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RTO Insider

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FERC: Natural Gas Prices to Rise During Mild Winter

Reliability Risk Low in Most Regions, but Severe Weather Prep Needed

By Holden Mann

With above-average temperatures expected across most of the continental U.S. this winter, FERC staff on Thursday said the grid seems well positioned to weather the cold months. However, rising demand for natural gas in Europe, coupled with lower-than-average domestic storage inventories, is expected to drive gas prices higher than last year's.

Presenting FERC's *Winter Energy Market and Reliability Assessment* at the commission's October open meeting, Alexander Ovodenko of FERC's Office of Energy Policy and Innovation said that data from NERC indicated "all planning regions forecast enough generation available to meet their planning reserve margins" — the available electric generation capacity in excess of expected peak demand — "through the winter." Projected net internal demand for all regions is about the same as it was last winter, and resources and net transfers tell the same story.

One reason for the reassuring reliability forecast is the relatively mild temperature expectations for the months of December, January and February in most of the U.S. According to data from the National Oceanic and Atmospheric Administration, the West, Southwest, Southeast and Northeast all have a 55% chance or higher of above-normal temperatures, while only the Northwest and West Central have a 55% or higher likelihood of below-normal temperatures. The upper South and Central regions have equal chances of above-normal and below-normal temperatures.

ERCOT, MISO Vulnerable to Winter Weather

FERC Chairman Richard Glick | *FERC*

While FERC Chair Richard Glick and his fellow commissioners expressed relief about the overall positive weather outlook, Sasan Jalali from the Office of Electric Reliability warned that these projections assume normal operating conditions, and that "capacity may be especially tight in several regions due to extreme weather conditions" — particularly ISO-NE, ERCOT and MISO.

Jalali said that ISO-NE "has implemented several measures" to prepare for the winter, including delaying the retirement of the Mystic 8 and 9 natural gas-fired units and continuing its 21-day Energy Assessment Forecast, which the RTO began in 2018 to enhance its preparedness for severe weather. However, FERC's report showed that the region could still need to use mitigations such as energy imports and voluntary or mandatory conservation to address emergency conditions.

Concerns also remain about the ability of generators in Texas to ride out extreme winter conditions, though Jalali acknowledged that many of the grid improvements made since last year's winter storm "should reduce the likelihood and severity of" the state's severe weather risks. He cited new state regulations requiring generators and transmission owners to winterize their equipment and facilities, along with more than 300 winter readiness inspections conducted by ERCOT over the last two years.

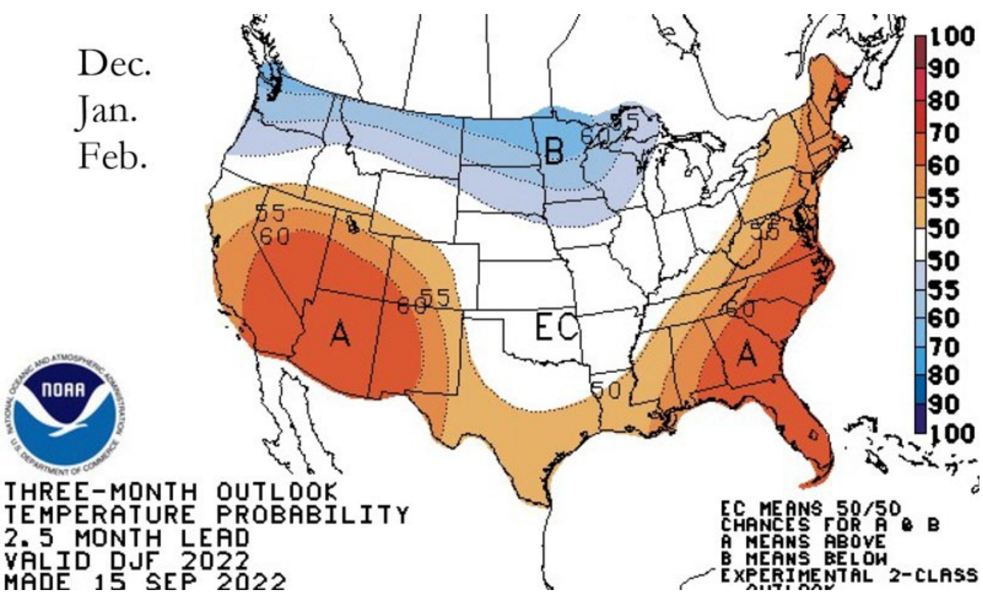
While MISO has sufficient reserves for normal conditions, FERC's report suggested that under extreme conditions, the RTO might experience a shortfall of up to 15.6 GW, even with operational mitigations. MISO said that maintaining reliability in this state would require "triggering [load-modifying resources], non-firm transfers into the system, using energy-only interconnection service resources not receiving capacity credit, or internal transfers" between MISO North/Central and MISO South.

