation method that deviates from the conventional 12-CP method only to NCEMPA.

Ruling

FERC on Feb. 28 voted 4-1 to conditionally approve the revised PPA, effective March 1 and subject to refund pending settlement judge procedures.

The commission noted it has "previously accepted modification to a 12-CP methodology where the applicant sought to address cost shifting due to load-control measures."

"Here, DEP has presented arguments that its current demand allocation method may fail to appropriately align costs with beneficiaries given the changing operational conditions on DEP's system," FERC said. "We find these arguments persuasive."



NCEMPA serves 32 cities and towns with their own municipal electric distribution systems in North Carolina. | [Electricities of North Carolina](#)

The commission also dismissed NCEMPA's argument that the revised PPA is unduly discriminatory, saying, "DEP's departure from the 12-CP methodology ... is not novel.

"Each of DEP's wholesale customers has negotiated unique terms in their respective agreements based on their individual circumstances," it said.

But the commission said it wasn't convinced that DEP's adjusted capacity charge calculation and 200-MW threshold are just and reasonable. It also said DEP's proposal to modify its notice provisions from 300 to 60 days is "not adequately supported." NCEMPA said it would consider some reduction in the duration of the informal process but that 60 days was too short for it to secure the necessary governing board consideration and approval.

Dissent from Clements

Dissenting was Commissioner Allison Clements, who *said* the commission should have rejected DEP's proposal without prejudice and that the majority's order "sets too low a bar for the filing party's proposed rate to become effective as the hearing process moves forward."

Clements said DEP failed to demonstrate how its rate proposal reflects its transmission planning. She also questioned why DEP doesn't use NCP demands in allocating costs for all DEP customers.

"At minimum, a five-month suspension period is warranted in this case," she said. "To the extent that the hearing process stretches beyond the 15-month refund period, NCEMPA risks being subjected to unjust and unreasonable or unduly discriminatory charges without any recourse." ■

PJM News



NJ Delays Third OSW Solicitation for PJM Tx, NY Bight Winners

By Hugh R. Morley

New Jersey will delay its third offshore wind solicitation from September 2022 to January 2023 to allow it to incorporate proposed transmission projects now being reviewed by PJM.

PJM received 80 proposals in response to a transmission solicitation it issued last year at the request of the New Jersey Board of Public Utilities (BPU). Under PJM's state agreement approach (SAA), New Jersey would commit to paying 100% of the cost of the transmission but could seek to allocate some costs to other generation projects that use the additional capacity. (See [PJM, NJ Seek FERC OK for OSW Tx Process.](#))

"The updated schedule allows for the SAA process to be completed and the outcome incorporated into the third solicitation guidance documents," the BPU *said* in announcing its delay Feb. 28.

