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GOP Prescribes Gas, Nuclear, Deregulation for Clean Energy Transition

By Amanda Durish Cook and John Cropley

Conservatives' vision for a clean energy future includes contributions from natural gas, nuclear and hydrogen; domestic mineral mining; and fewer regulatory hurdles, according to speakers in the online National Clean Energy Week Policy Symposium last week.

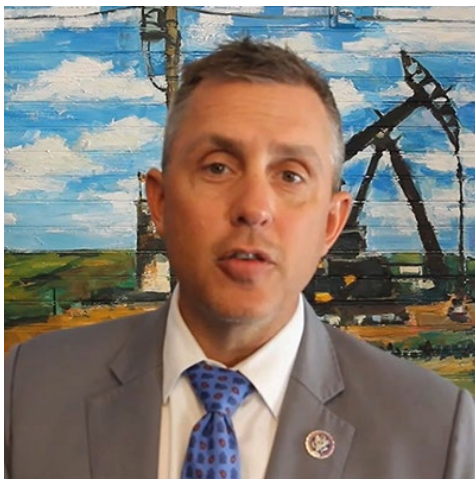
At times, politicians' views contrasted with the industry experts invited to speak at the symposium.

Appearing onscreen in front of a painting of an oil well, U.S. Rep. Kelly Armstrong (R-N.D.) said he hoped that conversations on energy production in an era of climate change continue to be "based on reality and not ideology."

Armstrong said Europe's continuing energy crisis shows the importance of U.S. energy independence. He said the U.S. should expand its natural gas infrastructure and shouldn't be "demonized" for its fracking.

In his message, House Minority Leader Kevin McCarthy (R-Calif.) presented an alternate narrative to the one offered by many Democrats and said fossil fuels play an important part in it.

"While Democrats wage a war on our oil and gas producers, we know that America's a leader in reducing emissions, and that natural gas we produce here at home is cleaner than Russian natural gas," he said during a keynote Sept. 27. "We know the importance of investing in domestic energy and mineral production to maintain energy security and protect our supply chain from China."



Rep. Kelly Armstrong (R-N.D.) | *National Clean Energy Week*



U.S. Rep. Cathy McMorris Rodgers (R-Wash.), speaks on the National Clean Energy Week livestream Sept. 27. | *National Clean Energy Week*

McCarthy thanked Citizens for Responsible Energy Solutions (CRES) for its advocacy.

"House Republicans prioritize comprehensive permitting reform and elimination of regulations on energy and infrastructure costs that delay projects and increase costs," he said. "We look forward to partnering with you to achieve these goals."

Rep. Debbie Lesko (R-Ariz.) said Europe's and California's recent energy hardships show that "rush-to-green-energy policies" fail citizens. She said the U.S.' clean energy future should include the reliable output that nuclear energy and clean hydrogen can supply, and that Congress should focus on "responsible, clean, all-of-the-above" energy policies.

Rep. Cathy McMorris Rodgers (R-Wash.), a previous CRES Clean Energy Champion, spoke of improving and retaining the power-generation technology now in use, including nuclear, hydro and natural gas. She spoke of cleaner energy but did not mention climate change, a primary factor driving the push for clean energy.

"This week, Republicans on [the House Energy and Commerce Committee] are celebrating how America has led the world in reducing carbon emissions and promoting innovation by utilizing America's abundant, clean, affordable and reliable energy," she said. "Our framework, the Securing Cleaner American Energy Agenda, builds on this legacy to lower energy costs and make our infrastructure and electricity grid more resilient. It includes solutions to unleash innovation for cleaner natural gas,

emissions-free hydropower and nuclear power, and carbon-capture technology."

By contrast, McMorris Rodgers said, the "rush to green" pressed by Democrats will force the energy transition on families and industry, spiking costs, undermining national security and stifling innovation as a result.

"Republicans support a level playing field and a balanced mix of energy resources. As we add more weather-dependent renewables like wind and solar, we must maintain our most reliable baseload power sources," she said.

Utility executives echoed a need for hydrogen and nuclear output.

Lauren Sher, NextEra Energy's director of sustainability and environmental policy, said to achieve a steady, 24/7 decarbonized energy supply, utilities will need to rely on zero-emissions fuels like green hydrogen to operate existing generating facilities.

American Public Power Association CEO Joy Ditto said to accomplish big decarbonization goals, her public power producers are enthusiastic about small modular reactors.

"I know you all in California might not want to talk about nuclear, but elsewhere in the country, we really are extremely bullish on smaller modular reactors [and] more affordable nuclear as we move forward, particularly for smaller communities," Ditto said.

Streamlining Permitting

Panelists agreed that the country's permitting processes are unwieldy, unnecessarily long and in need of streamlining to keep pace with a necessary transition.

Xan Fishman, the Bipartisan Policy Center's director of energy policy and carbon management, said on its face, clean energy funding through the Infrastructure Investment and Jobs Act and Inflation Reduction Act (IRA) should be enough to jumpstart an energy transition in earnest.

"We've got money for innovation; we've got money for deployment. It would seem like our clean energy future is right at our fingertips," Fishman said.

However, Fishman quoted the Aspen Institute's 2021 "Building Cleaner, Faster" report, which focused on the problem that "achieving net-zero emissions by 2050 is ecologically essential, technologically feasible, economically achievable, but procedurally impossible" given

FERC/Federal News



the current permitting environment.

“I wish it were only a bumper sticker. It has the unfortunate characteristic, I think, of being absolutely true,” Johnson Controls’ Katie McGinty said of the problem statement. “The status quo is not solving climate. We have to deliver more environmental protection. Mother Nature is shaking her fist. ... Some red tape needs to get cut.”

McGinty invoked the 2,000-plus renewable generation projects in PJM’s interconnection queue that have little chance of coming online quickly because she said the grid remains unprepared.

U.S. Sen. Dan Sullivan (R-Alaska), whom CRES announced as one of its 2022 Clean Energy Champions just a day earlier, said the environmental regulations created a half-century ago have morphed into something untenable.

“When the National Environmental Policy Act came out in the late ‘60s, it was a really good bill,” Sullivan said. “What’s happened unfortunately is that NEPA has been fully 100% abused, and it’s grown into a law that courts and far-left radical environmental groups use to block essentially everything.”

Sullivan spoke of a gold mine in Alaska that needed 20 years to obtain a permit and said the highway leading to the mine took 30 years to permit.

“This is an issue — permitting reform; the abuse of NEPA — that literally hurts every single American; whether you want to build a wind turbine, or a solar panel, or a highway project, or an airport runway, or a gold mine, or an oil and gas development, it blocks everything,” he said. “We as a country, I believe, are finally starting to wake up to this issue that has bedeviled my state for decades, and we’re



Johnson Controls' Katie McGinty | *National Clean Energy Week*

starting to take action.”

Despite this, Jeremy Woodrum, senior director of congressional affairs for the Solar Energy Industries Association (SEIA), predicted U.S. solar panel manufacturing will soon pick up with “at least” 20 to 25 GW worth of domestic solar panel manufacturing capability. He said SEIA’s goal is to have 50 GW of annual solar energy manufacturing capacity by 2030, two and a half times the total solar capacity installed last year in the U.S.

“We’re looking to go big, and folks who go first are going to reap the rewards,” Woodrum said.

Critical Minerals

Experts agreed that the U.S. must quickly scale up a critical minerals industry and reinforce a supply chain to source a clean energy future.

ClearPath Senior Director Alex Fitzsimmons said critical minerals like nickel, cobalt, lithium and graphite are the “lynchpin” of decarbonized energy production.



Nano One CEO Dan Blondal | *National Clean Energy Week*

“I think to truly build a domestic supply chain for critical minerals, we need to marshal all the resources we have now in law and policy to three primary goals,” he said, explaining that the U.S. must invest in upstream mining and processing capabilities, invest in recycling facilities and invest in mineral substitutes.

“We have a wall of demand coming for raw material supplies, mining [and] refining, and everything has to happen long before you assemble a battery,” Nano One Materials CEO Dan Blondal agreed.

Blondal predicted central Canada will become a “center of gravity” for battery materials in the North American market. The IRA “put EV tax credits on the line” by mandating that batteries be assembled with environmentally friendly and responsibly sourced materials. He said automakers scrambled to find replacements for Chinese-made batteries to handle near-term demand without jeopardizing tax credit eligibility. ■

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FERC/Federal News



Glick Backs Changes to Federal Infrastructure Permitting

By John Cropley and Rich Heidorn Jr.

Climate activists who cheered the failure of Sen. Joe Manchin's proposal to ease the permitting of energy infrastructure projects are ignoring how the current rules are hobbling the expansion of renewable power, FERC Chairman Richard Glick said last week.

Glick told Raab Associates' New England Electric Restructuring Roundtable in Boston Sept. 30 that he was meeting with a group of environmental justice advocates earlier in the week when it was announced that Manchin had pulled the bill from the Senate floor.

"They were all celebrating," Glick said. "And I said to them, 'You know, you can have differences of opinion about different provisions in the bill. But if your goal is to get more renewable energy on the grid, you've got to get more transmission built. ... I think just to pretend that the status quo is working [is a mistake]. It's not working.'"

Manchin (D-W.V.) withdrew the permitting proposal from inclusion in a must-pass spending bill when it became clear he lacked the 60 votes needed for passage in the Senate — with substantial opposition among his fellow Democrats who saw it as a concession to the oil and gas industry that would undermine decarbonization efforts. Manchin vowed to continue seeking votes for the bill.

Glick said the federal government's role in siting will likely increase as a result of the Infrastructure Investment and Jobs Act, which allows utilities to ask FERC to overrule state regulators' rejection of a project.

The Manchin proposal would allow FERC to order construction of transmission designated as in the national interest if asked by a state or utility. It would also set a two-year target for the completion of environmental reviews and reduce the time community members have to file legal challenges. (See [Manchin Details Proposal to Streamline Approval of Energy Projects.](#))

As he had earlier in regard to the siting authority in the IJJA, Glick continued to express skepticism that FERC will play a major role in settling siting disputes. (See [Glick Aiming for Final Transmission Rule by End of Year.](#))

"Even if the federal government is given the authority that Sen. Manchin has proposed — FERC in particular — the states are going to continue to play [a major role], whether that be through siting other transmission lines or



FERC Chair Richard Glick (right) speaks with moderator Jonathan Raab. | Raab Associates

general ratemaking authority. Utilities aren't going to want to cross their states very often. And so I think the states are going to continue to play a very important role no matter what happens with the Manchin bill."

Matthew Nelson, chair of the Massachusetts Department of Public Utilities, who spoke with Glick in the first discussion of the Roundtable, said he welcomed a stronger federal role in transmission siting.

"I don't think we're going to get to our decarbonization goals without a big step forward that allows a big, well-researched project to be built. So I think having something like this — having a backstop authority — is going to be very, very important."

State Role in Cost Allocation

Nelson also expressed support for FERC's proposed requirement in its April Notice of Proposed Rulemaking (NOPR) that transmission providers seek the agreement of relevant state entities on cost allocation, with FERC imposing a solution if no agreement is reached (RM21-17). (See [FERC Issues 1st Proposal out of Transmission Proceeding.](#))

"I do think that FERC kind of being the referee in the room will allow the conversations not to be, 'It is either build this or not build this,' but, 'This is getting built, and what is the proper

way to allocate the costs?' I think that's a much more productive conversation," Nelson said. "... So I think that structure has a very good chance of being successful if properly implemented."

Abe Silverman, general counsel for the New Jersey Board of Public Utilities, said FERC could help force agreements to share costs.

"We almost need the Sword of Damocles from FERC hanging over everyone's head," he said during the Roundtable's second discussion. "We almost need that strong, proactive FERC, standing out there saying, 'If you do not agree to a cost allocation, then we are going to impose one on you.'"

Roundtable moderator Jonathan Raab, who is also moderator for the [Joint Federal-State Task Force on Electric Transmission](#), said he was surprised at the Task Force's last meeting in July that "there seemed to be a groundswell of support to consider having FERC require some minimum transfer capacity capability" between regions. (See [States Back FERC Interregional Transfer Requirement.](#))

"I think it's an eminently reasonable idea," said Nelson. "I think the more that we've looked at the way the grid is evolving, the more we need redundancy and reserves for multiple different reasons."

FERC/Federal News



Nelson said there are many technical questions regarding how to set such minimums. “But I really think it’s a solid idea ... that could bring benefits to a lot of different regions when they don’t know they need it.”

Glick said there was “an enormous consensus” following the Texas outages during Winter Storm Uri that transfer capacity needed to be increased. But he said many issues are standing in the way, “not the least of which is who builds it and who pays for it.”

Future NOPR on Socializing Interconnection Costs?

Raab also noted that the task force discussed ways to change participant funding rules to socialize some interconnection costs, a proposal that was not included in the interconnection NOPR issued in June (RM22-14).

“It’s an issue that I feel very strongly about,” Glick responded. “We still have a lot of future NOPRs to come. So hopefully, we will address it.”

Glick said the current process does not allocate costs roughly commensurate with



Matthew Nelson, chair of the Massachusetts Department of Public Utilities | © RTO Insider LLC

benefits, as required by court precedents.

“In many cases, you know, you have a bunch of wind generators coming in [and the] first one that comes online has to pay the cost of the network upgrade. Everyone else behind them doesn’t have to pay. That doesn’t seem fair, right?” Glick asked. “Secondly, there are a

number of benefits that these upgrades provide, in addition to just allowing the generator or generators to hook up to the grid. And we’re not taking that into account.

“At the Task Force, not everyone was on the same page,” Glick said. “I think we have more work to do on it – maybe develop more of a record on it. But I’m very supportive. And I’m determined to address this issue.”

Nelson also expressed support for a change. “Having one person take the hit for everyone behind it worked in the day when there was one huge generator coming online, and maybe that required an upgrade. But I’m not sure that with a distributed generation market, that makes much sense,” he said.

Offshore Wind Transmission

Glick also said the commission is considering whether tariff changes are needed to allow PJM, NYISO or ISO-NE to develop offshore wind “collector” systems to minimize transmission costs and beach landings. “It would be foolish not to include those [state OSW] goals and mandates in our transmission planning processes,” he said. ■

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FERC/Federal News



Manchin Permitting Package Cut from Spending Bill

By Rich Heidom Jr.

U.S. Sen. Joe Manchin (D-W.Va.) withdrew his controversial infrastructure permitting bill from inclusion in the Senate's must-pass spending bill last week, conceding he lacked the 60 votes needed for passage.

Manchin and Senate Majority Leader Chuck Schumer (D-N.Y.) had agreed with President Biden and House Speaker Nancy Pelosi to pass permitting legislation before the new fiscal year began Oct. 1.

But Manchin *tweeted* Sept. 27 that he had asked Schumer to withdraw the permitting language from the continuing resolution. An initial vote on the measure to fund the government through Dec. 16 cleared the Senate 72-2 later that day.

The package, which would have set a two-year target for the completion of environmental reviews and reduced the time community members have to file legal challenges, had angered both Republicans upset with Manchin's vote for the Inflation Reduction Act and Democrats, who saw it as a concession to the oil and gas industry that would undermine climate efforts. (See *Manchin: 'Awful Lot of Heavy Lifting' Needed to Pass Permitting Bill.*)

Manchin also sought to guarantee permit approvals for the Mountain Valley Pipeline and give FERC enhanced electric transmission siting authority.

Schumer criticized Senate Republicans in a floor speech, saying they "have made clear they will block legislation to fund the government if it includes bipartisan permitting reform,



Sen. Joe Manchin (D-W.Va.) | © RTO Insider LLC

because they've chosen to obstruct instead of work in a bipartisan way to achieve something they've long claimed they want to do."

"Because American families should not be subjected to a Republican-manufactured government shutdown, Sen. Manchin has requested, and I have agreed, to move forward and pass the recently filed continuing resolution legislation without the Energy Independence and Security Act of 2022," he added.

Minority Leader Mitch McConnell (R-Ky.) had warned earlier that Republicans would oppose Manchin's proposal, calling it "permitting reform in name only."

"What our Democratic colleagues have produced is a phony fig leaf that would actually set back the cause of real permitting reform," he said.

Sen. Tim Kaine (D-Va.), who was angered by Manchin's bid to ensure approval of the Mountain Valley Pipeline through Virginia and West Virginia, also announced his opposition to the proposal. Sen. Bernie Sanders (I-Vt.) had promised to oppose the funding bill if the Manchin proposals were attached.

After the vote on the continuing resolution, Schumer said he and Manchin would "continue to have conversations about the best way" to seek passage of the permitting measure before the end of the year.

Manchin also indicated he would continue to seek support for his proposal. "Over the last several weeks, there has been broad consensus on the urgent need to address our nation's flawed permitting system. I stand ready to work with my colleagues to move forward on this critical legislation to meet the challenges of delivering affordable reliable energy Americans desperately need," he said.

Manchin and sympathetic colleagues may seek to attach a version of the permitting legislation to another must-fund bill, the National Defense Authorization Act.

"Extending the negotiations could help the GOP pursue deeper reform by leveraging high energy prices — not just for gasoline, but also for electricity and natural gas — as a pressure tactic," ClearView Energy Partners said in a note to clients. "If energy prices continue to contribute to inflation as midterm congressional elections approach, Democrat moderates from swing districts could become increasingly vulnerable to GOP attacks against President Biden's green-leaning energy policy priorities." ■



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US Completes Review of State EV Charging Plans

\$1.5B in Infrastructure Funds to be Released

By Rich Heidorn Jr.

The Biden administration said last week that it has approved electric vehicle [charging plans](#) for all 50 states, D.C. and Puerto Rico, opening the spigot on \$1.5 billion to add chargers over 75,000 miles of highway nationwide.