European Demand for US Gas Rising

On the natural gas side, the report said production "will likely outpace domestic natural gas demand growth" in the upcoming winter, with overall production expected to rise 3.2% from last winter to 99.1 Bcfd and demand growing 2.4% to 121.2 Bcfd. The biggest share of demand once again is expected to be residential and commercial heating, at 44 Bcfd, followed by industrial and other at 34 Bcfd, electric generation at 30 Bcfd and net exports at 13.4 Bcfd.

The level of exports of both pipeline gas and LNG is expected to rise 24% from last year because of increased overseas demand. This year the demand from Europe has outstripped that from East Asia, typically the primary destination for U.S. gas exports, because of the cutoff of Russian natural gas flows amid the ongoing Russo-Ukrainian War.

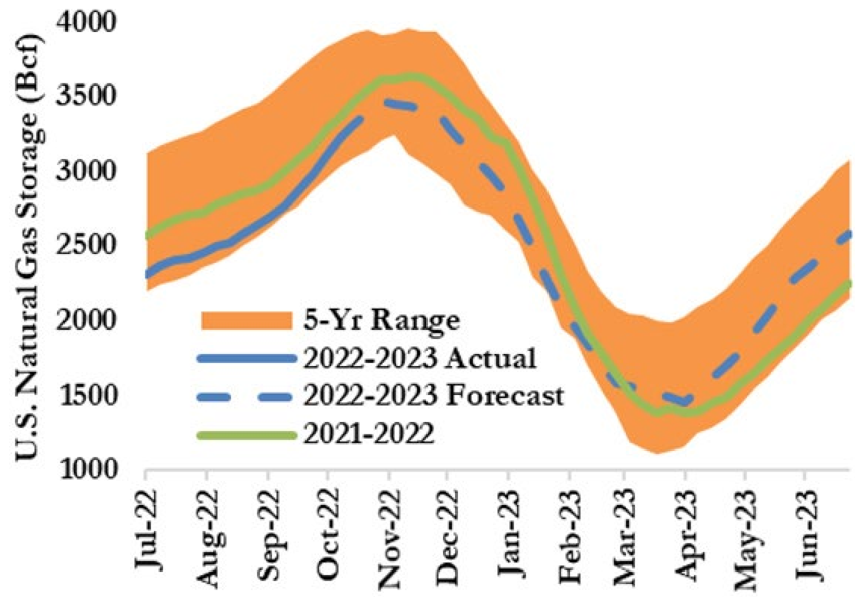
At the same time, the *Energy Information Administration* expects U.S. natural gas storage inventories to begin the winter below both last year's level and the five-year average. During



NOAA's winter 2022-2023 temperature forecast shows high probabilities of below-average temperates in the Northwest and West North Central U.S. and high likelihood of above-average temperatures in the West, Southwest, Southeast and Northeast U.S. | *NOAA*

FERC/Federal News

the 2022-2023 withdrawal season, which begins in November 2022 and ends in March 2023, gas storage levels will peak at 3,472 Bcf despite a 10.3% increase in injections in 2022. However, the expected winter withdrawals of about 2,012 Bcf are also anticipated to be about 7.4% less than the five-year average thanks in part to the mild temperatures.