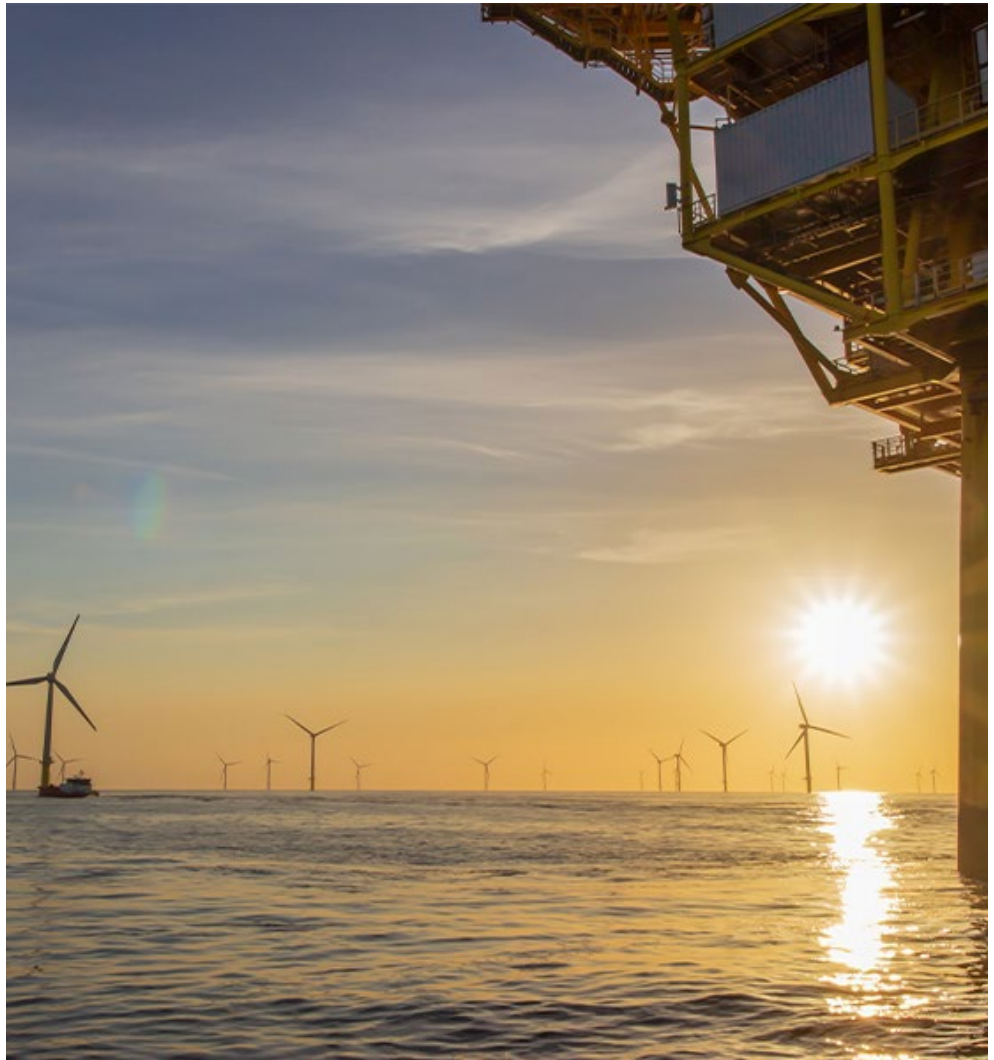
The BPU said it expects to determine later this year, which, if any, of the 80 submissions — which include "ready-to-build offshore wind transmission solutions to deliver offshore wind energy to the existing power grid" — it will approve.

NY Bight Winners Invited to Participate

The delay also will give developers that won leases in the Bureau of Ocean Energy Management's (BOEM) auction in the New York Bight last month more time to prepare bids to win offshore wind renewable energy certificates (ORECs) in the New Jersey solicitation, the BPU said. BOEM provisionally awarded leases for six projects totaling 5.6 GW of capacity off the coasts of New York and New Jersey. (See [Fierce Bidding Pushes NY Bight Auction to \\$4.37 Billion.](#))

The BPU plans to award 1.2 GW in ORECs in its third solicitation, with the award targeted for the fourth quarter of 2023. In its first two solicitations in 2019 and 2021, the BPU awarded ORECs totaling 3.7 GW: 2.2 GW to Danish developer Ørsted's Ocean Wind I and Ocean Wind II projects, and 1.5 GW to Atlantic Shores, a joint venture between EDF Renewables North America and Shell New Energies US. (See [NJ Awards Two Offshore Wind Projects.](#))

The Atlantic Shores partnership also won one of the six New York Bight projects, agreeing to pay \$780 million for a 79,351-acre lease that [the companies said](#) could provide 1.5 GW of ca-



| Shutterstock

capacity. BOEM estimated the site's capacity at 924 MW, based on 3 MW/sq km. Ørsted said it was not involved in any of the six winning bids in the BOEM auction.

7.5-GW Target

New Jersey hopes to award a total of 7.5 GW of ORECs by 2027.

BPU President Joseph L. Fiordaliso said the shift in solicitation date to January 2023 "takes into account two exciting and important milestones in offshore wind in our region."

"With 80 proposals for transmission solutions submitted in response to the SAA solicitation, adjusting our timeline to allow for the selection of the optimal transmission solution will inform our next solicitation for offshore wind projects," he said. "Coupled with the new lease

areas in the New York Bight, developers will now have ample time to put together thoughtful and cost-effective proposals."

The BPU launched its SAA project to solicit ideas on how to upgrade the grid to allow for integration of wind energy, how to extend the onshore grid to bring it closer to offshore wind generators and what upgrades are needed on interconnections between offshore substations to create an offshore grid, or "backbone."