The \$1.5 billion in funding for fiscal years 2022 and 2023 is a down payment on the \$5 billion in National Electric Vehicle Infrastructure (NEVI) program funding authorized over [five years](#) under the Infrastructure Investment and Jobs Act. The administration announced last month that it had approved EV infrastructure deployment plans for 35 states and \$900 million in IIJA funding. (See [FHWA Beats Sept. 30 Deadline for Approving States' EV Charging Plans.](#))

For this initial round of funding, states were required to identify “alternative fueling corridors” — major state and interstate highways

— where EV charging stations could be located every 50 miles. EVs can fully recharge in about an hour using the fast-charger ports now available.

The IIJA allowed state transportation officials to begin staffing and activities directly related to the development of their charging plans before they were approved.

In addition to reimbursing them for those costs, the federal funding can be spent on a variety of related activities, including upgrading and adding EV charging infrastructure; operation and maintenance costs of charging stations; stakeholder engagement; workforce development; data sharing; and mapping analysis.

The formula used for the allocations is based on states’ gasoline and diesel tax payments into the federal Highway Trust Fund. Ten percent of the NEVI funding will be subject to the

discretion of the secretary of transportation to fill gaps in the national network.

The EV charging funding is only one of the ways the Biden administration — which has set a goal that half of all new vehicles sales be zero-emissions vehicles by 2030 — hopes to spur decarbonize transportation, the nation’s largest source of greenhouse gas emissions.

The Department of Energy has \$7 billion in funding to help develop a domestic EV battery supply chain. The recently approved Inflation Reduction Act will provide tax credits to purchasers of new and used EVs and \$3 billion for expanding EV charging in economically disadvantaged communities.

But the expansion of the charging network may be choppy, as some states have warned federal officials that a lack of grid capacity may slow their plans. ■



ChargePoint CPE250 fast charger at a plaza in Southern California | ChargePoint

FERC/Federal News



USEA Panel Explores How to Cut CO2 as Electricity Demand Increases

Reliability, Affordability, Speed and Bankable Technologies Will be Needed, Experts Say

By K Kaufmann



Robert Rowe, North-Western Energy | USEA

The impact of growing power demand driven by the electrification of transportation and buildings is a key problem in the drive to decarbonize U.S. electricity that utilities and regulators must tackle, said Robert Rowe, president of NorthWestern

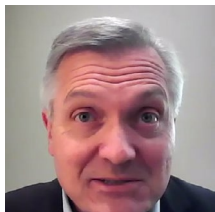
Energy.

Speaking at an online panel on Friday sponsored by the United States Energy Association, Rowe said U.S. utilities have already made significant cuts in their carbon emissions, but new approaches are needed for regulation and, in particular, rate structures.

The industry needs to spell out its “absolute core goals — safety, reliability, resilience, flexibility, decarbonization ... as simply as possible, measurably, and then look at the regulatory mechanisms in place and ask, ‘Do they advance these goals, or do they hold you back?’” he said.

According to the *Clean Energy States Alliance*, 21 states, plus D.C. and Puerto Rico, have adopted 100% clean energy goals, with deadlines ranging from 2032 to 2050. Many investor-owned utilities, including NorthWestern, have followed suit, committing to clean or net-zero generation, usually by 2050.

NorthWestern is “working with others on the electric infrastructure to support [electrification], whether its fleet electrification, personal vehicles, processes,” Rowe said. “There’s a lot of good in there, but the key is cost-effective electrification.”



Jim Matheson, NRECA | USEA

Jim Matheson, CEO of the National Rural Electric Cooperative Association, argued that President Biden’s 2035 clean electricity goal may not be achievable “without severely compromising the reliability of the electric grid.”

“We think you have to have some form of always-available power,” Matheson said. “It could be nuclear; it could be coal; it could be natural gas. But in a situation where we need



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more electricity, the question is — how much of the portfolio can be an intermittent resource?”

More time, more advanced technologies and way more transmission will be needed, he said.

Bridge to Bankability

Jigar Shah, director of the Department of Energy’s Loan Programs Office (LPO), sees the challenge in terms of technology “liftoff”: the billions in upfront investment needed to bring new technologies to market.



Jigar Shah, DOE Loan Programs Office | USEA

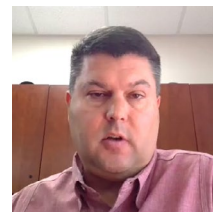
The LPO’s \$465 million loan to Tesla in 2010 — and the company’s payback of the money ahead of schedule — was critical in the electric vehicle manufacturer’s buildout of its Gigafactories and the growth of the now booming EV market in the U.S.

But, Shah said, a range of industry analyses show “there are 20-plus sectors that have to cross the bridge to bankability and reach full market acceptance for us to have a chance of meeting the 2035 goals the president has set down, and right now, those 20 sectors have not crossed.”

It takes about \$100 billion in investments to

achieve bankability, Shah said. While he sees momentum and growing interest in hydrogen, “in sector after sector, there is an assumption that the commercial markets are ready to go, but I think, in general, they’re really only interested in solar, wind and some battery storage.”

Rowe added that beyond technology risk, developing the ecosystem of supply chains, workforce and permitting will layer on more uncertainties. “Getting all those pieces together, like every transition, it’s messy; it’s complicated; it takes longer than you might have thought at the start,” he said. “But when you look back, you may have accomplished more than you actually did.”



David Naylor, Rayburn Electric Cooperative | USEA

Having a diverse generation portfolio and finding ways to leverage existing transmission and distribution systems were seen by other speakers as familiar, low-risk strategies to move decarbonization forward in the near term. David Naylor, president and CEO of

Rayburn Electric Cooperative, a transmission and generation cooperative in northeast Texas, said his co-op is going “low-tech” by upgrading its conductors “to utilize existing rights of way but get more throughput.”

FERC/Federal News



At the same time, the co-op plans to increase its use of renewable power, from 5% in 2020 to 31% by 2025, according to its [website](#). Other electric cooperatives, which often don't have to obtain the regulatory approvals required of IOUs, have adopted more ambitious clean energy goals.

New Mexico's [Kit Carson Electric Cooperative](#) this year hit its goal of providing 100% of its day-time power from solar, while keeping rates low.

Grid Management 2.0

Energy efficiency and demand response will become integral tools in grid management and modernization, but Rowe sees a potential obstacle in designing electric rates that encourage grid efficiency.

"Does it make sense to pay for that [efficient] infrastructure volumetrically?" he said. "It's a little bit like you've got one foot on the brake — efficiency — and one foot on the accelerator — volumetric pricing — and you need a one-pedal operation. Where do you try to harmonize?"



Matthew Lind, 1898 & Co. | USEA

Demand management will also be critical for integrating power to meet the increasing demand from EVs, said Matthew Lind, director for industry consultants 1898 & Co., a part of Burns & McDonnell.

He pointed to efforts by Edison Electric Institute to "bring together the electric retail provider and technology companies to develop different kinds of strategies. Demand response and time of use are necessary, but not sufficient. ... The size of the resource, the ability to access that resource is going to vary pretty tremendously from area to area, depending on the nature of the demand.

"The ability to curtail that demand on the electric side may be challenging as we further electrify other sectors of the economy," Lind continued. "But diversity of technologies —

demand response being one of those technologies — will allow for reliability and, hopefully, affordability as we make this transition."

Rowe also cautioned that demand growth encompasses more than capacity. "Even using relatively conservative assumptions about growth, there are some significant capacity challenges on our system, and if growth exceeds that, then we have to redouble our efforts," he said. "Capacity is not simply a supply concept. It's how much reserve, how much [flexibility] do you need in all aspects of your system, and what's the cost and what's the value of that?"

Shah foresees transportation electrification driving a more radical transformation. Citing figures from Wood Mackenzie, he predicted that by 2030, the U.S. would have about 100 GWh of utility-scale storage on the grid. He also estimated that batteries in passenger and other light-duty EVs could provide as much as 800 to 850 GWh of storage.

"To suggest that this is something other than a mainstream grid operations exercise is ridiculous," he said. "This will literally become the next way you manage the grid; even if you decide not to pull any power out of the [EV] batteries, that's V2G [vehicle to grid]; even if you just do managed charging.

"I just think that people are using the model of last year to predict the model of 2030, and they're just getting it woefully wrong," he said.

'Do Big Things'

The energy transition in the U.S. has hit a push-pull stage.

The Infrastructure Investment and Jobs Act and the Inflation Reduction Act provide strong support for clean energy buildout, such as the IRA's direct-pay provisions that for the first time allow co-ops and municipal utilities to access a range of clean energy tax credits.

But 20 states now have laws prohibiting local jurisdictions from banning natural gas hookups in new construction, and six more are considering similar laws, according to [S&P Global](#).

Rowe said conservative states, like the three in NorthWestern's service territory, prioritize reliability and affordability and make investments in decarbonization based on those priorities.

"I am very uninterested, deeply uninterested in the kind of polarizing discussions where everybody takes their ideological position," he said. "On the other hand, everyone is truly concerned about the various severe weather events, truly concerned about resilience. ... I wish we could find a broad space where we can agree, and then focus on the most efficient ways to get there."

Shah sees electrification as an unstoppable process. Banning bans on natural gas hookups may slow but won't stop the shift to air- and ground-source heat pumps, he said, noting that they are now being installed in 38% of new homes, according to the [National Association of Home Builders](#).

"You don't replace natural gas in these applications through sacrifice; you replace it through better technology, and people generally like heat pumps a lot better than using natural gas for heating," he said. "Now we've got to train HVAC contractors; we have to train the supply chain. We have to do all the hard work to make sure the transition occurs, and consumer preferences are honored."

The speed of the energy transition and demand growth, and the need for the industry to stay in front of both will be a core challenge moving forward, he said.

"People have been used to being able to just use their existing infrastructure for longer without really thinking about how to add more infrastructure, but America's got to be able to do big things again," Shah said. "We have the right people; we have clearly all the technology, and the question becomes how do we really do big things again? We know how to do this; it's a human issue around how we move faster, how we move more confidently and then how we export those solutions to the rest of the world." ■

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CAISO/West News

PG&E Moves to Spin off Generation, Sell Minority Stake

Sale Proceeds Would Fund Wildfire, Clean Energy, Reliability Investments

By Robert Mullin

Pacific Gas and Electric has asked California regulators to approve a plan that would allow the company to sell a minority stake in a newly formed generation subsidiary, with proceeds to be used to fund capital investment projects such as wildfire mitigation and clean energy.

PG&E on Wednesday filed an application with the California Public Utilities Commission for approval to transfer all of its non-nuclear generation assets to a new subsidiary called Pacific Generation, a move that would enable the utility to sell up to 49.9% of equity interests in the division to one or more investors.

“The creation and minority sale of Pacific Generation represent the best path forward for raising equity capital while balancing a variety of important objectives, including meeting PG&E’s near-term capital needs and continuing to provide safe, reliable and affordable service,” PG&E Corp. CFO Chris Foster said in a [release](#) posted on the company’s website.

The subsidiary, which would be regulated by the CPUC, would control about 5.6 GW of output, including 62 hydroelectric facilities — and associated reservoirs — with 2,700 MW of capacity; 152 MW of utility-owned solar plants; 1,350 MW of battery and pumped hydro storage; and three natural gas-fired plants rated at a combined 1,400 MW of capacity.

“PG&E would maintain control and majority ownership of Pacific Generation and would use proceeds from the transaction to fund PG&E’s capital investment plans such as wildfire mitigation work, safety and reliability projects, and clean energy investments,” the utility said in its release.

The deal would not involve PG&E’s largest generating asset, the 2.2-GW Diablo Canyon nuclear plant, which had been slated for closure in 2025 but will likely get an extended life because of grid reliability concerns in California. (See [Diablo Extension Effort Gears up](#).)

In [documents](#) filed with the U.S. Securities and Exchange Commission on Wednesday, PG&E said Pacific Generation would be a “stand-alone” subsidiary with separate management and its own board of directors.

The filing showed the new company would assume a rate base of about \$3.5 billion from the transferred assets, representing about 7%



PG&E's new Pacific Generation subsidiary would include the utility's gas-fired Gateway Generating Station in Antioch, Calif. | J PxG, CC BY-SA 4.0, via Wikimedia Commons

of PG&E’s total rate base. The company’s revenue requirement would be set through CPUC general rate-case and cost-of-capital proceedings, and its operations would “be capitalized in line with authorized CPUC capital structure.”

The SEC filing also contended that PG&E customers would benefit from the arrangement because the utility would retain owned generation with no rate impact, and sale proceeds would be invested back into the PG&E system. Existing investors stand to benefit from the sale by gaining an “additional capital source for generation safety and reliability investment” and avoiding a decline in the value of their holdings, the company said.

“PG&E can raise equity through the minority sale that would otherwise need to be raised by the issuance of new common stock, thereby avoiding dilution for shareholders,” company spokesperson Paul Moreno told *RTO Insider* in an email. “The subsidiary would be subject to rate regulation under the CPUC. There

would be no increase in total rates charged to customers and no increase in energy bills.”

PG&E could not say how much it expects to earn from the sale.

“We plan to run a competitive process to maximize value and can’t comment at this stage on expected proceeds. Utility asset valuations in the private sector continue to be very strong, and we expect to capitalize on this dynamic to deliver premium value to our shareholders,” Moreno said.

According to the SEC filing, PG&E plans to file with FERC this month to seek approval for the plan and to transfer its hydroelectric licenses to the new subsidiary. The company plans to launch its sales process in the first quarter of 2023 and expects FERC approval of the hydro license transfers in the first half of the year. That would be followed by an expected CPUC decision in July and a FERC ruling on the investors later in the year. PG&E plans to close the transaction by the end of 2023. ■

CAISO/West News

Ariz. Regulators Probe CAISO on EDAM, Heat Wave Operations

Commissioners Want WEIM Governance Changes Before Further Commitment

By Elaine Goodman

Arizona regulators say CAISO's proposed extended day-ahead market could be a good opportunity for utilities in the state if issues of governance and resource adequacy are satisfactorily resolved.

"Independence of the governing structure is something that will be critical for Arizona," said Arizona Corporation Commission (ACC) member Justin Olson. "If the CAISO can get that worked out where we have an independent governing structure, and they can address the resource adequacy policies in California, then the CAISO becomes a very attractive market for Arizona utilities."

Commission Chairwoman Lea Marquez Peterson expressed similar views.

"An independent governance structure will be essential to my support," Marquez Peterson said.

The comments came during a special ACC

meeting on Sept. 21, where CAISO gave a presentation on its proposed extended day-ahead market.

CAISO runs the Western Energy Imbalance Market (WEIM), a voluntary, real-time market that was launched in 2014. Arizona utilities participating in WEIM include Arizona Public Service, Salt River Project and Tucson Electric Power (TEP), which joined in April.

CAISO is exploring an expansion of WEIM through an extended day-ahead market (EDAM). The ISO has been gathering stakeholder feedback on its plan and released a revised EDAM straw proposal in August. (See [CAISO Updates EDAM Straw Proposal](#).)

In August 2021, an enhanced governance framework was approved for WEIM, in which decisions on certain issues are made through the joint authority of CAISO's Board of Governors and WEIM's Governing Body. The five members of the board of governors are nominated by the California governor and confirmed by the state Senate. The five mem-

bers of the WEIM Governing Body are chosen through a stakeholder process, according to Stacey Crowley, CAISO's vice president of external affairs.

Now, the WEIM's stakeholder-run Governance Review Committee (GRC) has proposed extending the joint authority model to EDAM, Crowley said. GRC is asking for feedback on what types of decisions should be made through the joint authority.

Marquez Peterson said she'd like to see the joint authority widely applied.

"Ensuring that our voices are heard, and that we have the broadest extent of joint authority — that's the direction I'd like to encourage," she said.

Consequences Considered

Resource sufficiency is another issue being hammered out in the EDAM straw proposal. EDAM is not intended as a way for participants to bolster energy supplies when their own resources fall short, said CAISO COO Mark Rothleder. Instead, participants have more options for buying energy, potentially saving money.

The straw proposal would require EDAM participants to pass a day-ahead resource sufficiency evaluation (RSE).

"What exactly [do] you anticipate would be the policy if somebody does not have that day-ahead resource sufficiency?" Olson asked Rothleder.

Rothleder said two possible consequences are being discussed. One of those is a surcharge for failing to meet sufficiency requirements. In addition, he said, stakeholders are weighing whether there should be an "ultimate consequence" for resource insufficiency.

"If things go really bad, should you be able to still rely on those transfers, potentially impacting somebody else?" Rothleder said. "Potentially, the answer is 'no.' If you get in that position, and you're not sufficient on your own, you shouldn't be able to still rely on those transfers at the same level, or the same level of priority, as someone who did pass."

Marquez Peterson asked what happens if CAISO is insufficient.

"If we are insufficient, we will follow the consequences," Rothleder said.



CAISO COO Mark Rothleder at a Western EIM Governing Body meeting in October 2019 | © RTO Insider LLC

CAISO/West News

Heat Wave Response

Rothleder also discussed CAISO's response to the heat wave that scorched California from Sept. 5-9. Rolling blackouts were narrowly averted during the record-setting event, in which CAISO saw demand reach an all-time record of 52,061 MW on Sept. 6. (See [California Runs on Fumes but Avoids Blackouts.](#))

Since the state's rolling blackouts in August 2020, California has added more than 6,000 MW of capacity, including about 3,700 MW of battery storage. That capacity helped CAISO handle increased loads during the heat wave, Rothleder said. In addition, he said, coordination with other agencies has been improved.

And a few other factors worked in CAISO's favor, Rothleder said. The heat wave hit the Pacific Northwest a bit earlier, taking some of the pressure off when high temperatures arrived farther south. Hydroelectricity was more available than usual for the time of year. And although temperatures in Arizona reached

107 or 108 degrees, the heat there wasn't considered extreme, he said.