Natural gas storage inventories are expected to begin the winter below both last year's level and the five-year average. | *EIA*

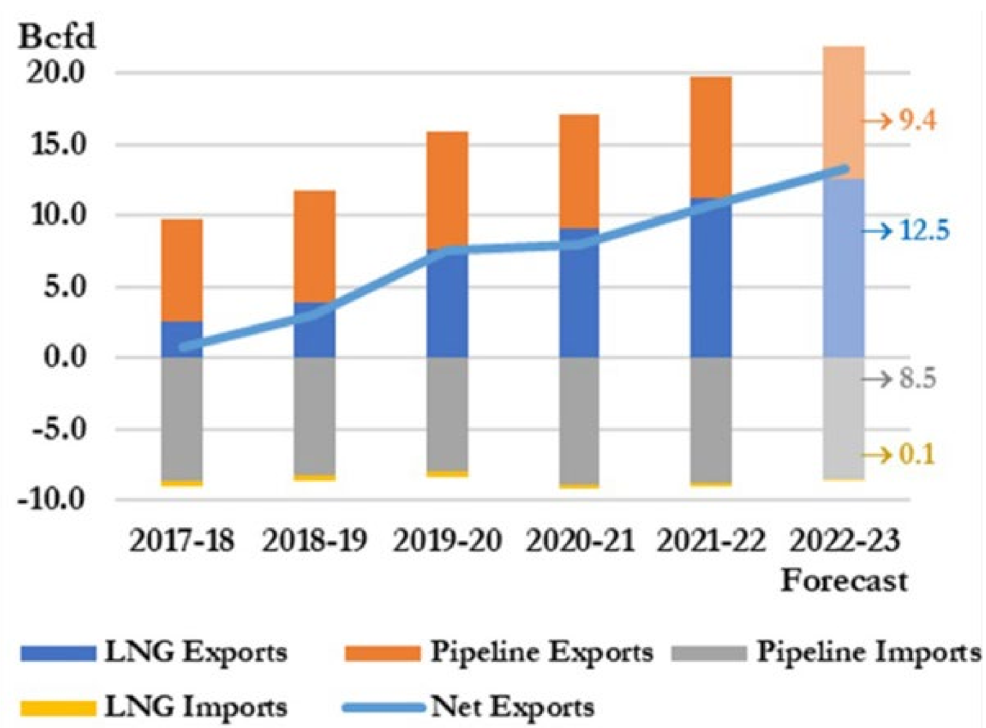
No Agreement on Blame for Gas Prices

Mark Christie, FERC | *FERC*

With the rising demand expected to keep gas prices high throughout the winter, attendees at Thursday's meeting had divergent opinions on the best way to address the likely hardships for consumers. Commissioner Mark Christie suggested that recent "premature" retirements of coal-fired facilities have left a hole for dispatchable generation that utilities frequently fill with natural gas plants.

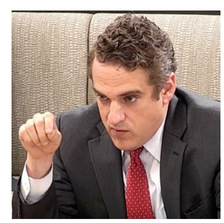
"When you retire a coal generating unit that still may have 15, 20 years of useful life remaining — and let's say it's a 2,000-MW unit — you've got to replace the 2,000 MW of capacity that you just lost," Christie said. "So what's been replacing the premature retirements of coal has been gas. … NERC has been very vocal about that: We're going to have to have gas through the transition. But it's adding to demand for gas."

In a press conference following the meeting, Glick acknowledged Christie's concerns but said the question of utilities' generating resources was "not for FERC to decide."



Liquid natural gas and gross pipeline exports are both projected to rise from last winter's levels, while imports are expected to be around the same as last year. | *EIA*

"It's been an issue we've talked about for many years, [but] it's for the states to decide what the resource mix should be," Glick said. "To say, 'Oh, they should put the coal units back, and that would solve everything,' that's a fantasy. That's like saying, 'I should try out for the Mets because I could make the Mets'; it's not going to happen."



James Danly, FERC | *FERC*

Glick also pushed back on Commissioner James Danly's criticism of the "significant delays in the processing" of gas pipeline applications, in some cases from environmental reviews that Danly called "unprecedented" and "unnecessary gilding the lily." The chairman disputed Danly's assertion that the delays in pipeline construction had anything to do with rising natural gas prices, though he acknowledged that New England needs additional capacity.

"The problem [there] is … that for a variety of reasons, it's never going to get built, in large part because pipelines want long-term contracts, and generators don't want to pay for long-term contracts when they only need the gas 10 to 14 days a year," when it's coldest, Glick said. "So [high prices have] nothing to do with the amount of pipeline capacity. … It's simple supply and demand, and demand in particular is going up at a very great rate." ■

Michael Brooks contributed to this report.