The bidders include a subsidiary of Consolidated Edison, which submitted a proposal for a 2.4-GW transmission "backbone." PSEG, which owns a 25% share of Ocean Wind I, said it has submitted several proposals with Ørsted for offshore transmission, collectively named Coastal Wind Link. (See [NJ Wind Port Draws Offshore Heavy Hitters.](#)) ■

PJM News



FERC Rejects PJM's FTR Credit Requirement Proposal

By Michael Yoder

FERC on Feb. 28 rejected PJM's proposal to modify the calculation of the financial transmission rights credit requirement and opened a show-cause proceeding to examine the justness and reasonableness of the existing requirement (ER22-703).

PJM establishes the FTR credit requirement for market participants on a portfolio basis that considers five factors, including:

- a financial exposure calculation for each FTR path based on its historical value;
- the addition of an increment for portfolios considered to be undiversified;
- the application of a 10-cent/MWh volumetric minimum charge;
- the subtraction of auction revenue rights (ARR) credits in an FTR participant's account; and
- the subtraction of the mark-to-auction value.

The proposal included several changes, including:

- replacing the current approach of calculating collateral based on FTR historical value with an initial margin calculation from a historical simulation (HSIM) model using a 97% confidence interval;
- removing the undiversified adder;
- removing the component relating to the long-term FTR credit recalculation, because prices will be updated in real time under the HSIM model;
- revising the 10-cent/MWh volumetric minimum charge to apply after ARR credits or mark-to-auction value adjustments; and

- revising the tariff to provide that, at time of settlement, gains result in a decrease to, and losses result in an increase to, the credit requirement.

PJM filed its *proposal* with the commission in December after stakeholders endorsed it in October. (See *PJM Stakeholders Endorse Initial Margining Proposal*.) It was part of a two-year stakeholder process at the Financial Risk Mitigation Senior Task Force (FRMSTF) and resulted from efforts to strengthen the RTO's FTR credit and collateral rules in response to a *report* by expert independent consultants on the GreenHat Energy default in 2018.

PJM said that the proposal addresses one of the last recommendations in the report that it has yet to implement: "eliminating the undiversified adder." The RTO said it would be "a major step forward in advancing the overall recommendation to move the tariff's FTR credit policy toward credit and collateral best practices in the energy commodity and financial derivatives industry."

But much of the stakeholder debate in October centered around the confidence interval, with some advocating for 95% and others for 99%, ultimately settling on 97% as a compromise. The confidence interval refers to the "statistical certainty that a given value will exceed the range of possible outcomes (i.e., the losses in portfolio value over the margin period of risk) produced by the HSIM model," according to PJM.

That proved to be the main sticking point for FERC, which said PJM "failed to demonstrate" that the proposal "reasonably calibrated to ensure that market participants will be required to provide adequate collateral relative to the risks of their positions."

"Further, based on that record, we are concerned that PJM's existing FTR credit requirement may no longer be just and reasonable," the commission said.

Confidence Interval

The RTO argued that imposing a 99% confidence interval instead of 97% might "force some market participants to unwind market positions or to decide not to continue participation in the FTR auctions and FTR markets entirely." A 97% interval "is designed to converge at a 3% failure rate over time," it said, explaining that back-testing results are "satisfactory" if the total failure rate "agrees with the confidence interval used in the model."

It conducted back-testing for 10,724 zonal path prices and found 139 failures for a 1.3% failure rate, which was less than the 3% failure rate expected with a 97% interval. The RTO said back-testing found the current FTR credit requirement has a potential 8% market failure rate.

"PJM contends that the FTR credit revisions increase collateral for some FTR market participants when the new methodology calculates those positions represent unreasonable credit risk to PJM and its members," the commission said. "PJM asserts that it must be a market risk manager to protect PJM members from the risks of FTR defaults that potentially result in losses to PJM members that are not active participants in FTR markets."

Stakeholder Responses

A group of stakeholders, including DC Energy, American Electric Power, Appian Way Energy Partners, Exelon, Old Dominion Electric Cooperative and Shell Energy N.A., jointly filed comments saying the proposed revisions would "better protect ratepayers" and "bring

Confidence Interval	CLEARED REQUIREMENT		Change	Failure Rate	Winter Failure Rate
	Status Quo Total Requirement (\$B)	IM-H Total Requirement (\$B)			
99%	\$1.345	\$1.703	27%	0.45%	0.90%
97%	\$1.345	\$1.125	-16%	1.65%	2.72%
95%	\$1.345	\$0.948	-30%	2.98%	4.89%

Estimated confidence intervals for total FTR collateral | PJM

PJM News



PJM closer to standards used in commodities and futures markets.”