"This is very alarming to say the least," Marquez Peterson said. "Without a moderate weather event in Arizona, California ratepayers would have been at public health and safety risk."

In response to a question from Commissioner Sandra Kennedy, Rothleder acknowledged that CAISO was receiving emergency assistance from Arizona utilities and paying prices above \$1,000/MWh.

Sam Rugel with TEP described the situation as "excellent for the ratepayers."

"Being in the EIM, we were exporting throughout the day, day and night, into the Cal ISO market, in real time," Rugel said. "And that does roll back to the ratepayers."

But Rugel said the situation raises questions about resource adequacy.

"As much as this helps the neighbors ... they should not be in this situation," he said.

Regional Markets Explored

The ACC opened a docket last year for the purpose of investigating regional planning, markets and collaboration among load-serving entities in the Western Interconnection.

As part of its research, ACC heard a presentation in August from SPP on its Markets+ proposal, a program under development that will include a day-ahead market in the West.

In September, SPP announced that four Arizona utilities — Arizona Electric Power Cooperative, Arizona Public Service, Salt River Project and Tucson Electric Power — plan to support the next phase of Markets+ development. (See [4 Arizona Entities Commit to Developing SPP's Markets+.](#))

ACC's Utilities Division expects to file a report on regional planning and markets issues by the end of October. ■

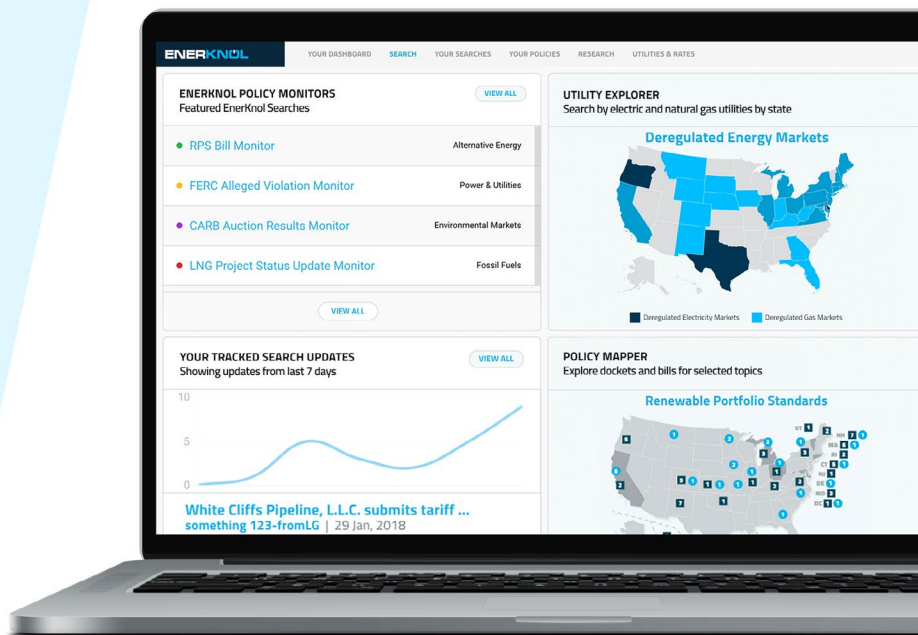
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CAISO/West News

FERC Commissioners Opine on Western RTO

By Hudson Sangree



FERC Commissioner James Danly discussed what he said were the downsides of some organized markets. | © RTO Insider LLC

TEMPE, Ariz. — FERC Commissioners Mark Christie and James Danly spoke last week about the West's pursuit of greater regional coordination, with Christie praising the region's "organic" efforts to form one or more organized markets and Danly warning against RTOs that fail to promote competition

and reliability.

The commissioners made their comments at the fall joint meeting of the Committee on Regional Electric Power Cooperation and the Western Interconnection Regional Advisory Body, where CAISO, SPP and the Western Power Pool (WPP) pitched their planned market and reliability programs.

CAISO is *planning* an extended day-ahead market (EDAM) for its real-time Western Energy Imbalance Market (WEIM). SPP launched its Western Energy Imbalance Service (WEIS) and is *developing* Markets+, a bundle of services that stops short of a full RTO. And WPP's Western Resource Adequacy Program (WRAP) has attracted participants from across the Western Interconnection. It expects to begin a preliminary phase of operations soon as it *awaits* FERC approval.

"You've got a lot of options in the West now that are percolating up, and what characterizes every one of these options — the WEIM, the WEIS, the Markets+, the EDAM and [the WRAP] — is that these are all organic, that are coming from you," Christie said. "FERC didn't tell you, 'Here it is. Do it.' They're being developed by you ... to meet your needs, and I think that's what's so exciting. I'm a big believer in organic, evolutionary change [that is] bottom-up ... and not being forced down from FERC."

Christie recommended Western stakeholders look at "another organic development," the Southeast Energy Exchange Market (SEEM), an automated bilateral 15-minute market set to launch later this year.

What's important to recognize, he said, is that the West does not have to choose between no cooperation and an RTO.



CREPC-WIRAB held its fall meeting in Tempe, Ariz., at the Mission Palms Hotel. | © RTO Insider LLC

"That's not the binary choice that you face," Christie said. "There are a lot of points on the continuum, and it's for you to pick and choose what points makes sense for you."

Christie, a longtime utility regulator in Virginia before he joined FERC, urged Western regulators to protect the public's interests when considering their utilities' plans to join organized markets.

Oregon PUC Commissioner Letha Tawney, who shared the stage with Christie and moderated the discussion, asked how state regulators could balance their roles of making neutral decisions on regulatory matters before them and advocating for the public's interests when dealing with organizations such as CAISO, SPP and WPP.

Christie, a founding member of the Organization of PJM States Inc. (OPSI), said a "critically important topic" would be whether to form similar advocacy committees of state representatives in the West.

"It is unrealistic to think that states are not going to be cooperating and working with your fellow state regulators," he said. "I mean, whatever you choose in the West — whether it's just an energy market, an energy market plus a day-ahead market, [or a] full RTO with all

the bells and whistles — whatever you choose you really need an organization like OPSI" empowered to have an advocacy role.

Governance and cost-allocation are among the issues sure to be argued over, he said.

"Cost allocation in a multi-state RTO with radically different [state] policies is an extremely difficult nut to crack," Christie said. "And you all are sitting out here in the West ... [where] every state not named California has a concern about who gets to appoint the board."

Danly Speaks

In a separate session, Danly warned that joining an RTO could have significant drawbacks, especially if the RTO cannot ensure it has adequate resources or fair competition.

"I often think that people are not quite perfectly aware of the costs and benefits that market participation has," Danly said.

"There are undeniable benefits that the markets have delivered," he said. "They have driven costs for power down. There are efficiencies of scale that are so attractive that even those regions that do not want markets have, as in the case of SEEM, tried to capture as many of those benefits as they can. And that may well be the model that's used going forward, that

CAISO/West News

people creep right up to the line of a full-on RTO but don't quite cross that threshold."

Even so, the costs of joining a market can be "multiple," Danly said.

"My admonition to any state or utility that's contemplating joining markets in the West ... [is that] you to do it with your eyes fully open," he said.

A frequent CAISO critic, Danly pointed out the ISO's problems as recently as last month in maintaining resource adequacy during summer heat waves. On Sept. 6 the utility declared a stage 3 energy emergency, instructing utilities to arm for load shed. It narrowly averted rolling blackouts after the California Governor's Office of Emergency Services sent out a text alert to millions of cell phones telling residents to "conserve energy now" or "power interruptions may occur."

The message reduced demand by 2,100 MW in 5 minutes, the U.S. Energy Information Administration said Wednesday.

CAISO has declared energy emergencies the past two summers and initiated rolling blackouts in August 2020.

"One of the biggest [drawbacks of organized markets] is what I think are the fairly evident failures of some of the markets to ensure resource adequacy," Danly said. "And this is something that in the West you're well aware of because of very recent experience in having had a squeaker with the hot weather in California [and] merely having made it through that with the lights on."

Markets that incentivize and subsidize certain types of resources, lowering costs, impede the competition that makes a market work, he said.

"If you have a market structure that does not insulate itself correctly [from anti-competitive forces], then what you're going to find, as we see for example in New England, is that the



State regulators and stakeholders listen to FERC Commissioner Mark Christie and Oregon PUC Commissioner Letha Tawney. | © RTO Insider LLC

jurisdictions in which the market operates are acting to undermine the very premise of the market," he said.

New England, long troubled by tight natural gas supplies in winter, is facing a more limited supply this year because of the war in Ukraine and the century-old Jones Act, which prevents foreign-owned tankers from bringing U.S. liquefied natural gas to domestic ports and forces New England to rely on Russian LNG.

"Markets, especially in the case of capacity markets, are there to ensure that a sufficient quantity of capacity is delivered," Danly said. "That's done by a series of auctions in which market incentives are supposed to draw people into delivering the quantity and type of resources necessary to ensure that the system remains stable and has enough electricity."

"And yet, when you have state policies enacted

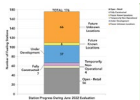
that serve to suppress capacity prices, then you find yourself short," he said. "And right now, we have a market in the Northeast in which the market has told us in public, on the record, in a FERC tech conference that given the constraints under which it operates ... it is not possible to use market mechanisms to ensure resource adequacy. That should be a chilling prospect for anybody who is considering participation in a market."

If reliability is a problem in New England, where states "have similar and in-parallel public policy goals ... I would just suggest that people imagine what it would be like to join a full FERC-jurisdictional RTO [in the West where] you would have a market that has to be the ultimate deliverer of services and guarantor of resource adequacy for states as divergent in their public policy goals as, let's say, Oregon and Utah." ■

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ERCOT News



Vegas Plans to ‘Engage Heavily’ in ERCOT Changes

New CEO Hits the Ground Running as Texas Grid Looks to Future

By Tom Kleckner

Pablo Vegas, who took over as ERCOT’s CEO on Monday, remembers well his previous time in Texas over a decade ago.

“There were some changes going on at the time,” Vegas told *RTO Insider* last week from his previous office in Dublin, Ohio, referring to a “big push” for building out advanced metering infrastructure. As COO of American Electric Power’s AEP Texas subsidiary, it was Vegas’ job to ensure advanced meters were successfully installed.

Of course, things have changed since then. ERCOT transitioned from a zonal market to a more granular nodal construct — Vegas was involved in that too — and a 2011 ice event just before Super Bowl XLV in Dallas that led to rare rolling blackouts across the Texas grid. Two years later, a \$6.9 billion transmission build was completed, opening the door to the 47 GW of installed renewable capacity now on the ERCOT system.

Then came February 2021 and an icy storm that knocked out almost half of the system’s winter capacity, primarily thermal generation still unprotected from extreme cold weather after 2011, and brought it to within minutes of a total collapse. Those disastrous events have led to greater regulatory and legislative oversight for ERCOT and a lack of trust among many Texans of its ability to keep the lights on.

A *recent survey* by Data for Progress found power and grid issues, along with immigration, were considered more important for lawmakers to address than even gun violence and general economic issues. “Higher home energy bills are detracting from Texas voters’ quality of life,” the survey firm *said*, pointing to the financial effects of ERCOT’s conservative operations posture this summer.

So why take this job? Vegas was asked.

A couple of big reasons, he responded.

“One, working for an organization with a really significant purpose is very compelling. ERCOT



Pablo Vegas in his current home office in Dublin, Ohio. | ERCOT

operates a market that serves 26 million Texans, and it’s a market that is experiencing some of the most dynamic change in the energy industry, anywhere in the world,” he said. “The opportunity to come in and to provide leadership and influence in that kind of environment, with an organization with that kind of purpose, is extremely compelling.

“Then add that it’s in Texas, where our family had a great experience and truly enjoyed our time when we were there,” Vegas said. “It’s at a point in time where I think the opportunity to influence some of the changes that are going to be going on in the market is right in front of us. As a leader, you’re always looking for those opportunities to drive positive change and to create positive change in the work that you and your teams can do. It was really a very unique and special opportunity that was presented and that I was excited to talk to the board about.”

Vegas said he plans to “engage heavily” in the changes being made to the ERCOT market. The Texas Public Utility Commission is currently overseeing what could be significant revisions to the energy-only market by adding dispatchable generation requirements, a “capacity-light” construct once considered verboten in the state. Lawmakers recently asked to review the new Phase II market design before it’s handed off to ERCOT for implemen-

tation. (See *Texas Lawmakers to Vet ERCOT Market Redesign*.)

“I’m looking forward to seeing the results of the work that the team has been doing as well,” he said, adding that he will work with market participants to ensure that the design’s concept and framework “aligns with the overall goals” of legislation passed last year in the winter storm’s wake.

“I plan to dive in and work with all the market participants to help to define the pathway for implementing those Phase II redesigns and to do so in a way as quickly as we can do it reliably and safely,” Vegas said. “Phase II is looking at the longer-term changes that are needed to ensure that the electric market is going to grow reliably along with the economy and ... building deeper agility to respond to significant weather events and stresses on the system like it’s been experiencing over the last couple of years. It’s critical. It’s going to be one of the more significant evolutions in the ERCOT market since the transition from zonal to a nodal market.”

Market participants have provided their input last year on the redesign to the PUC but have largely been sidelined since then. A consulting firm, the same one that proposed the *load-side reliability obligation mechanism* thought to be the construct’s central part, is reviewing the commission’s market proposal. Stakeholders

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FERC Approves \$105K Penalty for Texas Wind Facility Misratings



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ERCOT News



expect the PUC's final design to be released in November for additional public input.

Transition Phase

Given the increased political and regulatory direction ERCOT now receives, Vegas knows stakeholder management will be a big part of his job going forward.

"It's making sure that you know how to collaborate with diverse groups that have diverse interests and priorities. That's something that I've worked through my career," Vegas said. "Having a deep understanding of the political landscape is important. ... My history and my work experience have given me a lot of experience and exposure around stakeholder management. Understanding the importance of collaborating with political people is really all a part of the package."

The ERCOT Board of Directors announced Vegas' appointment in August, ending a search that dragged on for months. He replaces interim CEO Brad Jones, who replaced Bill Magness when the latter was fired last year after the winter storm. (See [ERCOT Names NiSource's Vegas as New CEO](#).)

Vegas, 49, comes to the position having spent the previous six years with NiSource, the last two as COO of NiSource Utilities. He was with AEP for 11 years before that, including his stint as AEP Texas' COO. His compensation will exceed \$3 million, significantly more than the \$800,000 Magness earned before he was among the ERCOT board members and PUC commissioners cut loose after the storm.

Born in Peru, Vegas grew up in Indiana. He earned a mechanical engineering degree from the University of Michigan and attended the Harvard Business School's Advanced Management Program. He and his wife and three

children plan to move to Texas.

A background steeped in consulting, management, strategy, IT planning and utility operations would seem to have Vegas well prepared for his new role. He and Jones, who provided a candid public face in the interim, will work together for a transition period that ends after October.

"Brad has been incredibly helpful. I'm grateful to have had the opportunity to transition with him because he is such a knowledgeable and deeply passionate for the work of ERCOT," Vegas said, noting he has been meeting with Jones every week. "He's been helping me understand the ERCOT organization; its people; the leadership team. ... He has helped me understand how the organization has been implementing the [legislative changes] and the recent operational changes."

Vegas said Jones has caught him up on the market changes since he was last in Texas. He has also spent time with ERCOT's leadership team in gaining an understanding of the commercial operations, market operations and back-office support functions.

"My takeaways are that, one, we're ready. We're ready for this upcoming season and the winter that's coming. The changes that have been put in place have been validated and verified. We believe that the electric power providers are ready with the weatherization changes that they've made," Vegas said.

"Two, the operating changes that we've made in terms of how we utilize the operating reserves ... that those processes are ready and that they've been executing well. And three, many of the communications changes that have been made are also ready: ... how we let people know when we need a conservation and letting people know what's going on the

grid," he added.

"The big takeaway is that [Brad's] handing over ERCOT to me in a very prepared and ready condition to take on this winter and then to take on the Phase II market redesign, when we know what that's going to be."

Support for Staff

Not everything is running well at ERCOT. Vegas acknowledged morale is low among staff, saying "it has been a difficult couple of years for all our staff." Indeed, the grid operator's [12-month rolling attrition rate](#) has climbed to 12.2%, up from 8.2% in August 2021.

"Responding to a terrible crisis like we came out of is extremely difficult for any organization to maintain that sustained level of operational critical readiness. Such a severe event can be very stressful on an organization," Vegas said.

He said he will work to ensure ERCOT's staff know they have the regulators and lawmakers behind them and that they've "done a phenomenal job of ensuring the ongoing reliability" through one of the market's "most challenging summers."

"They have passed the test with flying colors, and so they should feel good about that. They should feel good about the future because we're going to continue to invest in the work that they're doing," Vegas said. "This next evolution of the market design is going to further deepen the ability to deliver the work that we do reliably, and to support the reliable operations of the grid. Those employees at ERCOT get to be a part of that team that is going to chart that future and how we're going to solve the challenges that brings and to deliver the next generation of successful entrepreneurs." ■




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ERCOT News



ERCOT, Texas PUC, Gas Industry Agree Valuable Lessons Learned *Texas RE Resiliency Workshop Discusses Coming Winter*

By Tom Kleckner

AUSTIN, Texas — ERCOT staff and state regulatory representatives agreed the electricity and gas industries have learned valuable lessons from the February 2021 winter storm, lessons that are now being put into place to winterize and protect critical facilities in the supply chain.

“One of the big lessons we learned coming out of [Winter Storm] Uri was we can’t be stagnant,” Thomas Gleeson, the Public Utility Commission’s executive director, said during the Texas Reliability Entity’s Extreme Events Resiliency Workshop on Sept. 20-21.