FERC/Federal News

DOE Awards $2.8B to ‘Supercharge’ Battery Production

White House Launches American Battery Material Initiative

By Hudson Sangree

The Department of Energy on Wednesday awarded 20 companies $2.8 billion to supply minerals critical to battery production and bolster domestic manufacture of batteries for electric vehicles and the grid.

The grants are the first round of $7 billion in DOE funding for batteries from last year’s $1.2 trillion Bipartisan Infrastructure Law, which included $62 billion for energy programs. The awardees will build or expand facilities in 12 states to manufacture battery components, including from recycled materials, and extract and process battery materials such as lithium and graphite, DOE said in a *news release*.

“This is truly a remarkable time for manufacturing in America, as President Biden’s agenda and historic investments supercharge the private sector to ensure our clean energy future is American-made,” Energy Secretary Jennifer Granholm said in the statement. “Producing advanced batteries and components here at home will accelerate the transition away from fossil fuels to meet the strong demand for electric vehicles.”

Sales of plug-in EVs have tripled since Biden took office, but the U.S. remains too dependent on other nations for critical minerals needed to produce EV batteries, mainly lithium, cobalt, nickel and graphite, DOE said.

“China controls the supply chains for many of these key inputs,” it said.

The grants are intended to alter that imbalance. All are matched or exceeded by company investments “to leverage a total of more than $9 billion,” according to DOE.

The largest award of $316 million went to Ascend Elements to establish industrial-scale separation of cathode materials from spent lithium-ion batteries and produce “precursor cathode active materials and metal salts to support domestic production of cathode active material (CAM),” DOE said in a *fact sheet* on the project. CAM can then be used in new lithium-ion batteries for EVs and energy storage systems, it said.

A new plant in Hopkinsville, Ky., will supply enough materials for 250,000 EVs annually, according to DOE. Ascend received another $164 million to design and construct the CAM plant.

With a $115 million DOE grant, Talon Nickel plans to construct a battery minerals processing facility in central North Dakota to process nickel ore for battery production. The company has an agreement with Tesla to supply 75,000 metric tons of nickel in concentrate along with copper, cobalt and iron in nickel and copper concentrates for “multiple battery chemistries,” DOE said.

“This process improves yield and metal by-product utilization relative to legacy processing of nickel ores,” it said.

Talon CEO Henri van Rooyen said in a statement Wednesday that the “national urgency and the target date for nickel and iron production set within our Tesla-Talon supply agreement required an innovative approach to bring a new domestic source of battery minerals into production during a period of global battery-grade nickel deficits. Today’s announcement is a clear recognition that production of domestic nickel and other battery minerals is a national priority.”

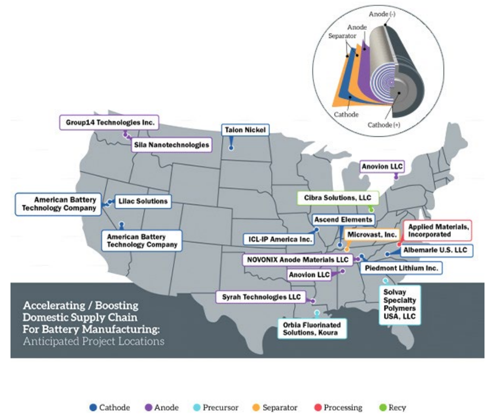
In McMinn County, Tenn., Piedmont Lithium will use a $142 million grant to help build its $600 million Tennessee Lithium project, “which aims to expand the U.S. supply of lithium hydroxide by 30,000 metric tons per year,” the company said in a news release. “Lithium hydroxide is a key component of high energy density, long-range, EV batteries,” it said.

“We are pleased that the DOE has chosen to support our Tennessee Lithium project, and we are committed to being responsible stewards of these grant funds,” Piedmont COO Patrick Brindle said in the statement. “This funding will enable us to accelerate detailed engineering and place orders for long-lead items.”

Construction at the Tennessee Lithium project is expected to start next year, with production beginning in 2025, the company said.