They said there could be “unintended consequences” for PJM’s FTR markets because of “significant differences” in initial margin under a 99% confidence interval that “may cause some participants to reduce participation in the FTR market or liquidate FTR positions.”

The Independent Market Monitor said it supported PJM’s filing but requested FERC direct the use of the 99% confidence interval instead of 97% “based on industry standards.” A 97% confidence interval means that market participants “will be provided a subsidy of vcollateral-related costs and will not be required to cover a significant portion of their potential default risk at the expense of the entire PJM membership,” it said.

The Organization of PJM States Inc. also advocated for the use of a 99% confidence interval. It argued that the commission needs to protect load-serving entities “from uncovered losses that are directly or indirectly passed along to electric ratepayers” and that PJM “does not provide sufficient detail of the impacts on protection of nonparticipants and, ultimately on electric ratepayers, from the consequences of default risk exposure.”

Findings

The commission said it agreed with OPSI and the Monitor that the record “fails to support” a 97% interval, saying the RTO conceded that its independent auditors “validated the HSIM model at a 99% confidence interval rather than the 97% confidence interval as proposed.”

“Given that the proposed FTR credit revisions would result in lower aggregate collateral levels than PJM’s current collateral levels, we find that the lack of support regarding how the HSIM model used at a 97% confidence interval establishes reasonably calibrated collateral levels for riskier portfolios means that PJM has not met its burden to show that the FTR credit revisions are just and reasonable, particularly in light of the significant recent defaults involving the FTR market, and we reject the revisions on that basis,” FERC said.

The commission directed PJM to make an informal filing within 60 days of the date of the order to either show cause why its FTR credit requirement remains just and reasonable and not unduly discriminatory or preferential or explain what tariff changes will remedy the commission’s concerns. Stakeholders may respond to PJM’s filing within 30 days. ■



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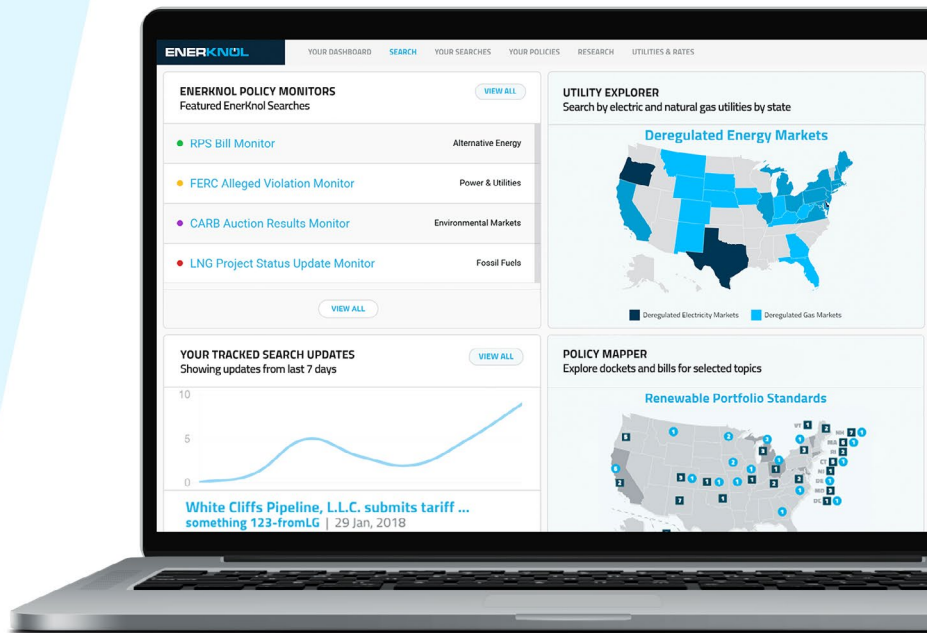
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PJM News



NRC Cites Ohio's Davis-Besse Nuclear Power Plant

Issue Involves Operability of Emergency Diesel Generators

The Nuclear Regulatory Commission last week *cited* Ohio's Davis-Besse nuclear power plant for improper maintenance of its very large emergency diesel generators (EDGs), which are used only when the reactor fails and the plant is cut off from outside grid power.

The EDGs must start immediately and be able to produce full power in as quickly as 10 seconds in order to enable emergency pumps and other equipment to continuously cool the reactor's nuclear core to prevent it from overheating.