Texas RE staff moderated a series of discussions on grid resilience topics with industry experts during the two-day event.

Gleeson chairs the Electric Supply Chain Security and Mapping Committee, which was created by legislation following last year’s storm to prevent mistakenly shutting down critical gas infrastructure during a load shed. The group completed the map’s first version in April, easily beating its Sept. 1 deadline. It identified 65,000 facilities, 60,000 miles of electric transmission lines and 21,000 miles of gas transmission pipeline.

While the mapping committee met in private because it is dealing with critical infrastructure, it did hold two public meetings.

“The goal [of the open meetings] is to rebuild public trust. We need to be out there talking to folks about what we’re doing, why the map has to stay secure and private,” Gleeson said. “It’s important for us to explain the work that we’re doing to ensure to Texans that we are providing them with the best grid that we can.”

Working on a separate path, PUC staff developed expanded weather preparation rules for generators and transmission utilities to ensure reliability during both summer and winter weather events. The PUC *adopted* those rules on Thursday.

Natalie Dubiel, an attorney for the Texas Railroad Commission, thanked the mapping committee for its work, which started a six-month clock for the regulatory body to adopt its own weatherization rules. The RRC, which oversees the state’s natural gas and oil industries, had its rule in place Sept. 19, beating its deadline by almost six weeks.

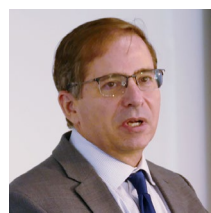


Texas PUC Executive Director Thomas Gleeson speaks during the Texas Reliability Entity’s resiliency workshop. | © RTO Insider LLC

“The rule is fairly dense,” Dubiel said. “We did want to get it in place before that timeline just to give our operators a chance to prepare for this upcoming winter, particularly given that this is a whole new area of jurisdiction that the Railroad Commission did not have.”

Rule 3.66, as it’s known, applies to gas supply chain and pipeline facilities. Their operators must implement “weather emergency preparation measures” by Dec. 1 each year that ensure sustained operations during a weather emergency and correct weather-related forced stoppages that prevented sustained operation because of previous weather emergencies.

Dubiel said the RRC broadened the definition of energy emergency to cover more than just load-shed events.



David Kezell, ERCOT | © RTO Insider LLC

“There may be times the grid is constrained and demand is high. We want gas flowing,” she said.

“We’re better prepared than we were last year,” said ERCOT’s David

Kezell, who joined the grid operator as its first director of weatherization and inspection last October.

ERCOT developed an inspector training program, hired inspectors and sent them out into the field before last winter to check on generators that failed during the 2021 storm. Kezell said market participants demonstrated “high levels of compliance” last winter. Going forward, inspections will occur before both the winter and summer seasons for generation resources and transmission facilities.

“This really is a team effort. ... Where the rubber meets the road is in the facilities and the people that are doing the work,” he said. “We’ve got a new structure in terms of state law. The actual technicians have to do a good job of doing their job, so we applaud them for the effort that they’re going through.”

Cold Weather Standard Nears Approval

Mark Henry, Texas RE’s director of reliability services and registration, said he expects the NERC Board of Trustees to approve the *EOP-012-1* (extreme cold weather preparedness and operations) standard during its October

ERCOT News



meeting, with FERC approval then coming before year-end.

The standard passed NERC's membership on its second attempt earlier in September. The standard, part of NERC's *Project 2021-07* (extreme cold weather grid operations, preparedness and coordination) in response to the mass outages caused by the February 2021 winter storm, was posted for comment in May. (See "Updates on Standards Projects," *NERC Board of Trustees/MRC Briefs: Aug. 17-18, 2022.*)

"There's a little bit more bite and specificity to [the standard]," Henry said.

The standard revises some requirements instituted after the 2019 cold weather event involving MISO and SPP. It adds freeze-protection criteria to freeze-protection systems; a five-year review of minimum temperatures, cold-weather plans and freeze-protection measures; and corrective action plans for freezing events.

It will take effect April 1, 2023.

Work continues on a second standards authorization request for the 2023/24 winter, Hen-

ry said. This phase of Project 2021-07 would set requirements for identifying cold-weather critical components and systems for each generating unit and implementing freeze-protection measures; determining the generating capacity that can be relied upon during "local forecasted cold weather"; and protecting critical natural gas loads from load shed.

Early Projection for Mild Winter

ERCOT's in-house meteorologist, Chris Coleman, promised his audience they will eventually see a respite from one of Texas' hottest summers on record. Winter is coming, he said, but it has a greater potential to trend warmer than colder.

The potential of a third-straight La Niña winter is one reason why. Coleman said that since 1950, there have been 26 La Niña winters in Texas. Fourteen of those have fallen in the warmest third of all winters, but three have fallen in the coldest third.

"There is some correlation between La Niña and the unlikelihood of a cold winter," he said. "There's no correlation between La Niña and a

winter with an extreme cold event."

It can happen, though. Since 1894, Dallas has had 14 winters where the temperatures have reached 5 degrees Fahrenheit or lower. Two of those occurred during La Niña.

"When I say it's going to be a warm winter, there could still be a day or two, or a week or two, that's extremely cold," Coleman said. "You can get some pretty dramatic changes in the winter."

June through July was the second hottest period for Texas, topped only by 2011. Those months were also the 39th driest on record — 2011 is No. 1 there too — and the fifth driest this century. Austin has recorded 68 100-degree days this year, San Antonio 58, Dallas 47 and Houston 22. One more 100-degree day in Austin would move 2022 into second place for days over the century mark, behind only 2011.

"If you're getting close to records, you might as well just break the record," Coleman said. "In fact, I get upset when it's 99 degrees. 'Just give me that 100. It's not like it feels that much different.'" ■



ERCOT's Chris Coleman reviews the 2022 summer with workshop attendees. | © RTO Insider LLC

ERCOT News



Texas Public Utility Commission Briefs

PUC Adds Summer Requirements to Weatherization Rules

Texas regulators last week adopted expanded weather preparation rules for generators and transmission utilities during both summer and winter weather events, building on winterization rules passed last November following the devastating winter storm.

The *order* sets specific temperature standards for 10 geographically distinct areas in the state and establishes minimum and maximum temperatures at which generation owners and transmission utilities need to prepare their facilities to operate. The standards go into effect in 2023 (53401).

“The grid has to be ready for any weather condition, from extreme heat to extreme cold,” Public Utility Commission Chair Peter Lake said after Thursday’s open meeting. “These rules take that into account by setting the baseline



Texas PUC Chair Peter Lake | © RTO Insider LLC

preparation requirements for an operator at some of the most extreme weather conditions this state has experienced and requiring the operator to prepare their generation resources and transmission facilities to be able to operate in those conditions.”

Commissioner Will McAdams filed a *memo* before the meeting directing staff to add requirements that the industry account for wind chill in their cold-weather mitigation strategies. Power plants must weatherize their equipment to handle wind chills of 0 degrees Fahrenheit in most areas and temperatures of up to 96 F.

“I believe that given the cold weather conditions experienced in Texas during both 2011 and 2021, we should consider enhancing the staff-proposed rule by specifically accounting for wind chill based on a uniform weather zone-dependent standard,” McAdams wrote.

The expanded rule removes an exemption process adopted last year for utilities that could not meet mandatory preparation deadlines from supply chain issues or other acceptable reasons.

It also requires ERCOT to deliver a weather study that examines several weather parameters that can negatively affect the grid. The

Texas grid operator must update this study at least every five years to account for variability in weather patterns.

The PUC also adopted a weather emergency preparedness report for the Texas Legislature that evaluated emergency operations plans developed by electric utilities, generators, municipally owned utilities, electric cooperatives and retail electric providers (53385).

The *report’s* authors reviewed 691 plans to identify best practices and assess the entities’ ability to manage emergencies from severe weather conditions and projected peak season conditions. They found 91% of the entities filed a complete report in a timely manner, the highest score among the seven criteria studied. Other criteria included emergency contacts (80%) and the plan’s content (69%).

PUC Appeals to SCOTUS

Following a closed session, the commission authorized its legal staff to appeal the 5th U.S. Circuit Court of Appeals’ recent decision siding with NextEra Energy’s challenge of Texas’ right-of-first-refusal legislation.

The 5th Circuit in August ruled the 2019 legislation (*Senate Bill 1938*) violates the U.S. Constitution’s dormant Commerce Clause. It remanded the case back to the U.S. District Court for Western Texas. (See *5th Circuit Finds in Favor of NextEra’s ROFR Appeal*.)

The Texas Office of the Attorney General will represent the PUC in the appeal. As of Friday, a petition for review had yet to be filed with the Supreme Court, a commission spokesman said.

SCT Proceeding Closed

The PUC closed its oversight proceeding on the Southern Cross Transmission Project, saying it agreed with ERCOT’s solutions to its 14 *directives* to determine whether the proposed DC tie can safely interconnect with the Texas grid (46304).

The ERCOT Board of Directors in August endorsed the last three regulatory *directives*. The project has been under regulatory review since 2015. (See *ERCOT Board Gives Southern Cross Project a Boost*.)

“Is it fair to say that we, the regulators, have completed everything we can at this point in the process and are handing the baton to the private sector, to run with it as far as it can?” Lake asked Commissioner Jimmy Glotfelty, who responded in the affirmative.



Texas regulators have strengthened the state’s weatherization practices for both winter and summer.

| *Energy*

“And that’s an important part of how Texas approaches regulation. We want to take care of business that needs to be done for reliability and for our consumers, and then hand it to the private market,” Lake said.

The Southern Cross project would build 400 miles of double-circuit 345-kV line that would be capable of carrying 2 GW of energy into the SERC Reliability region. SCT has FERC approval and a waiver from its jurisdiction, keeping ERCOT free of federal oversight and maintaining its status as an island unto itself.

The PUC opened a new proceeding (54166) requiring regular updates from ERCOT on the project’s development. Coordination and SCT’s market participant agreements must be executed before the Texas side of the project can be energized.

Glotfelty Joins WEIM Regulatory Body

The commission accepted an invitation to join the CAISO Western Energy Imbalance Market’s (WEIM) *Body of State Regulators*, assigning Glotfelty to represent the state’s interests.

The group provides a forum for state regulators to learn about the WEIM and related CAISO developments “that may be relevant to their jurisdictional responsibilities.” It can express a common position on market issues in the ISO stakeholder process or to the WEIM’s Governing Body.

El Paso Electric is a WEIM member.

The now 12-member body is chaired by Thad LeVar, who also chairs Utah’s Public Service Commission. ■

— Tom Kleckner

ISO-NE News

ISO-NE Weighs in on FERC's Proposed Interconnection Changes

By Sam Mintz

ISO-NE repeated a familiar refrain on Wednesday while presenting its initial take on FERC's interconnection Notice of Proposed Rulemaking: give us flexibility and make sure our region's particular needs can be met.

The rulemaking is intended to help free up what FERC commissioners see as a backlog slowing the development of new generation and in turn threatening reliability. (See *FERC Proposes Interconnection Process Overhaul*.)

But in a *presentation* to NEPOOL's Transmission Committee on Wednesday, ISO-NE made clear that it sees its own interconnection challenges as less daunting than what some of the other, larger RTOs are facing.

"New England does not currently suffer interconnection queue backlogs to the same extent as other regions," said Al McBride, the grid operator's director of transmission strategy and services.

ISO-NE is still readying its formal comments, but in the preliminary ideas presented to stakeholders, McBride emphasized that the proposed changes to the interconnection process for RTOs are "expansive" and would involve trade-offs about how grid operators spend their time.

In recent years, McBride noted, ISO-NE has integrated its interconnection planning with the Forward Capacity Market, launched the Elective Transmission Upgrades project, and adopted clustering procedures which let projects be evaluated together.



| © RTO Insider LLC

Those changes shouldn't be overwritten by whatever comes out of the NOPR, the grid operator is arguing.

"It will be important to explain that it will be preferable to retain some aspects of these enhancements under allowances for regional differences, which is consistent with the NOPR," McBride said in his presentation.

For example, the NOPR calls for a new cluster study process, which in some ways clashes with what ISO-NE is already doing.

Another point of the NOPR, which is likely to be among its most contentious, is that the proposed rule would carry with it new firm deadlines for interconnection studies and penalties for transmission providers if they aren't met. Those new features would replace the existing "reasonable efforts" standards.

ISO-NE is wary of the proposed new penalties for several reasons: McBride warned that add-

ing a punishment could introduce the potential for litigation or administrative processes that could distract and divert resources away from conducting the actual studies at the heart of the interconnection process.

And he also noted that sometimes delays aren't the fault of ISO-NE.

The deadline for comments to FERC on the NOPR is Oct. 13, with reply comments due on Nov. 14.

NEPOOL counsel also published *draft stakeholder comments* on the NOPR last month, with the theme the same: allow for flexibility.

"NEPOOL urges the commission to allow for variations from the *pro forma* procedures and agreements in any ISO/RTO compliance with and implementation of the final rule, to the extent justified under the independent entity variation standard," the comments read. ■



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ISO-NE News

FERC Investigation Faults ISO-NE in Capacity Market Fraud

RTO Executives to Pay \$500,000 Fine

By Sam Mintz

ISO-NE violated its tariff in its handling of construction delays at a Boston-area generating plant, FERC said, slapping the RTO with a \$500,000 fine.

In an order issued on Friday, FERC agreed to a settlement requiring the grid operator to boost its compliance program for making capacity payments to the New Salem Harbor Generating Station before it had started operating or even finished construction (*IN18-8*).

The FERC filing builds on its settlement with the project's developer, which was recently handed a \$17 million fine for misleading ISO-NE about the project's timeline. (See *Developer in ISO-NE Hit with FERC Fine for Capacity Market Fraud*.)

ISO-NE has repeatedly denied wrongdoing and called itself the victim of fraud. But FERC made clear in its order that they believe the grid operator played a role in encouraging the Salem Harbor developers to present misleading information about when the project was expected to be finished.

The gas-fired combined cycle generation plant had a planned commercial operation date (COD) of May 31, 2016, when it cleared the RTO's Forward Capacity Auction In 2013. It was awarded a capacity supply obligation of 674 MW for the delivery year beginning June 1, 2016. FERC noted that the plant, which went into operation in June 2018, was the first new merchant generating resource to clear in ISO-NE's FCA.

ISO-NE's Violations

The FERC settlement lays out a detailed paper trail showing that ISO-NE failed to meet its duties under its tariff as the project was in development.

As likely delays popped up, Salem Harbor Power Development repeatedly provided information to ISO-NE about changing milestone dates, which should have led the company and grid operator to put forward a new commercial operation date, FERC found.

Instead, ISO-NE staff encouraged the developer to maintain May 31, 2017, as the COD. ISO-NE's former director of resource adequacy did so explicitly to avoid triggering the automatic submission of a demand bid in the reconfigura-

tion auction (ARA3) and forcing the company to give away its full capacity supply obligation, FERC said.

ISO-NE also violated its tariff by failing to submit a demand bid and submitting an inaccurate qualified capacity value, FERC's Office of Enforcement found.

ISO-NE employees had enough information to know that they should have qualified it for 0 MW, FERC said.

Instead, the facility was qualified at 674 MW, which helped it earn more than \$100 million in fraudulent capacity payments.

And finally, FERC found that ISO-NE restricted the access of its own Internal Market Monitor to capacity market data, including the narratives filed by the project's developer, as the situation was unfolding.

"Enforcement concluded that System Planning's conduct not only violated the tariff, but also frustrated the IMM's key market oversight role," the order reads.

ISO-NE spokesperson Matt Kakley said that since the incident, the organization has "taken steps to ensure that no one staff person can take such an action."

And he noted that the Monitor was still able to obtain the information needed even while access to the data was curtailed.

An Intentionally Light Fine

ISO-NE did not admit or deny the violations put forward by FERC, but it agreed to a \$500,000 civil penalty and \$350,000 worth of compliance improvements.

Those include expanding a portal for employees to anonymously report potential violations, a new training module on tariff compliance and the role of the Monitor, and compliance monitoring by FERC.

"We recognize that a larger civil penalty might otherwise be appropriate given the magnitude of the capacity payments that ISO-NE made to Footprint," FERC wrote in its order. "However, such a penalty likely would be passed on to the fee-paying entities, potentially compounding the harm to those entities and undermining the deterrent value of a larger civil penalty."

ISO-NE acknowledged the possible harm to ratepayers too, by saying that its executives will pay the fine.



FERC found that ISO-NE violated its tariff in its handling of delays of the Salem Harbor Generating Station (pictured). | Fletcher, CC BY-SA 4.0, via Wikimedia Commons

"ISO New England's senior management takes responsibility for the ISO's role in this matter. Therefore, the financial penalty outlined in the settlement agreement will be paid through a reduction in executive compensation," the grid operator said in a statement.

Kakley said that will come in the form of a pro rata reduction, and that it will be made public in the form of the RTO's financial reporting.

ISO-NE Response

The grid operator maintained a defiant tone in its *statement* on the settlement, saying that the events were precipitated by "Salem Harbor Power Development's failure to provide accurate and complete information to ISO staff."

But ISO-NE also recognizes that the investigation "revealed inadequacies in the market rules and our internal controls, and areas where better judgments could have been made."

It has since changed capacity market rules to include an automatic financial penalty for resources that are behind in their development, and worked to "foster increased information exchange among internal groups."