NRC determined that plant engineers installed improper replacement parts that prevented the plants' two EDGs to immediately start during routine testing. Along with a lack of maintenance of other components essential to the production of power, it was enough to be a safety violation, rather than a minor infraction.

The citation — on top of an earlier NRC finding that Davis-Besse violated cybersecurity protocols — puts the plant under increased inspections in the coming months. The commission does not specify the severity of cybersecurity

violations or the level of the citation it issues in such cases.

Davis-Besse, operated by a FirstEnergy subsidiary until it emerged from federal bankruptcy protection in early 2020, is today owned by Energy Harbor, a closely held company that does not respond to media inquiries. The plant is currently shut down for refueling, according to NRC. ■

— John Funk



Davis-Besse nuclear plant in northern Ohio | NRC

Mid-Atlantic news from our other channels



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PJM News



DC Circuit Upholds FERC on Tx Cost Allocation in PJM

But Court Sides with Linden on TEC Adjustments for 2016 and 2017

By Michael Yoder

The D.C. Circuit Court of Appeals on Friday *denied* Linden VFT's and the Long Island Power Authority's (LIPA) petitions for review of a settlement that allocated transmission costs in PJM.

But the court did agree with Linden's argument that FERC "erroneously" assigned costs based on a "flawed interpretation" of the settlement, remanding the commission's decision for further proceedings.

The dispute was over a settlement the commission approved between PJM and members in May 2018 regarding how the RTO would allocate the costs of transmission projects above 500 kV approved between April 19, 2007 — when FERC determined the RTO's existing violation-based distribution factor (DFAX) or "postage stamp" method was unjust and unreasonable, requiring a new load-ratio share method — and Feb. 1, 2013, when FERC approved PJM's new hybrid method, combining both the DFAX and load-ratio methods. (See [FERC Rebuffs Challenges to PJM Tx Cost Allocation](#).)

FERC approved the settlement over the objection of Linden and LIPA, both of which export electricity from PJM to New York; they argued they would pay about \$30 million more for the "vintage projects" approved between 2007 and 2013 than under a pure DFAX method.

After the commission denied rehearing of the settlement orders, Linden and LIPA petitioned for judicial review.

"The question is difficult because high-voltage projects afford two different kinds of benefits — local benefits that accrue primarily to utilities close to the project at issue, and regional benefits that accrue throughout the grid," the court said in its ruling. "The 7th Circuit has twice set aside cost allocations that ignored the local benefits, and we have set aside cost allocations that ignored the regional benefits."

Arguments

Linden and LIPA contended that FERC's approval of the settlement, and the allocations it implemented, were arbitrary, but the court disagreed, saying that the commission can approve an agreement when the "overall result of the settlement is just and reasonable," even if "individual aspects" of it "may be problematic."

"FERC adequately justified its approval of

each formula," the court said. "Start with the going-forward formula, which allocates costs through a mix of the postage-stamp and flow-based methods. FERC approved the formula based on reasoning in its 2013 compliance order, which had approved the same formula for future high-voltage transmission projects. Doing so was not arbitrary."

Linden and LIPA also contended that the settlement violated a requirement of a cost-benefit analysis to quantify the benefits of a project, citing the 7th Circuit Court of Appeals' rejection of the postage-stamp methodology in 2014. But the D.C. Circuit said that ruling was narrow, in that it found FERC weighed regional benefits over local benefits. "Nothing in those decisions casts doubt on FERC's view that high-voltage projects have substantial nationwide benefits," it said, quoting itself from a previous ruling.

The court also said FERC "reasonably concluded" in its orders that Linden or LIPA would not have found a more favorable decision on the settlements by going through litigation in the courts.

"The challengers do their best to obscure this point, but what they seek is application of a pure postage-stamp method — or at least a hybrid formula with a more heavily weighted postage-stamp component," the court said. "The 7th Circuit has twice set aside a pure postage-stamp formula for the vintage proj-

ects. We have little doubt that, if faced once again with a pure or almost pure postage-stamp formula, it would call strike three."

TEC Adjustments

The 2018 settlement made a series of adjustments for the "vintage project" costs incurred before 2016, which PJM previously had allocated under the DFAX method. FERC said the adjustments were made to bring the allocations in line with "what would have been credited or paid" if PJM had adopted the going-forward formula from the start.

The formula imposed monthly transmission enhancement charge (TEC) adjustments beginning in January 2016 and continuing through December 2025.