The issue of project delays wreaking havoc on the capacity market has not gone away. The results of this year's capacity auction were significantly delayed while ISO-NE waited for FERC and the D.C. Circuit Court of Appeals to settle litigation over Killingly Energy Center, which had its capacity supply obligation pulled by the grid operator because of its failure to meet milestones and stay on track for its COD. (See *ISO-NE Announces Capacity Auction Results After Killingly Delay*.) ■

MISO News

Stakeholders Not Sold on JTIQ Projects' Cost-sharing Plan

By Amanda Durish Cook

MISO and SPP stakeholders expressed their consternation Friday over the RTOs' proposed cost allocation for their interregional transmission planning initiative designed to ease overloaded generator interconnection queues.

The discord arose during a workshop over allocating costs for the grid operators' Joint Targeted Interconnection Queue (JTIQ) study.

MISO and SPP plan to assign 90% of the \$1 billion JTIQ portfolio to interconnection customers and the remaining 10% to an aggregate of their load. The RTOs said they will allocate a fixed, per-megawatt charge to interconnection customers that affect a facility in the neighboring region to pay for the portfolio. (See [MISO, SPP Propose 90-10 Cost Split for JTIQ Projects.](#))

The RTOs are proposing a 5% distribution factor (DFAX) impact threshold on a neighboring system before interconnection requests are considered in a JTIQ-affected system zone and therefore, subject to transmission-cost sharing.

"We want to ensure the cost related to these JTIQ projects ... are certain and reasonable," Clint Savoy, SPP's manager of interregional strategy, said during the workshop. He said the RTOs continue to believe that a 5% DFAX results in the most equitable cost allocation among interconnecting generation along their seam.

Stakeholders responded by saying MISO and SPP haven't provided enough analysis that the 5% criterion is the best route.

The staffs said when they employed a 10% distribution factor, generation eligible to share in transmission costs dropped by nearly 60%. When the factor was increased to 15%, eligible generation plummeted by about 80%, making network upgrade costs untenable for the remaining interconnecting generation.

"If you make the zone too small, you could potentially, I think, incent siting generation outside of the zone," Savoy said.

Some stakeholders repeated calls for an 80-20% split between generation and load assignment. They said load stands to benefit more than the 10% portion of JTIQ transmission costs.

North Dakota Public Service Commission Chair Julie Fedorchak said the 90-10 generation-load cost-allocation split is almost

moot because generators will bake their JTIQ upgrade costs into customer bills.

"Those costs will ultimately be paid by the load," she said.

MISO and SPP are also proposing another regional study for generation projects that: either have a 10% or greater DFAX impact on the neighboring system or who affect a certain number of the neighboring RTO's substations, based on voltage rating. The RTOs said the study is necessary to monitor new local constraints caused by the incoming generation not covered by the major JTIQ transmission projects. When that happens, the host RTO plans to coordinate with the other RTO and transmission owners to "formulate a mitigation plan to alleviate the identified localized constraints."

Clean Grid Alliance's Natalie McIntire said stakeholders have "discomfort" with the cost-allocation proposal because MISO and SPP cannot provide an understanding of the overall costs that new generation will shoulder.

"It's hard to know how all of these pieces will fit together and whether the result is going to be workable for interconnection customers and will result in viable projects," she said.

Savoy said though he knows stakeholders

would prefer a predicted range of costs, that's "impossible" to provide at this point.

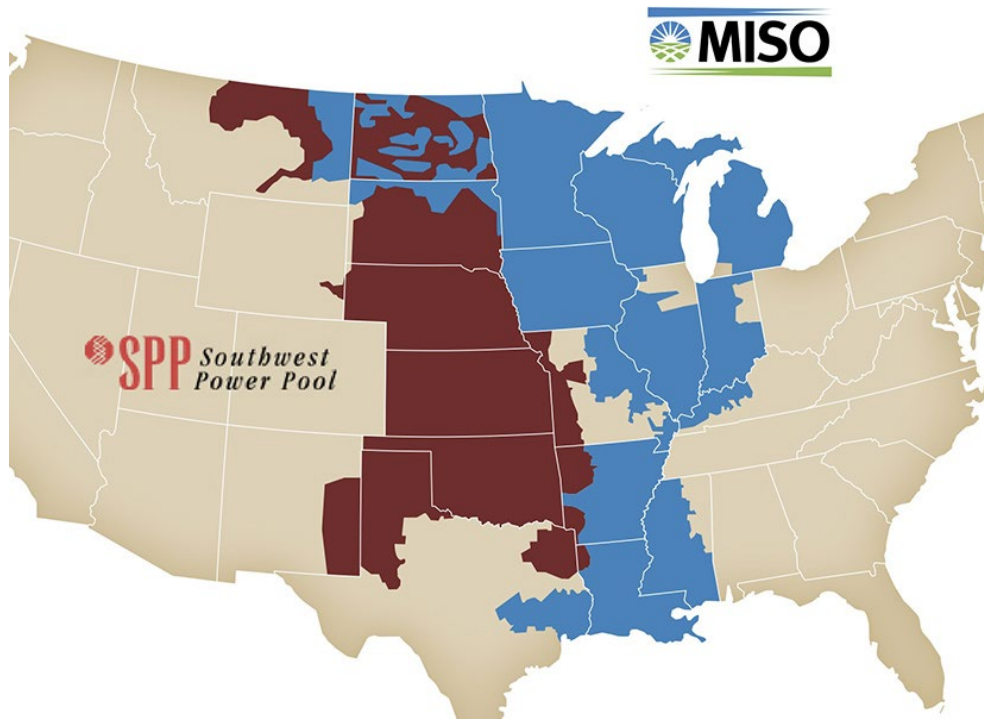
"This is an incremental step forward. We can't give you complete cost certainty," he said. However, Savoy said the JTIQ allocation should lower interconnection customers' costs and asked stakeholders to at least give the RTOs a chance to improve the process.

David Kelley, SPP's director of seams and market design, said interconnection customers splitting the costs of larger, "backbone projects" that allow mass interconnections is preferable to the grid operators' current affected system study process, where often high-priced network upgrades are designated to individual generation projects.

"We have to come up with a way to fund the transmission needed in this area," Kelley said. "Basically today, we have an area that generators cannot develop in."

"We are in agreement that the status quo sucks," National Grid Renewable's Rafik Halim said.

Invenergy's Arash Ghodsian said he was supportive of the initial design but asked for a better explanation of the assumptions of proposed cost assignments' mechanics. ■



MISO and SPP seams | MISO and SPP

MISO News

MISO: Record 1,000 Interconnection Requests in 2022

By Amanda Durish Cook

MISO *reported* on Sept. 27 that it received a record 171 GW of proposed generation projects from 956 interconnection requests, more than what is currently in the interconnection queue.

The submittals are in addition to the current queue, which numbers 118 GW and 769 projects. Approximately 97% of the new project hopefuls are for renewable or storage resources.

Were MISO to approve all the 2022 requests, there could be nearly 300 GW of projects waiting on studies and interconnection agreements.

MISO said this is the third straight year that queue applications have reached unprecedented levels, with each annual cycle larger than the previous year's. The RTO received 487 applications for 77 GW last year.

The grid operator said that "the volume of requests reflects an acceleration of the resource transition."

"At this point, we are experiencing exponential growth in the queue," Andy Witmeier, director of resource utilization, said in a press release. "The current applications continue to be heavily weighted with renewables and standalone storage requests again tripling the amount submitted the previous year."

The new queue entrants comprise 84 GW in solar projects, 14 GW in wind generation, 32 GW of standalone energy storage and 34 GW of hybrid projects, or renewable energy and storage facility pairings.



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Historically, only about 20% of the proposed generation in MISO's interconnection queue makes it to grid. If that trend holds, the grid operator could add nearly 60 GW of capacity over the next few years.

However, the RTO's recently approved long-range transmission portfolio (L RTP) was planned in part to bring more generation online quicker. Staff has estimated that the \$10 billion, 18-project portfolio of 345-kV lines can facilitate about 53 GW worth of new interconnections. (See *MISO Board Approves \$10B in Long-range Tx Projects.*)

MISO has plans to recommend three more L RTP portfolios over the next few years, bringing even more clean energy online.

"These numbers continue to represent the seismic shift occurring on the electric grid highlighting a rapid resource transition to renewable energy," Witmeier said, adding that the first L RTP portfolio and the recent Inflation Reduction Act may have propelled additional interest in new generation projects.

"We are working with our stakeholders on the additional regional transmission needed to accommodate this resource shift," he said.

The grid operator closed the 2022 application window in mid-September.

MISO said it will share more details on the 2022 queue cycle during the Interconnection Process Working Group's virtual meeting on Oct. 10. ■



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NYISO News

Con Edison to Sell Clean Energy Businesses for \$6.8B

Deal Would Nearly Double RWE's US Renewables Portfolio

By John Cropley

RWE Renewables Americas will acquire Con Edison Clean Energy Businesses in a deal valued at \$6.8 billion.

Their parent companies, Consolidated Edison and RWE AG, announced the agreement Saturday. It is expected to close in the first half of 2023.

Con Ed CEO Timothy P. Cawley said in a news release that the move will allow the utility to concentrate on its core operations.

"The transaction we announced today will allow Con Edison to sharply focus on our core utility businesses and the investments needed to lead New York's ambitious clean energy transition."

Con Ed also said it will continue to invest in clean energy transmission projects, building electrification, energy efficiency, electric vehicle infrastructure, battery storage and other technologies.

Con Edison Clean Energy Businesses operates more than 4 GW of renewable energy projects in North America through its three primary subsidiaries, Con Edison Development, Con Edison Energy and Con Edison Solutions.

RWE, based in Germany, said the Con Ed acquisition will nearly double its capacity in the U.S., give it a broader geographic footprint and expand its project pipeline to include more than 24 GW of onshore wind, solar and battery storage.

RWE is also expanding its offshore wind development efforts to the U.S. Earlier this year, it and partner National Grid submitted a successful \$1.1 billion bid to secure OCS-A 0539, the largest offshore wind lease in the New York Bight. It is also a partner in an 11-MW demonstration project planned to test floating turbines in the Gulf of Maine.



Consolidated Edison is selling its clean-energy subsidiaries to RWE Renewables Americas. | RWE Renewables Americas

RWE's CEO and CFO have scheduled an investor and analyst conference call Oct. 4. The company said in a news release that the acquisition is a milestone in its growth plans in the U.S., a large and fast-growing market for renewables that recently got a 10-year stabilizing boost in the form of the Inflation Reduction Act.

"The unique combination of complementary portfolios in onshore wind, solar and batteries creates one of the leading renewable companies in the U.S. market," RWE CEO Markus Krebber said in a news release. "The combined development pipeline, one of the largest in

the U.S., provides tremendous opportunities for sustainability and value accretive growth, backed by a strong financial position."

RWE Renewables Americas has developed more than 3.8 GW of renewable capacity in North America since 2007.

Con Ed said the transaction is subject to customary closing conditions, including expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and approvals by the U.S. Committee on Foreign Investment and FERC. ■

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PJM News



NJ Foresees ‘Horse Trading’ with Other PJM States over Tx Costs

By Rich Heidom Jr.

New Jersey officials hope to engage in “horse trading” with other PJM states over the cost allocation of transmission needed to meet their climate goals, a key state regulator said last week.

PJM’s *Offshore Wind Transmission Study: Phase I*, released last year, concluded that a coordinated transmission plan to integrate 14 GW of offshore wind and all existing state renewable portfolio standards would cost about \$600 million through 2027 and \$2 billion to \$3 billion through 2035. (See *Tx Upgrades for PJM OSW, Renewables Could Cost \$3.2 Billion.*)

The New Jersey Board of Public Utilities has estimated costs would be \$5 billion to \$34 billion in a “piecemeal” approach, BPU General Counsel Abe Silverman said during the second panel of Raab Associates’ New England Electric Restructuring Roundtable in Boston on Friday.



Abe Silverman, New Jersey Board of Public Utilities | © RTO Insider LLC

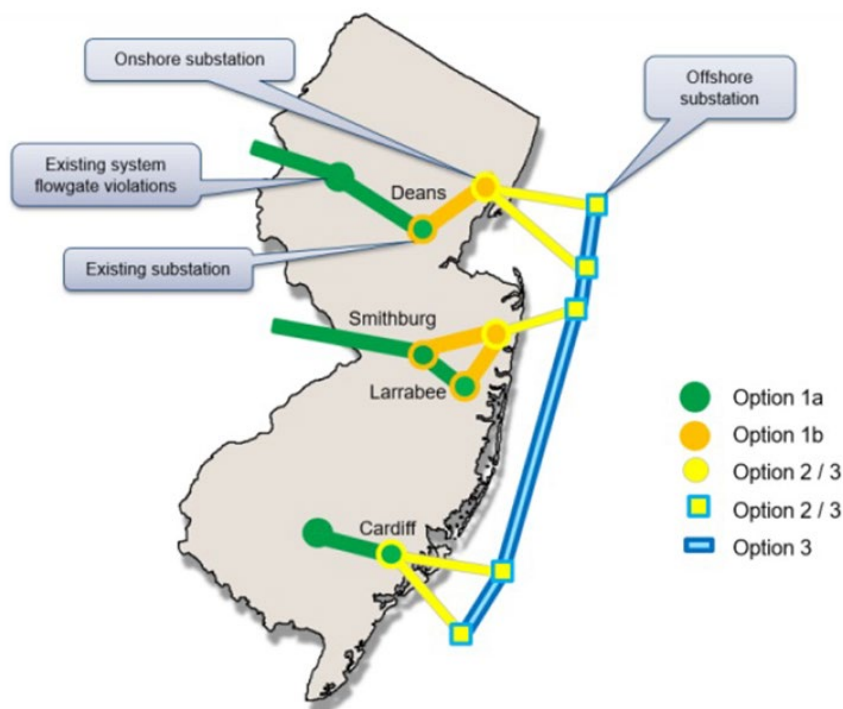
“The other clean energy states and PJM are looking at billions of dollars of transmission upgrades if we do it the way we’re doing it now, when we can meet all the needs of the entire PJM region at approximately the same price,” he said. “So there’s a lot of room for horse trading, if we can get the parties to the table.”

Silverman said the BPU will announce later this month whether it will select any of the 80 proposed transmission projects PJM received in response to its solicitation for 7,500 MW of offshore wind transmission. The solicitation was conducted under PJM’s State Agreement Approach (SAA), which makes New Jersey responsible for all of the costs.

The SAA leaves New Jersey “almost in a hostage situation at the moment,” Silverman said. “The transmission projects that we are planning benefit many states in PJM; they will see lower production costs as a result of these upgrades. But because of the way the system works, we are solely responsible for the cost. That needs to change.”

MISO Planning Efforts Win Praise

Silverman said the SAA shouldn’t be the only option for states such as New Jersey. “And



The New Jersey Board of Public Utilities is expected to announce later this month whether it will select any of the 80 proposed transmission projects PJM received in response to its solicitation to inject 7,500 MW of offshore wind. | PJM

this is where I think we really need the ISOs to step up and do the kind of long-term proactive planning that MISO, frankly, has been doing now for a decade.

“I’m just in awe of what MISO has done over the past couple of years,” he added, saying the RTO is “probably five to 10 years ahead of the rest of us.”

Following more than two years of planning, MISO identified 18 transmission projects that could add 50 to 60 GW of new resources in the MISO Midwest subregion at a cost of \$10.3 billion. The RTO says benefits from its Long-Range Transmission Planning Tranche 1 will be shared among all Midwest subregions and produce a benefit-cost ratio of at least 2.1:1 for all zones.

Overlapping the Tranche 1 study was MISO and SPP’s Joint Targeted Interconnection Queue (JTIQ) study, which resulted in five seams projects that will enable 30 GW of new generation.

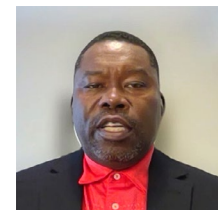
“The LRTP deals with deliverability; the JTIQ deals with injectability,” said Aubrey Johnson, MISO’s vice president of system planning, who appeared at the Roundtable via video.

“One of the things that we talk a lot about is we’re not trying to maximize the transmission; we’re trying to maximize the value of the transmission that we propose,” Johnson said. He said MISO is “extremely conservative” in identifying benefits. In “our state of North Dakota, it’s against state law to consider decarbonization [benefits]. ... The No. 1 thing that [the projects solve] is congestion.”

But Johnson said the broad benefits have not eliminated “friction” over cost allocation. “Cost allocation is a full-contact sport,” he said, adding that he has created a team to help identify improvements in its cost allocation methodology.

NYISO’s New Transmission

Also speaking at the Roundtable was Doreen Harris, CEO of the New York State Energy Research and Development Authority (NYSERDA) and co-chair of the state Climate Action Council. Harris discussed the state’s

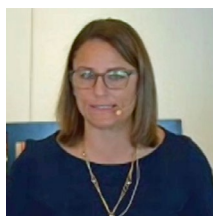


Aubrey Johnson, MISO | © RTO Insider LLC

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Power Grid Study, which identified distribution and transmission upgrades needed to achieve the state's climate goals, including meeting 70% of the state's electric energy demand with renewable sources by 2030.



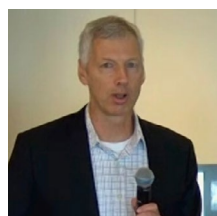
Doreen Harris, NYSEDA | © RTO Insider LLC

Achieving its goals will change the state's grid from peaking in the summer to in the winter by the mid-2030s, Harris said, with peak demand doubling to about 45 GW.

To reduce New York City's reliance on fossil fuels, NYSEDA is procuring 2,550 MW of new HVDC transmission capacity through the *Champlain Hudson Power Express*, a 1,250-MW line spanning 339 miles from Quebec and *Clean Path NY*, a 1,300-MW transmission line that will run 175 miles from Delaware County. Both lines will terminate in Queens.