Linden argued that it did not need to make any of the payments created in the formula because it surrendered its firm transmission withdrawal rights on Jan. 1, 2018, about five months before FERC approved the settlement. PJM agreed that Linden did not need to pay TEC adjustments for 2018 to 2025, but they disagreed over TEC adjustments for 2016 and 2017.

Regarding TEC adjustments, the PJM tariff states, "If all responsible customers in a zone or merchant transmission facility are no longer subject to transmission enhancement charges under the PJM tariff during the period in which transmission enhancement charge adjustments are collected, then, during the portion of that period that such responsible customers are not subject to transmission enhancement charges, the payments from or credits to such responsible customers shall cease."

Linden is the only responsible customer in its merchant facility, and it argued that the "period in which [TEC] adjustments are collected" began when FERC approved the settlement, because PJM "did not and could not collect any payments before then."

FERC said that TEC adjustments began to accrue and were "collected" as soon as the settlement became effective in January 2016.

"The plain meaning of 'collected' unambiguously supports Linden," the court ruled. "FERC has not identified a single example, in a dictionary or otherwise, where 'collect' means to accrue liability. Nor have we found any. This strongly suggests that 'collect' simply cannot bear that meaning." ■



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Company Briefs

Evergy Hits Renewable Energy Milestone



Evergy last week announced that it had 90,000

GW of wind energy, a new milestone for a company that has retired 2 GW of coal generation.

Evergy also said it hit its goal of a 51% drop in carbon emissions. The company expects a 70% reduction by 2030 and aims to be carbon neutral by 2045.

Company spokeswoman Gina Penzig said that about 33% of the energy serving homes and businesses now comes from renewable sources.

More: [KMBC](#)

GM, Ex-CEO Sell Stakes in Lordstown Motors

General Motors last week announced that it



has sold its 7.5-million-share stake in EV startup Lordstown Motors. GM did not disclose the proceeds it received.

Lordstown, which posted a fourth-quarter loss, said it had expected to manufacture and sell about 500 of its Endurance electric pickup trucks this year.

A day earlier, former CEO Steve Burns sold nearly 5.3 million company shares, the Securities and Exchange Commission showed, valued at \$13.5 million. Burns, who was the CEO until he resigned in June 2021, remains its largest shareholder with nearly 38 million shares worth roughly \$93 million.

More: [Reuters](#), [Reuters](#)

Peabody Announces Joint Venture Focused on Solar, Storage

Peabody Energy, the world's largest private-sector coal company, last week



announced it has launched a "renewable energy development company" called R3 Renewables.

The new firm, which is the product of a joint venture between Peabody, Riverstone Credit Partners and Summit Partners Credit Advisors, plans to pursue the development of more than 3.3 GW of solar power and 1.6 GW of battery storage capacity over the next five years.

The new company will be led by CEO John Jones.

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

Federal Briefs

FERC Lists Benefits to Demolishing California Dams



FERC two weeks ago issued a draft environmental impact statement saying there were significant benefits to a plan to demolish four dams on Northern California's Klamath River to save migratory salmon. The statement by the commission clears a major regulatory hurdle for the project and paves the way for public hearings on the document before a final draft is issued this summer.

FERC said that moving ahead with the proposal would "maximize benefits" to salmon fisheries important to local tribes and restore the landscape to a "more natural state." Coho salmon are listed as threatened under federal and California law, and their population has fallen between 52% to 95%. Spring

chinook salmon have dwindled by 98%.

The dams near the Oregon-California border were built before current environmental regulations and have become less economically viable as concerns grow about their environmental impact.

More: [The Associated Press](#)

Madigan Indicted on Federal Racketeering Charges

Former Illinois House Speaker Michael Madigan was indicted last week on federal racketeering charges that allege his elected office and political operation were a criminal enterprise that provided personal financial rewards for him and his associates.

A 22-count indictment returned by a federal grand jury comes after a yearslong investigation and alleges Madigan participated in an array of bribery and extortion schemes from 2011 to 2019 aimed at using his power for personal gain. Also charged in the indictment was Madigan's longtime confidant, Michael McClain, a former state legislator and lobbyist who is facing separate charges.

Madigan and his attorneys denied the allegations and said they intend to fight

them in court.

More: [Chicago Tribune](#)

TVA Begins Replacement of Steam Generators at Watts Bar Nuclear Plant



The Tennessee Valley Authority last week shut down the Unit 2 reactor at its Watts Bar Nuclear Plant to refuel the 1,150-MW reactor and install four 850,000-pound steam generators.

Although the reactor has operated for fewer than six years, the steam generators being replaced were built in the 1970s and found to be built with a metal alloy that has prematurely developed leaks and additional problems at other plants. TVA ordered the four new generators in 2014, before the Unit 2 reactor began generating power in 2016. TVA paid \$160 million for Westinghouse to make the 67-foot generators and spent millions more to transport and store them for the past four years at the Watts Bar site on the Tennessee River.

The job is expected to take roughly two months to complete.

More: [Chattanooga Times Free Press](#)

State Briefs

COLORADO

Delta County Denied Utility-scale Solar Farm

Delta County Commissioners last week voted 2-1 to deny the development of a 472-acre solar farm.

The Planning Commission and county planning staff had recommended approval, but two commissioners voted against the decision, citing loss of agricultural land and a lack of compatibility.

More: [Delta County Independent](#)

El Paso County Rezones Land for Solar Array

El Paso County commissioners last week approved new zoning for about 5,000 acres for the Pike Solar Project.

The proposed 175-MW project will cover about 1,350 acres, including a power sub-station, a 25-MW lithium battery installation and other infrastructure.

The project by the company Juwi will serve Colorado Springs Utilities and is expected to sell power for the next 17 years.

More: [The Denver Gazette](#)

DELAWARE

State to Adopt Zero Emission Vehicle Regulation

Gov. John Carney last week announced that Delaware will join 13 other states in adopting California's zero emission vehicle (ZEV) regulations.

"In 2017, we signed on to the U.S. Climate Alliance, committing to reduce our carbon emissions by at least 26% by 2025. Adopting ZEV regulations will help us make progress on those goals, as well as the other goals outlined in Delaware's Climate Action Plan," Carney said.

Managed by the Department of Natural Resources and Environmental Control, the program is designed to accelerate the commercialization of battery-electric, plug-in hybrid and fuel cell EVs. The regulations mandate that a certain percentage of the vehicles delivered for sale in a state are ZEV vehicles.

More: [Delaware.gov](#)

FLORIDA

Duke Energy Installs 600 EV Chargers



Duke Energy Florida recently completed its Park & Plug pilot program and installed 627 EV charging stations throughout the state.

Duke launched the program in 2018 to expand access to charging stations as part of an agreement with the Public Service Commission. Since its launch, chargers have been installed at locations across the state: 182 public level 2 chargers at local businesses; 52 DC fast chargers in public locations; 220 level 2 chargers in multi-unit dwellings; and 173 level 2 chargers in workplaces.

More: [Daily Energy Insider](#)

House Advances Net Metering Bill

The House last week voted 83-31 to advance net metering legislation that would direct the Public Service Commission to create a new rule that would require customers with renewable generation systems to "pay the full cost of electric service" and not be "subsidized by the general body of ratepayers."

The bill would also require any energy delivered by a customer's system to the grid to be credited at a price that would be below retail rates. Revised net-metering billing could also include fixed charges, monthly minimum bills or electric grid access fees. However, those who own or lease systems in service before the effective date of the bill would still be able to use existing net-metering rules for the next 20 years.

The Senate has a companion measure that has so far passed numerous committees.

More: [Florida Politics](#), [Canary Media](#)

IDAHO

Power County Approves Solar Farm Permit



The Power County Planning and Zoning Board last week approved a special-use permit for a 300-MW solar farm on 6,500 acres of range land near American Falls.

NextEra Energy Resources said the planned Moon Crater Solar and Storage Project

will represent a \$500 million investment. Company officials plan to build the project in phases, with 100 MW to 200 MW of capacity in the initial phase. Capacity would be added according to demand. Once complete, officials say it will be the state's largest solar farm.

The company hopes to begin construction in 2023 and commence operations by 2024.

More: [Idaho State Journal](#)

INDIANA

South Bend to Upgrade 9,000 Streetlights to LEDs

South Bend and Indiana Michigan Power last week said they are planning to upgrade 9,000 of the city's streetlights to LEDs.

The city has 12,000 streetlights but only owns about 3,000 of them. The rest are owned by Indiana Michigan Power, with the city paying for maintenance and operation.

Currently, the city uses 5.1 million kWh per year on its I&M streetlights. With the switch to LEDs, that will drop to 2.1 million kWh.