"It is not simple to move these projects forward by any stretch," said Harris. "What we are procuring is actually quite unique. So we're procuring, in this instance, renewable energy attributes delivered to Zone J [New York City]. And so that was what the RFP was looking for. It was not saying, 'Here's the [transmission] project to bring forward.' It was saying, 'Here's the problem; solve the problem.'"

ISO-NE Sees Widespread Tx Overloads



Robert Ethier, ISO-NE | © RTO Insider LLC

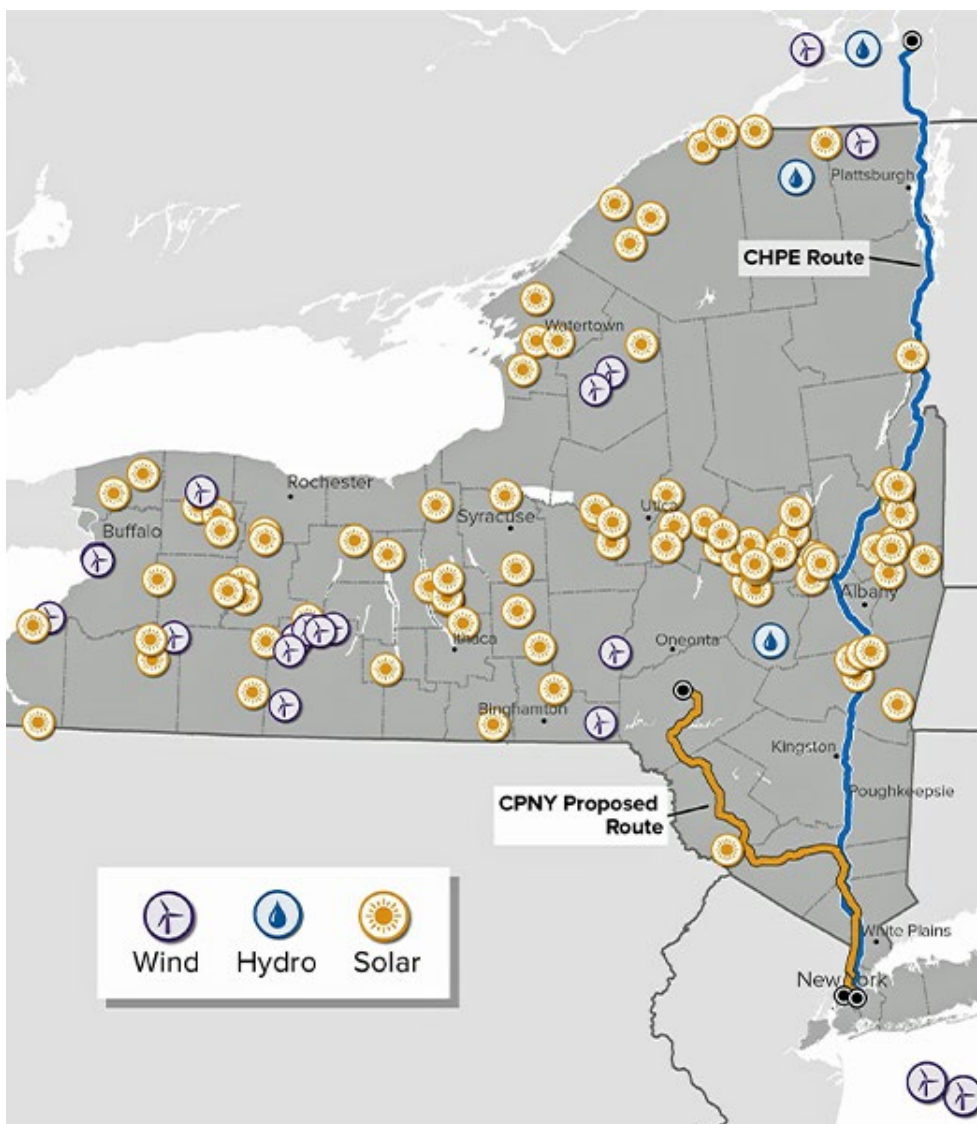
ISO-NE also expects its electric demand to switch to a winter peak by 2035, said Robert Ethier, vice president of system planning for the RTO.

By 2031, ISO-NE forecasts the region will have 1.1 million

air-source heat pumps and 1.5 million electric vehicles. By 2050, the RTO says its modeling shows there would be overloads on 50% of its transmission lines without major upgrades to the system.

"So if you build all the things that are required to meet the state goals, and you run everything off electricity in 2050, what does the transmission system look like?" he asked. "The short answer is, a lot more expensive, which is not really a surprise. So the real question is, where does that money get spent?"

Ethier said it was "humbling" to hear the other



NYSEDA is procuring 2,550 MW of new HVDC transmission capacity through the Champlain Hudson Power Express and Clean Path NY. | NYSEDA

grid operators discuss their challenges.

"There's just so much going on in this space," he said. "I feel good about what New England is doing. I think we're doing a lot; I think we as a region are moving forward. But boy, you listen to these other regions, you realize every region is kind of in the same boat."

Obstacles to State Goals

During the question-and-answer period, Fran Cummings of Peregrine Energy Group asked whether grid planners had contingency plans in case worsening climate impacts forces changes now expected in 2050 to be accelerated to 2040.

"The holdup is not going to be the planning, it's going to be the building," responded Ethier.

"What we're seeing now is siting is a problem; permitting is a problem; and the supply chain is a problem. We have large wind farms that are delaying their in-service date because of supply chain issues. And we see a lot of that going on in the queue as well: People want to slow down their interconnection process, because it's ahead of where their project really is."

Johnson said MISO planners have discovered that resource changes originally expected by 2040 are likely to occur by 2030.

"Procuring a 345-kV transformer is not trivial. Movement of them in the United States is not trivial. The people actually needed to do the work is not trivial. So my concern is that if you try to force an acceleration of all the work that is being considered, the cost of those is going to increase," he said. ■

PJM News



NJ Seeks Stakeholder Input for 3rd OSW Solicitation

Next Step Toward State's Elevated 11-GW Goal

By Hugh R. Morley

New Jersey's Board of Public Utilities (BPU) is seeking stakeholder input to help craft the state's third offshore wind solicitation, for 1.2 GW, in the first quarter of 2023, as it reaches for its goal of 11 GW of wind power by 2040.

The agency is asking stakeholders for insight into more than 40 questions for which the answers will help the state shape the Solicitation Guidance Document on issues such as project design requirements, the economic impact of the winning project and different aspects of the environmental and fisheries mitigation plans.

The questions include: whether the BPU should seek only projects of 1.2 GW or offer flexibility to diverge from that; whether the board should accept storage proposals as part of the solicitation; what strategy might ensure that the economic benefits pledged in a proposal are met; and how to ensure the full project pitched is constructed.

The board's solicitation on Sept. 16 preceded a flurry of announcements by the Murphy administration to mark Climate Week, including plans to spend \$10 million on green job creation and \$3.125 million on researching the impact of the wind projects on marine wildlife.

The [request for information](#) is the first of two,

according to the BPU. The second will be released after the board makes its decision on its transmission solicitation made under the State Agreement Approach (SAA) with PJM. The board received about 80 suggestions for how to enhance the state grid in preparation for the increase in offshore wind power and expects to make a decision this month on which ones, if any, to adopt. (See [NJ Seeks Efficiency, Savings in OSW Transmission Process](#).)

With that completed, the board expects to issue a draft of the third solicitation incorporating stakeholder comments in November.

Extreme Events

The solicitation, following the BPU's award of 3,758 GW of power in solicitations in 2019 and 2021, will be the next step toward the 11-GW goal set out in an [executive order signed](#) by Gov. Phil Murphy on Sept. 21. The new goal is nearly 50% higher than the previous goal of 7.5 GW by 2035, which Murphy rescinded in the order, and the state has not yet set its final goal. The order added that "the BPU shall undertake to study the feasibility and benefits of further increasing the goal."

"Extreme weather events and severe flooding across the country leave no room for doubt: The effects of climate change are becoming more impactful and more aggressive, and we must do the same," Murphy said in a release announcing the signing of the executive order.

In a speech at Climate Week in New York City the same day, Murphy called it an "aggressive target, but an achievable one," adding that the task will be assisted by "technological advancements that are making turbines more and more efficient, almost literally by the day."

The shift elevates New Jersey's goal above that of New York's OSW target of 9 GW by 2035. Both states will also see additional OSW power created from the federal auction in which six bidders pledged to create projects totaling 5.6 GW in the New York Bight, the coastal zone that straddles the two states. (See [Fierce Bidding Pushes NY Bight Auction to \\$4.37 Billion](#).)

Yet the state's expanding offshore wind strategy comes amid concern among Republicans and business groups at the potential — and so far, unknown — cost of shifting the state away from fossil fuels and toward electricity.

Readiness Questioned

A spokesman for Affordable Energy for New Jersey, a coalition of business groups and building trade unions that has expressed concern about the cost of implementing New Jersey's [Energy Master Plan](#), questioned whether the state could handle an increased amount of the OSW production.

"The state has yet to plot exactly where in the ocean these turbines are going to go," spokesman Michael Makarski told a regular quarterly meeting held by the BPU to seek public input Sept. 23. He called the wind expansion plan "delusional."

"We are not sitting on a stockpile of materials to construct these turbines, and the board doesn't know exactly where these transmission lines are going to make landfall," he said. "These are massive issues."

"If we think that the siting process is going to be smooth sailing, then we should think again," he said. "If we install one state-of-the-art 13-MW turbine every week, each week, for the next 18 years, we'll hit that 11,000-MW goal. Now, that's if we started today."

The offshore wind projects — Ocean Wind 1 in the first phase; Ocean Wind 2 and Atlantic Shores in the second — have been warmly received by some environmentalists and public officials. But they have faced opposition from the fishing industry, which fears that the turbines will disrupt fishing areas and create



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a dangerous environment for boats pulling nets, and recreational fishermen. The tourism sector also has voiced concern that the sight of turbines could reduce the number of visitors coming to the state's coast. Local residents and property owners are worried about the impact on properties resulting from construction to install cables and other equipment.

Tracking Marine Impact

Along with the wind goal announcement, Murphy released a report, *Green Jobs for a Sustainable Future*, last month that outlined recommendations and pathways for growing a demographically representative and inclusive green workforce. He also highlighted \$10 million in new investments to guide and support the state in generating well paying jobs in the growing green economy.

"Today's announcements underscore our determination to not only double our efforts in the fight against climate change, but to ensure that every New Jerseyan can reap the benefits of transitioning to a clean energy economy," said Jane Cohen, executive director of the governor's Office of Climate Action and the Green Economy.

The BPU and New Jersey Department of Environmental Protection (DEP) also announced Sept. 22 that they would spend \$3.125 million on four projects on research and monitoring of the impact of offshore wind projects on marine life. The funding, the second round of marine life research funding, will "study potential impacts to the recreational fishing industry, use acoustic telemetry to track fish movements, deploy passive acoustic technologies to monitor whale movements, and evaluate offshore wind infrastructure as potential platforms for long-term environmental and ecological monitoring," the agencies said.

The money will come from a fund of \$26 million that is administered by the state with funds from the developers of the second-phase solicitation, Ørsted and a joint venture between EDF Renewables North America and Shell New Energies US.

"This round of projects will gather critical baseline scientific information that will help ensure the responsible development and operation of offshore wind facilities that protect our coastline and its natural resources that are precious to all of us," DEP Commissioner Shawn LaTourette said.

The projects include:

- \$440,000 to assess the potential impacts of offshore wind energy on New Jersey's recreational fishing industry, to be conducted by the Clean Energy and Sustainability Analytics Center at Montclair State University.
- \$1.9 million to track fish movements along New Jersey's coastline and in offshore wind lease areas with acoustic telemetry. The work will be conducted by Monmouth University and the New England Aquarium.
- \$500,000 for deployment of passive acoustic monitoring systems on the seafloor to record the calls of baleen whale species, including the endangered North Atlantic right whale, to better understand the movements and behaviors of these animals. No contract yet awarded.
- \$285,000 for Rutgers University, Monmouth University, the National Renewable Energy Laboratory, and the Special Initiative on Offshore Wind to explore the potential use of offshore wind farms turbines, foundations and substations as potential environmental and ecological monitoring platforms. ■

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Submit a Stakeholder Soapbox Op-Ed

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PJM News



NJ BPU Approves Easement Plan for 1st OSW Project

By Hugh R. Morley

The New Jersey Board of Public Utilities (BPU) on Wednesday approved an easement sought by the state's first offshore wind project, Ocean Wind 1, to run transmission onshore through Ocean City to a substation, removing a key obstacle to the project.

With little comment, the five-member board unanimously approved *an order* that said developer Ørsted had demonstrated that the easement for transmission to run underground across land developed with money from the state Green Acres program was "reasonably necessary" to the construction and operation

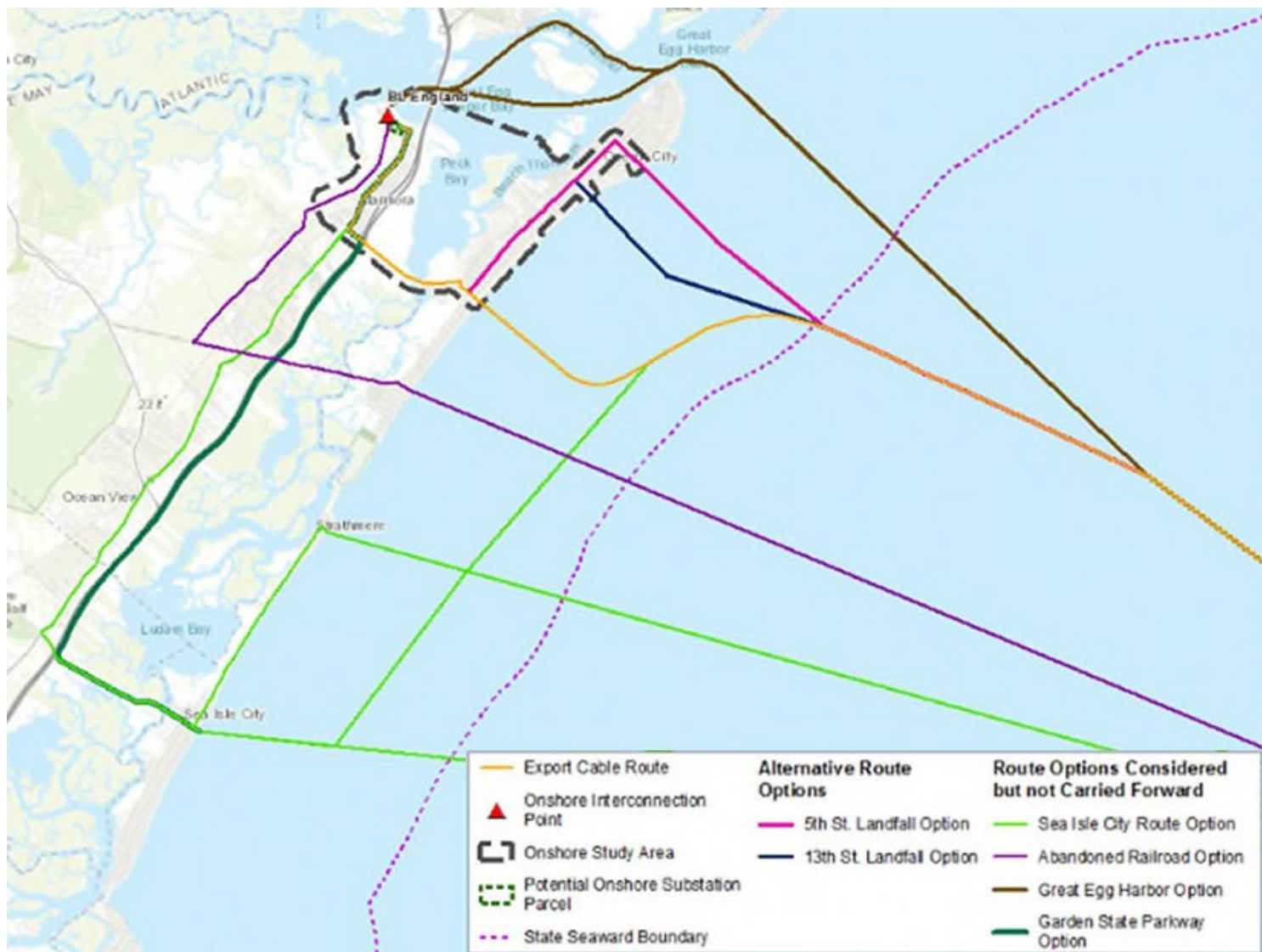
of the wind project. Green Acres funds are awarded to develop parks and open space. The order also granted the project a series of consents needed to obtain environmental and other permits.

The BPU's approval, in the face of opposition from Ocean City's governing body and residents, opens the way for Ørsted to seek easement and permit approval from the New Jersey Department of Environmental Protection (DEP), which is needed for the project to get federal backing. Ocean City had asked the BPU to delay the project while an administrative hearing and environmental studies of the cable route are conducted.

However, the project still needs the BPU's approval in a *second case*, in which the developer needs permission to run transmission on land owned by Cape May County and that government's consent on permit approvals.

The Ocean City case was first test of a *controversial law enacted* in July 2021 that allowed offshore wind developers to site power cables and equipment on public land regardless of local or state government opposition. The outcome of the case could provide a roadmap for other projects facing similar opposition in the future.

Continued on page X



A map drafted by Ørsted shows different routes the developer considered for running cables from the turbines offshore to land and into a substation. The pink line is the developer's preferred route through Ocean City, which the NJ BPU approved Wednesday. | NJBPU / Ørsted

PJM News



AEP Accepts Lower Price for Kentucky Operations Sale

American Electric Power and Liberty Utilities, a subsidiary of Algonquin Power & Utilities, said Friday they have struck an amended sale agreement that cuts the price of AEP's Kentucky operations by \$200 million and extends the timeline to close the deal.