More: [WVPE](#)

KANSAS

Corporation Commission, Customers Reach Settlement over Gas Costs

The Corporation Commission last week unanimously approved forgiving hundreds of millions of dollars in penalties and natural gas costs for a handful of large gas marketers and customers from last February's deep freeze.

The 28 marketers and customers could have faced a maximum of \$888 million in fines and gas costs for misappropriating gas during the emergency but negotiated it down to about \$65 million in a settlement. They will not pay any fines and will only have to pay for the gas they took at rates deeply discounted from what Kansas Gas Service was paying at the time.

The settlement clears a hurdle for Kansas Gas Service to begin collecting more than \$366 million in extraordinary costs from Winter Storm Uri and establishes that \$313.7 million will come from the company's regular customers. It is expected to add \$5 to \$9 to customer bills for the next five to 10 years.

More: [The Wichita Eagle](#)

MICHIGAN

EV Registrations Climb 60%

State electric vehicle registrations climbed nearly 60% over the past year, rising from 10,500 registrations in March 2021 to 16,400 this past month.

State officials project as many as 60,000 EVs will be on the roads by 2024. The state's largest energy provider, Consumers Energy, anticipates 1 million EVs in its Lower Peninsula service territory by 2030.

Still, EVs remain a small fraction of vehicles, as 9 million vehicles are registered in the state.

More: [MiBiz](#)

MINNESOTA

Murray County Wind Turbine Upgrades Get PUC Approval



last week approved a project to replace 65 turbines on two county wind farms.

A summary of the Northern Wind project said 57 turbines from the Chanarambie project and eight from the Viking project would be removed and replaced.

When the new turbines are up and running, Northern Wind plans to sell the electricity to Xcel Energy.

More: [Marshall Independent](#)

OHIO

Judge Withdraws from Cases in Nuclear Bailout Probe

Greg Price, an attorney examiner with the Public Utilities Commission and chief of the electric and energy section, last week

withdrew himself from four cases involving legislation at the center of a criminal public corruption investigation into FirstEnergy Corp., citing "truly unique circumstances."

"Due to the fact that I provided legal review and advice to the previous commission chairman regarding [HB 6] and in light of the truly unique circumstances presented today, I have concluded that it is in the best interest of the commission that I withdraw from presiding over these four proceedings," Price wrote in a letter.

Price's withdrawal comes after subpoenaed records the PUC provided to the Department of Justice show the extent of his involvement in HB6. Since its passage, Price has issued several rulings on FirstEnergy PUC cases that have blocked access to documents and witnesses. The report revealed two documents listing Price as an employee formally reviewing the legislation for the agency in 2019.

More: [Ohio Capital Journal](#)

OREGON

EFSC Approves Solar Project

The Energy Facility Siting Council last week unanimously approved the Obsidian Solar Center, roughly four years after it was initially proposed.

The decision came after a state hearing officer rejected arguments by landowners that the facility will disrupt farm operations due to fugitive dust, invasive weeds and displaced wildlife. The officer said opponents hadn't proved that mitigation measures planned by the developer to address the problems would fail. The project is expected to sit on 3,900 acres of farmland.

Project opponents may still appeal the EFSC decision directly to the state Supreme Court.

More: [Capital Press](#)

VIRGINIA

Senate Committee Kills Bill to Restore SCC Oversight in Energy Projects

The Senate Commerce and Labor Committee last week voted 9-5 to kill a House bill that would have restored State Corporation Commission oversight over energy projects approved in the Virginia Clean Economy Act.

The 2020 act restricted the ability of the Corporation Commission to determine if large new projects are necessary and cost effective and directed commissioners to approve close to \$10 billion in costs for a large offshore wind farm planned by Dominion Energy. Del. Lee Ware (R) said his proposed legislation was aimed at removing provisions in the act that are projected to lead to an increase in residential power bills.

Democrats say the program is essential to limiting fossil fuel emissions, while Republican Gov. Glenn Youngkin calls it an unnecessary tax.

More: [Richmond Times-Dispatch](#)

WEST VIRGINIA

Senate Passes Carbon Sequestration Bill

The Senate last week voted 33-0 to pass a bill that would establish practices and standards for carbon dioxide sequestration. The state currently has no rules or regulations regarding the practice.

The bill would require carbon capture operators to obtain a permit from the Department of Environmental Protection and would lay out criteria for the DEP to follow when it comes to issuing the permits.

The bill, which passed the House 90-0, now goes to Gov. Jim Justice.

More: [WV News](#)

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