Liberty will now acquire AEP's Kentucky operations at a reduced \$2.646 billion through a purchase of all Kentucky Power's and AEP Kentucky Transco's stock. The original deal had Liberty paying a \$2.8 billion sale price. (See *PSC OKs Sale of AEP's Kentucky Operations to*

Liberty Utilities.)

AEP expects to net approximately \$1.2 billion in cash from the sale. It said the reduced revenue means that it will likely record a pre-tax loss ranging from \$180 million to \$220 million in the third quarter.

Liberty and AEP said they will close on the sale in January. The transaction was earlier slated to close by mid-2022. FERC must still approve the sale.

"This sale will provide significant benefits to

customers in eastern Kentucky to help offset volatile fuel prices and support economic growth," retiring AEP CEO Nick Akins said in a *news release*. "It also will support AEP's ability to invest in projects throughout our regulated businesses that will enable the move to a clean, more reliable and resilient energy system."

AEP CFO Julie Sloat, who will succeed Akins on Jan. 1, said that the new timeline will not affect AEP's planned equity needs or its operating earnings guidance. ■

— Amanda Durish Cook

NJ BPU Approves Easement Plan for 1st OSW Project

Continued from page X

The reasonably-necessary standard was set out in the law, which specifically prohibited municipal and county governments, and state agencies, from preventing the placement of offshore wind equipment if the BPU gave its approval. (See *NJ Lawmakers Back Offshore Wind Bills.*) Several speakers at public hearings into the easement argued that the law effectively disenfranchised local officials and removed their authority to make decisions on issues that would affect their residents.

Ørsted is seeking a 30-foot-wide easement running the length of the island on which the city is located, which is about 8 miles long. A 275-kV line will connect Ocean Wind's turbines, about 15 miles offshore, to the PJM grid at a substation sited on a now closed coal-fired power plant in neighboring Upper Township.

Without the law in place, and the BPU's power to override local authorities, the project would have needed Ocean City's consent for several permit approvals, including Waterfront Development, Wetlands Act of 1970, Coastal Area Facilities Review Act, Flood Hazard Area Control Act and Freshwater Wetlands Protection Act, and a Tidelands License, among other permits, according to the order.

Those permits are required for the DEP to "issue a federal consistency determination, which is a prerequisite for Bureau of Ocean Energy Management's (BOEM) approval of the project's construction and operations plan," according to the order.

The 1,100-MW Ocean Wind project, which

was approved in 2019, was the first of three approved offshore wind farms by the state so far. The BPU has also approved the 1,148-MW Ocean Wind 2 and the 1,510-MW Atlantic Shores, and the state expects to hold a third solicitation, for 1,200 MW, in the first quarter of 2023. (See related story, *NJ Seeks Stakeholder Input for 3rd OSW Solicitation.*)

The BPU's ruling came the day before it holds two online hearings on another easement for an underground transmission line from the Ocean Wind 1 project across land owned by Cape May County. In that case, Ørsted's petition says Cape May officials have not responded to its efforts to secure approvals.

Public Opposition

Although the Ocean Wind project is strongly supported by government officials and embraced by environmentalists, Ocean City opposes the project, as do local residents, who say the nearly 100 turbines will tarnish their ocean view. Also opposed are commercial fishermen, who say it will hurt their ability to fish, and tourism interests, who fear fewer visitors will come to enjoy a shoreline with turbines on the horizon. (See *Ørsted NJ Wind Project Faces Local Opposition.*)

The board's approval Wednesday in the Ocean City case followed two public hearings into the easement application and an online session in which Ørsted and the city presented oral arguments. Speakers in the two hearings opposed to the easement focused as much on their concerns about the project as a whole, and offshore wind in general, as on the details

of the easement and how it would affect the community.

Mike DeVliieger, a former Ocean City councilman, said that "overwhelmingly our community is against this, and it's not even close." He added that "this presents medical concerns; it can present environmental concerns."

But environmentalists argued that the threat of climate change is so serious that radical action was needed, and any potential disruption would not reach an unacceptable level.

Dorothy F. McCrosson, solicitor for the city, argued that Ocean Wind 1 could avoid the conflict with Ocean City if it opted to send the transmission through nearby Egg Harbor instead. In that scenario the beach and wetlands would not be disturbed and the streets would not be excavated.

She said the alternative route would present no disruption to Ocean City, but Ørsted had dismissed it earlier because it would be more expensive.

But attorney Gregory Eisenstark, representing Ocean Wind 1, said that once the construction was complete, there would be minimal disruption because the lines would be underground. He argued that the main reason that the city opposes the project "has to do with Ocean City's overall objection to offshore wind."

He argued that under the reasonably-necessary standard set out in the law, the route chosen by Ørsted just had to be a reasonable one. "It doesn't have to be the best one. It doesn't have to be the lowest-cost one." ■

PJM News



NJ County Asks BPU to Slow Approvals for First OSW Project

Cape May Pushes for Alternate Cable Route for Ørsted's Ocean Wind

By Hugh R. Morley

The New Jersey county of Cape May asked the state Board of Public Utilities (BPU) on Thursday to slow the approval process for an easement to run power cables from the state's first offshore wind project — Ocean Wind 1 — across county land until federal environmental studies are completed.

Michael J. Donahue, a lawyer and former state superior court judge representing the county at two online BPU hearings, said the federal environmental impact study could provide information that is relevant to whether the cable route is feasible or not.



Michael J. Donahue, representing Cape May County | New Jersey Board of Public Utilities

Donahue, who said he also represents 10 of the 16 communities in Cape May County, also urged the BPU to consider alternative routes more acceptable to area residents, many of whom oppose the project.

Danish developer Ørsted is seeking BPU approval for an easement to run cables bringing energy from its Ocean Wind project to a substation that would tie the project to the grid. The developer's favored route runs through the Jersey shore community of Ocean City, which is in Cape May County.

The case is related to but separate from Ørsted's petition for an easement running across public land in Ocean City, which the BPU approved on Wednesday. (See [NJ BPU Approves Easement Plan for 1st OSW Project.](#))

Ørsted's second petition also seeks BPU consent for the developer to obtain several environmental and other permits needed to get project approval from the New Jersey Department of Environmental Protection (DEP).

The case is the second test of a [controversial law \(S3926\)](#) enacted in July 2021 that allows offshore wind developers to site power cables and equipment on public land regardless of local or state government opposition. If the BPU backs the easement and consents, the developer would not need approval from the county or Ocean City, which also opposes the project.



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"The county is not trying to delay or obstruct," Donahue told the hearing. "But we think it's important that many of the issues that concern the people of Cape May County be given an opportunity to be heard."

Donahue said the county had had "discussions over a long period of time" with Ørsted about the project, including an attempt to "modify the impacts, especially in terms of cluttering the horizon." But the two sides failed to reach an agreement, he said.

"We urge the board, as Ocean City has, to wait for those federal environmental processes to be completed so we don't have the prospect of having to do all this all over again," Donahue said. The proposed route could jeopardize sensitive marshes and impact area historical sites, he argued, and it could "conflict with many utilities that already exist" in the area, including sewer, gas and water main lines.

Negative Impact

The 1,100-MW Ocean Wind project, which the BPU approved in 2019, was the first of three offshore wind farms approved by the state to date. The BPU expects to follow the approval of the 1,148-MW Ocean Wind 2 and the 1,510-MW Atlantic Shores in 2021 with a third solicitation for 1,200 MW in the first quarter of 2023. (See [NJ Seeks Stakeholder Input for 3rd OSW Solicitation.](#))

The projects are part of Gov. Phil Murphy's goal, signed on Sept. 21, that the state have in place 11 GW of offshore wind capacity by 2040. That goal replaced Murphy's earlier goal of 7.5 GW by 2035.

The Bureau of Ocean Energy Management issued a [draft environmental impact statement \(EIS\)](#) on Ocean Wind 1 on June 22, with comments due by Aug. 23. The draft found that the project would not have major impacts on most of the 19 environmental and related categories scrutinized.

But the 1,408-page [report](#) did find that the construction and installation, operations and maintenance, and eventual decommissioning of the project would have major impacts on marine navigation and vessel traffic, as well as commercial and recreational fishing. (See [BOEM Draft EIS Finds Potential Major Impacts from 1st NJ OSW Project.](#))

BOEM held three public hearings on the draft in July. The agency said that after it "addresses the comments provided," it will issue a final EIS that will "inform" its decision to "approve, approve with modifications or disapprove the project."

But federal approval is only one hurdle for Ocean Wind 1. Ørsted is seeking a 30-foot-wide easement running about eight miles along the length of Ocean City, a popular tourism

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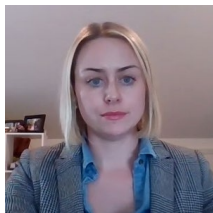
and vacation area on the Jersey shore. The 275-kV line will connect the project's turbines, about 15 miles offshore, to the PJM grid at a substation sited on a now closed coal-fired power plant in neighboring Upper Township.

At issue in the Cape May case is the project's need for a temporary 18-month easement and a 30-foot-wide permanent easement across county land, both in Ocean City, the developer's May 20 petition says.

The BPU's approval of the Ocean City easement on Wednesday was a big step forward for Ocean Wind 1, allowing project cables to pass across land in Ocean City created with funds from the state Green Acres program, which pays to improve parkland and open space.

The case, which involves the same cable route as the Cape May County case, was the first test of the law granting the BPU power to override local officials on issues involving offshore wind projects. The law allows the BPU to do so — and grant approvals on projects — if the agency concludes that they are "reasonably necessary" to the project.

As in the earlier case, Ørsted argued that they are. Madeline Urbish, the company's head of government affairs, told the hearing that the project needed the BPU's approval to move ahead and meet New Jersey's clean energy goals, after the developer had held fruitless discussions with Cape May County since 2019.



Madeline Urbish, Ørsted's head of government affairs | New Jersey Board of Public Utilities

"Time is of the essence if the project is going to meet its commitment to New Jersey" and reach commercial operation in 2024, Urbish said.

"Cape May County has not been willing to reach the necessary agreements to allow the project to proceed," she said. The county's approval and permit consents are required for the project to secure approval from the DEP, whose blessing is needed in turn for the environmental review conducted by the federal Bureau of Ocean Energy Management.

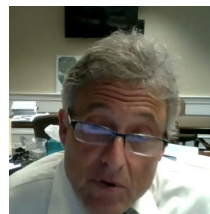
Alternative Route

Donahue countered that in order to limit disruption and negative impacts from the transmission lines, the BPU should consider cable routes for two other offshore wind projects approved by the agency — Ocean Wind 2 and Atlantic Shores — at the same time as the route and easements for Ocean Wind 1.

Instead of running the cables through Ocean City, Ørsted could send them along an abandoned railroad or part of the Garden State Parkway, the main highway along the Jersey shore, he said.

More than a dozen speakers at the two hearings on Thursday opposed either the granting of the easement or the project in general. Many said they are Ocean City residents, and some were clearly upset by the BPU's intervention in what they considered a decision that should be taken by local officials.

George Savastano, Ocean City's business administrator, questioned the legitimacy of the law and the "authority" of the BPU to make decisions on the easement issue. "It remains to be seen whether it will survive judicial scrutiny," he said of the law, citing a section of the state constitution that, he said, states "any law



Ocean City's business administrator, George Savastano | New Jersey Board of Public Utilities

concerning municipal corporations formed for local government or concerning county shall be liberally construed in their favor."

Savastano also argued that Ørsted's designation of several alternative routes for the cable means that the chosen route through Ocean

City is not "reasonably necessary." That question is enough reason for the issue to be heard by an administrative law court, rather than the BPU, he said, and urged the agency to send the case to the court.

At a hearing on the first easement case in June, Ocean City called on Ørsted to choose a route that would avoid the municipality and instead send the cable through Great Egg Harbor Bay, coming on shore close to the substation in Upper Township and avoiding Ocean City altogether. Cape May County also supports that route.

Savastano said that the route through Ocean City is shorter, and so likely cheaper for the developer, who should, as a result, be required to divulge the cost of pursuing each of the available routes.

"Until and unless Ocean Wind discloses the cost of each of the alternate routes, the board cannot find that the easements and consents which Ocean Wind claims to need are reasonably necessary," he said.

The BPU has said in the past that the cost of any of the routes is irrelevant to the discussion because it will be paid for by Ørsted and won't be an expenditure of public money. ■

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PJM News



Md. County's Electric School Buses to Provide Synch Reserves for PJM

Montgomery County Public Schools (MCPS), in Maryland, is expanding its partnership with a company electrifying its bus fleet to use the vehicles as a distributed energy resource on the PJM wholesale electricity market, DER software provider Voltus announced on Wednesday.

MCPS and Highland Electric Fleets entered into a contract last year to electrify the county's 326 diesel school buses. Voltus said its software will allow the buses to provide wholesale synchronized reserves, improving grid stability and increasing the school system's cost savings.

"By connecting Highland's customers to electricity markets that value them, Voltus is

unlocking the power of electric vehicle fleets," said Dana Guernsey, Voltus' chief product officer. "We're thrilled to demonstrate the value that electric school buses can provide to support grid reliability. ... We aim to help Highland accelerate the transition to 100% electric school buses by layering on ancillary services and other value streams, which make adopting electric school buses the profitable choice."

The company says it has a 2,600-MW portfolio across all nine U.S. and Canadian wholesale power markets. The resources include small-scale residential clients to major manufacturers and data centers.

Under the \$1,312,500 four-year contract Highland and MCPS entered last year,

Highland will provide the school buses, install charging infrastructure, assist in training drivers and mechanics, and pay for the electricity, maintenance and repair costs. (See *Schools' Budget Neutral' Bus Deal Could Accelerate BEB Growth.*)

"Partnering with Voltus allows us to offer another value stream to school districts, further lowering the cost of upgrading to electric and also supporting increased renewable energy penetration by making the bus batteries available to utilities and wholesale electricity markets when they're not being used to transport students," said Ben Schutzman, vice president of fleet operations at Highland. ■

— Devin Leith-Yessian



Montgomery County Public Schools is expanding a partnership with electric school bus provider Highland Electric Fleets to offer the vehicles as a distributed energy resource when not in use. DER software provider Voltus will be providing the necessary technology for the 326 buses. | © RTO Insider LLC

PJM News



Maryland: State Met 2020 GHG Emission Goal, but Behind on 2030

By Devin Leith-Yessian

Maryland surpassed its greenhouse gas emission-reduction goal for 2020, according to the final data released by the state Department of the Environment.

According to the data, presented to the Maryland Commission on Climate Change during its quarterly meeting Sept. 27, emissions were down 30% below 2006 levels, beating out its aim to reduce GHGs released by 25% over the same period. Even accounting for the pandemic, which lowered expected pollution from motor vehicles, it is projected that emissions would have declined by 26% over the same period, still meeting the goal.

The most significant declines were in the energy sector, credited to the shift from coal to natural gas and renewable power generation. According to the department's Vimal Amin, electricity-use emissions fell from approximately 43 MMT of carbon dioxide equivalent in 2006 to about 19 million in 2020.

"Two-thirds of our reductions from [2006] to [2020] have come from the electricity sector, and the reductions here are due to a combination of reduced electricity consumption, as well as changes in the generation mix, namely from replacement of coal-fired generation with natural gas and renewables," Amin told the commission.

Despite the progress, Mark Stewart, climate change program manager for the department, said in-state clean energy generation lags behind being on track to meet the state's Greenhouse Gas Emissions Reduction Act goals for 2030. One of the principal causes has been a backlog in reviews for new resources in PJM's interconnection process.

"There's been a backlog of projects receiving approval from PJM for connection to the grid, and a lot of these projects are renewable energy," he said. "That PJM backlog has prevented the development of some projects. They're working on a new system to fast-track some of those projects that are most ready to be implemented, so we're optimistic that some of that backlog will be relieved within the next couple of years."

The decline in energy sector emissions has left transportation as the state's largest source of GHGs, at 35% of 2020 emissions, the majority of which is on-road vehicles. Amin noted that while the sector has also been seeing a general decline, the drop off going into 2020 is

attributed to the COVID-19 pandemic.

The state is also currently lagging behind its 2030 goal of having about 800,000 electric vehicles registered in the state, which Stewart partly attributed to the pandemic reducing the inventory of new EVs on the market.

"On-road gasoline consumption is the biggest single source of emissions in Maryland, so we know the transition to zero-emission vehicles is a key component of the current climate plan and of future climate plans for Maryland," he said.

Commission Reviews Federal Laws and Funding

The commission also evaluated the impact of the federal Inflation Reduction Act and Infrastructure Investment and Jobs Act on state emission goals, as well as how state and partner organizations are coordinating the use of federal funds.

William Ellis, vice president of government and external affairs at Pepco, said two provisions of the IIJA aim to provide resources for utilities to improve grid resilience under climate change. The utility is preparing concept papers that will allow for them to make applications once the submission period opens.

"It's helping us to just think through and evaluate concepts related to those two topic areas. Some of the things that we're thinking through are ... undergrounding infrastructure, hardening our substations that could be impacted by

climate change, as well as just creating a stronger and more resilient grid aimed at reducing outages through automation of controls, as well as enabling greater renewable penetration on the grid," he said.

State Department of Transportation Deputy Secretary Earl Lewis Jr. noted that authorization of federal funds for the National Electric Vehicle Program was granted last month, allowing the state to go ahead with its work on installing EV charging stations at regular intervals along 23 identified alternative fuel corridors. (See [FHWA Beats Sept. 30 Deadline for Approving States' EV Charging Plans.](#))

"We're working to expand Maryland's robust electric vehicle charging infrastructure that currently has 1,266 charging stations and 3,475 charging outlets as of Aug. 31, 2022," he said.

The state has also invested \$436 million toward its ZEV program, bus pilots and electric bus procurements, with the first buses expected to arrive next year and a goal of converting half of its 700-bus fleet by 2030, Lewis outlined.

Maryland Energy Administration Chief of Staff Christopher Rice said his agency has been working with outside organizations to support their applications for federal aid, such as a \$9 million carbon-capture entity paired with a cement factory; Montgomery County seeking 13 hydrogen fuel cell buses for \$14.9 million; and a \$22.9 million project with the Department of Labor to train workers for offshore wind installation and to upgrade Sparrows Point for OSW deployment. (See related story, [Md. County's Electric School Buses to Provide Synch Reserves for PJM.](#))

Stewart said that even with the new federal funds, the state's shift to a goal of reducing emissions by 60% by 2031 under the Climate Solutions Now Act of 2022 leaves a gap in the trajectory of GHG reductions. One of the act's provisions includes a 20-year global warming potential (GWP), rather than the prevailing 100-year model, which emphasizes GHGs that have a concentrated impact in their first few years after being emitted, most notably methane.

"The IRA did not end up being quite as ambitious as what we modeled last year as federal action, indicating that if we pair state [and] federal action under this framework, we'll still have a lot of ground to cover to hit 60%," Stewart said. ■



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PJM News



NJ Offers Plan to Boost Lagging Storage Capacity

Program Aims to Add 1,000 MW of Storage by 2030

By Hugh R. Morley

New Jersey's Board of Public Utilities (BPU) on Thursday outlined a proposal to stimulate the development of standalone storage capacity by offering incentives for grid-scale and consumer-level projects, as the state struggles to reach its goal of putting 2,000 MW of storage in place by 2030.

About 30% of the incentives available under the *Storage Incentive Program (SIP)* would be paid to storage projects as fixed annual incentives to both utility-scale and distributed projects, with a set value per kilowatt-hour of capacity. The remainder of the SIP incentives would be paid through a "pay for performance" mechanism and tied to the environmental benefits.

The proposal sets a target of building 1,000 MW of four-hour-plus storage by 2030. The BPU is seeking a steady increase in the annual capacity of storage installed each year, with 40 MW of four-hour storage installed in 2023, rising to 330 MW in 2029.

"Storage is expected to play a key role in maintaining electric system reliability as carbon-intensive resources are displaced by more intermittent renewable generation," according to the proposal. "Energy storage has the potential to simultaneously improve grid reliability, enable more extensive grid decarbonization through expanded hosting capacity, improve community resilience and reduce electricity costs for all consumers."

Missed Targets

Storage is widely seen as a paramount element needed to manage electricity supply as intermittent renewables become increasingly dominant without relying on fossil-fired peakers.

Yet even as the state has moved aggressively to develop wind, solar and other clean energy initiatives, it has made little progress in developing storage capacity. The state Energy Master Plan recognized storage as a key element and said the state would need 9 GW of capacity. The state Clean Energy Act, enacted in 2018, said that the BPU should create a process for putting 600 MW of storage in place by 2021 and 2,000 MW in place by 2030.

But the state missed the 2021 goal, and it currently has only 497 MW in place at present, little of which is new technology. The BPU has acknowledged in the past that about 420 MW



| Fluence

is contributed by the Yards Creek Pumped Storage Facility in Blairstown, a pumped storage facility developed in 1965. The remainder is mainly lithium-ion batteries. (See *NJ Lagging in Energy Storage Progress*.)

"Multiple other states are already rapidly deploying large quantities of energy storage capacity," the proposal states. "And some are even finding energy storage already has the ability to reduce costs to electricity consumers in addition to helping advance the clean energy transition. Yet, despite the demonstrated benefits of energy storage and New Jersey clean energy leadership, the state is currently lagging when it comes to energy storage deployment."

The proposal adds that "multiple benefit-cost analyses commissioned by other states indicate that energy storage deployment can reduce consumers' net electricity costs, with

total ratepayer benefits more than covering the ratepayer costs of storage incentives."

Creating Consumer Benefits

The SIP represents the BPU's effort to help remedy the state's storage shortfall. So does another BPU proposal under the Competitive Solar Incentive (CSI) program, the final rules for which are expected to be released this year. The CSI, which provides incentives for grid-scale solar projects, will offer incentives for co-located storage.

The SIP proposal said the BPU has shaped the program to look for incentive levels that are big enough to lure finance for successful storage projects while "minimizing the period over which ratepayers will support each energy storage resources."

One difficulty, the proposal says, is that energy storage developers "generally can only mon-

PJM News



etize a fraction of the benefits they produce.” Although energy storage brings great benefits in “optimizing the regional power system,” it has proven difficult to make money from that, the report says.

The BPU will solicit public and stakeholder input on the plan in three hearings, on Oct. 21, Nov. 4 and Nov. 14.

The proposal says it is seeking to encourage private ownership of storage so that the commercial and operational risks are borne by investors, with support from ratepayers, and to create a competitive market. That will require “a robust effort by the EDCs [electric distribution companies] to ensure that the grid is capable of connecting storage devices at the distribution and transmission levels,” according to the proposal, which does not allow for utility ownership or operation of storage devices.

The proposal also expects energy storage owners to engage in “value stacking,” or lining up “various sources of customer savings/benefits and grid revenues,” to make the project lucrative and attractive to customers. The anticipated revenue streams include:

- wholesale market revenues;
- energy arbitrage in time-of-use differentiated markets;

- participation in wholesale ancillary services markets;
- retail bill reductions created by active management, such as management of demand charges, standby charges and distribution costs; and
- cost-effective investment in distributed energy resources, electric vehicle charging or other technologies supported by energy storage devices.

The two-pronged incentive structure is designed to make projects as attractive as possible to investors. The proposal suggests a “declining block” structure in which the BPU sets the incentive levels so that they decrease as capacity in the state rises, which will give investors a “clear trajectory” of the incentive levels for several years.

The first incentives should be 10 annual payments of \$20/kWh of storage capacity for the grid supply program and \$40/kWh of storage capacity for the distributed program, according to the proposal. To get the incentive, however, the storage device would have to be online 95% of all hours.

The performance-based incentives are designed to “maximize environmental benefits”

while also supporting the grid during times of “operational stress.” Aside from ensuring that the devices help reduce emissions, that strategy also will “incent storage developers to site their units in the places on the grid where they will provide the most significant price and environmental benefits to consumers,” according to the proposal.

It suggests the BPU hire a “program administrator” to track and administer the incentives, which will be based in part on marginal carbon emissions data from PJM. That would enable the program to reward grid-supply storage sources that result in lower marginal carbon emission while reducing incentives for storage that do not, the proposal states.

The proposal does not suggest specific incentive rates, which will be determined in discussions with stakeholders.

For distributed storage devices, the proposal suggests that EDCs consider an incentive that would pay based on the operation of the device during hours identified as high demand, such as summer afternoon hours. The EDC will have to show how the payment structure maximizes environmental benefits, minimizes distribution investment, “minimize[s] the stress on the local distribution system and reduce[s] operating costs,” the proposal says. ■

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Company Briefs

Brookfield Renewable Invests \$1.54B to Boost Clean-energy Portfolio

Brookfield Renewable Energy Partners

Brookfield Renewable last week disclosed

the acquisition of two clean power companies for about \$1.54 billion as the alternative energy investor seeks to expand its renewables portfolio.

Brookfield will acquire Scout Clean Energy from investment manager Quinbrook Infrastructure Partners for \$1 billion; it also closed the buyout of Standard Solar for about \$540 million. The company said it could also invest \$350 million and \$160 million in Scout and Standard Solar, respectively.

More: [Reuters](#)

ACP CEO Zichal Moves On



Heather Zichal, CEO of the American Clean Power Association, last week announced she was resigning from the organization on Oct. 20.

Zichal will take on a new role as the global head of sustainability at JPMorgan Chase.

Craig Cornelius, CEO of Clearway Energy and chair of ACP's Board of Directors, along with Leo Moreno, president of AES Clean Energy and incoming chair of the board, will engage more directly with the senior team until a successor is selected.

More: [ACP](#)

Lordstown Motors Starts Making Electric Trucks

Lordstown Motors last week said it has slowly started production of its first electric truck, the Endurance pickup, at its assembly plant in Lordstown, Ohio.

The company said it has built two trucks, with a third to be finished shortly. It plans to ramp up production depending on quality and parts availability and deliver 50 trucks to customers this year.

Lordstown said it expects to end the third quarter with about \$195 million in cash and equivalents, including \$27.1 million from equity sales during the quarter.

More: [The Associated Press](#)

Federal Briefs

DOE Looks to Advance Defense Production Act Use for Clean Energy



The Biden administration last week released a request for information, asking the public how the Defense Production Act can best be used to speed up the production of solar, electric grid, heat pump and other technologies.

The Department of Energy is specifically seeking to gather information on technology supply chain challenges and opportunities, domestic manufacturing, workforce investment and issues related to equality.

The act gives the president the authority to mobilize a certain industry to advance national security. Under the law, the president can prioritize contracts for certain types of products and use financial incentives to

expand manufacturing capacity.

More: [The Hill](#)

More Than 100,000 in Puerto Rico Without Power 2 Weeks After Fiona



More than 100,000 customers in Puerto Rico are still without power two weeks after Hurricane Fiona dumped historic amounts of rain and knocked out power across the island, LUMA Power said.

On Oct. 2, LUMA reported that 91% of customers had power restored. However, nearly a third of customers in the western region of the island were still without power, along with about 17% of customers in municipalities along the southern coast. The company had previously estimated that power would be restored to 90% of customers in those

regions by Oct. 6.

More: [NPR](#)

Forest Service Launches Probe into PG&E's Role in Mosquito Fire

The U.S. Forest Service last week confiscated a PG&E transmission pole and other equipment located near the origin of the Mosquito Fire, which began on Sept. 6.

The agency has launched a criminal probe into the role that PG&E's equipment might have played in starting the state's largest wildfire of 2022, a regulatory filing said. PG&E had notified regulators about an incident that occurred around the time the fire reportedly started and stated its own investigation into the cause of the fire is still ongoing.

More: [East Bay Times](#)

State Briefs

ALABAMA

Enviro Groups Sue Alabama Power over Mobile River Coal Ash

Mobile Baykeeper and the Southern Environmental Law Center last week filed

a lawsuit against Alabama Power regarding the storing of coal ash on the banks of the Mobile River.

The organizations suggested the company's plan to leave 21 million tons of coal ash at a plant would allow pollutants to seep into

public waters and is a violation of the Resource Conservation and Recovery Act.

Mobile Baykeeper gave Alabama Power a 60-day notice of its intent to file suit on July 20.

More: [1819 News](#)

ARKANSAS

Katie Anderson to Replace Ted Thomas as PSC Chair

Gov. Asa Hutchinson last week appointed Administrative Law Judge Katie Anderson as the next chair of the Public Service Commission.

Anderson, who currently serves on the Workers' Compensation Commission, took over for Ted Thomas on Oct. 2 and will serve the remainder of his term, which expires on Jan. 14, 2027.

More: [Arkansas Business](#)

SWEPSCO Bills Due to Rise this Month



An AEP Company

Southwestern Electric Power Co. last week announced that customer bills will

rise next month.

Monthly bills for the average residential customer will jump \$12.05 for the next six months. The rates automatically go into effect and do not require regulatory approval.

Rising natural gas prices were cited for the increase, which will help the company recover higher-than-expected fuel costs incurred during the summer months.

More: [Arkansas Democrat Gazette](#)

CALIFORNIA

Families Sue SoCal Edison over Fairview Fire



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Multiple families have filed a lawsuit against Southern California Edison,

alleging the utility failed to properly de-energize its lines and caused the Fairview fire on Sept. 5.

According to the lawsuit, the Public Utilities Commission authorized utilities to shut down their grids to prevent wildfires in high fire-threat areas. Edison is accused of failing to shut off circuits, as it identified its Sprague 12kV distribution circuit as having "activity" at the time the fire started.

The blaze had burned 28,307 acres and was 98% contained as of Sept. 21, according to the Department of Forestry and Fire Protection. The fire killed two people and displaced tens of thousands following mandatory evacuations.

The cause of the fire is under investigation.

More: [Los Angeles Times](#)

Former PG&E Execs Agree to \$117M Settlement over Wildfires

Former executives with Pacific Gas & Electric last week reached a \$117 million settlement in connection with the 2017 North Bay fires and the 2018 Camp Fire.

A dozen fires that ripped through Northern California in October 2017 were sparked by downed power lines owned by PG&E, according to CALFIRE. A year later, the Camp Fire was sparked by faulty equipment operated by PG&E, authorities said.

More: [Los Angeles Times](#)

INDIANA

NIPSCO Asks for Rate Increase to Help with Renewable Transition



Northern Indiana Public Service Co. last week asked for a rate increase of \$19 a month (for the average customer) to pay for new renewable energy projects.

However, NIPSCO Communications Manager Tara McElmurry said supply chain shortages kept some of the utility's solar projects from moving forward, which means they must keep the Schahfer coal plant running for another two years.

The increase would be introduced in late 2023.

More: [Indiana Public Media](#)

KENTUCKY

Christian County Fiscal Court Reverses Course on Solar Project

The Christian County Fiscal Court last week rescinded a resolution it had previously passed for the proposed Dogwood Corners solar farm.

Along with other concerns from the public, Magistrate Jerry Gilliam said the council did not receive the project resolution until the day before their June meeting and that a Dogwood representative was dishonest when they said the company had previously communicated with neighbors.

The court unanimously rescinded its resolution and agreed to address the solar panels and require consent from the adjoining property owners.

More: [The Eagle Post](#)

MONTANA

NorthWestern Interim Rate Increase Reduced by PSC



The Public Service Commission last week unanimously agreed to allow a reduced interim rate increase for NorthWestern Energy.

NorthWestern had asked for an increase in electric rates of \$114.7 million and natural gas rates of \$5.7 million, but it was authorized for increases of \$90.5 and \$1.7 million, respectively.

The PSC is expected to issue a final order on NorthWestern's rate request in early 2023.

More: [Montana PSC](#)

NEW MEXICO

San Juan Generating Station Closes

The coal-fired San Juan Generating Station last week ceased operations, ending 50 years of continuous power supply for the Public Service Company of New Mexico and other local and regional utilities.

The plant's future is in limbo despite plans by the city of Farmington and development company Enchant Energy to apply carbon capture and sequestration technology and continue running the facility. The utilities plan to demolish the plant in the next few months.

More: [Albuquerque Journal](#)

NORTH DAKOTA

Montana-Dakota Utilities, Otter Tail Power to Develop Tx Line



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Montana-Dakota Utilities and Otter Tail

Power last week announced they will jointly develop the Jamestown-Ellendale 345-kV transmission line.

The companies said the \$439 million line will span 95 miles and help build resilience for the region's grid. When finished, it will connect the Otter Tail Jamestown substation to Montana-Dakota's Ellendale substation.

The line is expected to be in service by late 2028.

More: [Daily Energy Insider](#)

OHIO

Judge Orders Unfreezing of Randazzo's Assets

Judge Laurel Beatty Blunt last week ordered the government to unfreeze millions of dollars in Sam Randazzo's bank accounts.

Last summer, a civil suit led by Attorney General Dave Yost won a judgement freezing \$8 million from several of Randazzo's accounts. In August 2021, Yost's attorneys said they were concerned Randazzo, former chairman of the Public Utilities Commission, might transfer or conceal his assets to shield them from the litigation and cited his various property sales in Ohio and Florida.

However, Blunt said the lower court failed to show there would be "irreparable injury" if Randazzo maintained control of the accounts. She called the lower court's review " cursory at best" and said it "provided no real explanation for its ultimate findings." She also said Yost's office provided no clear explanation for the basis of why it needed to seize up to \$8 million.

More: [Ohio Capital Journal](#)

Ottawa County Discusses Renewable Energy Restrictions

Ottawa County Commissioners last week moved back a public meeting focused on discussing and gathering information about restrictions on new renewable projects

before acting on a resolution that would restrict projects in the county.

Senate Bill 52, passed last year, gave counties the power to restrict new renewable energy projects. Developers now need input from townships before approval by a county's board of commissioners and the Power Siting Board.

The next meeting will be on Oct. 25 when the commission will vote on a resolution.

More: [WTOL](#)

OREGON

Permit Approved for Boardman to Hemingway Tx Line

The Energy Facility Siting Council last week approved a site certificate for the 290-mile Boardman to Hemingway (B2H) transmission line.

The permit, once finalized, will authorize construction of the 500-kV line across five eastern counties. Idaho Power and Pacific-Corp plan to jointly own the line.

Construction is expected to start in 2023 and be completed by 2026.

More: [T&D World](#)

Senate Confirms Transportation Appointment

The state Senate recently voted 22-2 to confirm Gov. Kate Brown's appointment of



Sen. **Lee Beyer** to the Transportation Commission.

Beyer's selection came despite objections from environmental groups, which wrote a letter to Brown suggesting that Beyer would be a step

backward for the commission.

Beyer served in the House, and later the Senate, in the 1990s. He returned to the legislature in 2011 after a stint on the Public Utility Commission.

More: [Oregon Public Broadcasting](#)

VIRGINIA

Solar Farm Ordinance Approved in Patrick County

The Patrick County Board of Supervisors last week unanimously approved a solar facilities ordinance.

The ordinance does not apply to residential installations or projects deemed to be of a small scale. Projects falling in the category of large-scale facilities will be required to submit a \$2,000 fee along with an application. Building officials will have 45 days to review the application and, if complete, it will be forwarded to the planning commission for consideration.

More: [Martinsville Bulletin](#)

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