‘Reliable’ and ‘Sustainable’ Supply Chain

Other projects funded include the first large-scale lithium electrolyte salt production facility in the U.S.; an “electrode binder facility capable of supplying 45% of the anticipated domestic demand for binders for EV batteries in 2030”; the nation’s first commercial-scale silicon oxide facilities, which will produce materials for an estimated 600,000 EV batteries annually; and the first lithium iron phosphate cathode facility in the U.S., DOE said.



DOE funded projects for battery materials, processing, recycling and manufacturing. | *DOE*

In total, Wednesday’s first-phase funding will help supply enough battery-grade lithium for “2 million EVs per year, enough graphite for 1.2 million EVs annually and enough nickel for 400,000 EVs,” DOE said. The grants will promote creation of 8,000 jobs including 5,000 permanent jobs, many of them in or near disadvantage communities, it said.

The Biden administration wants electric vehicles to make up half of all new vehicle sales by 2030 and to transition to a net-zero emissions economy by 2050, the department noted.

Toward that end, the Biden administration announced Wednesday it was launching the American Battery Material Initiative, a “new whole-of-government effort to secure a reliable and sustainable supply of the critical minerals that power everything from electric vehicles to homes to defense systems,” the White House said in a fact sheet. “The American Battery Materials Initiative will be led by a White House steering committee and coordinated by the Department of Energy with support from the Department of the Interior.”

“The Initiative will work through the Partnership for Global Infrastructure and Investment, and leverage ongoing work by the Department of State, to work with partners and allies to strengthen critical mineral supply chains globally, and it will leverage and maximize ongoing efforts throughout the U.S. government to meet resource requirements and bolster energy security,” it said. ■

FERC/Federal News

FERC Clarifies When Board Appointees Make Companies Affiliates

By Robert Mullin and Tom Kleckner

TransAlta's Centralia Generation Station in Washington | *TransAlta*

FERC on Thursday ruled that it will deem companies it regulates as affiliates if one nominates its own members, investors or employees to another's board of directors.

The commission issued two orders regarding separate transactions that both required it to determine whether the companies involved — TransAlta and Brookfield Asset Management (BAM) in one, and Bluescape Energy Partners and Evergy in the other — were affiliates of each other. FERC applies stricter oversight of affiliated companies and their transactions to, for example, determine market-based rate authority and screen against market manipulation.

"It's very important that we have the kind of insight to understand when parties are affiliated so we can do a better job of regulating" them, FERC Chair Richard Glick said during the commission's monthly open meeting. "If one company ... essentially names board members to another company [who are] affiliated with the first company, then we're going to deem that an affiliate relationship."

TransAlta and Brookfield

In one of the orders (*EC22-45*), the commission addressed an application for a change in control affecting Canada-based TransAlta, based on a shift in company holdings controlled by BAM, a global investment firm.

TransAlta has an extensive presence in U.S. electricity markets through its two power marketing divisions and its ownership of several wind assets and the 730-MW coal-fired Centralia Generation Station in Washington. BAM is affiliated with six power marketing companies in the U.S. and with other entities that own or control generation assets across the country.

In 2019, BAM affiliate Brookfield BRP Holdings (Canada) Inc. purchased debt securities in TransAlta with an option for converting to an equity interest in TransAlta's hydroelectric assets in Alberta, Canada.

In their application to FERC, filed in March 2022, TransAlta and BAM said the debt securities did not confer any equity voting rights in TransAlta and are not convertible into an equity interest in any of TransAlta's U.S. assets. But the transaction did result in the expansion of TransAlta's board from 10 members to 12, two of which would be nominated by BRP while it holds the debt securities.

The debt securities agreement also included a "standstill agreement" that established barriers to control during a "standstill period" expected to end around May 1, 2022. That agreement included a number of provisions, including a restriction on BRP or its affiliates (including BAM shareholders) acquiring more than 19.9% of TransAlta's shares, engaging in any takeover activities, effecting other restructurings and asset sales, and seeking to obtain additional representation on the board, among other activities.

"In addition, applicants state that the standstill agreement provides that any voting rights associated with shares in TransAlta owned by [BRP] or its affiliates must be exercised in favor of the board's management nominees and voted in accordance with any recommendations by the board on all other proposals and matters, including director appointments and removals, at annual shareholder meetings," FERC noted in its order. "Applicants argue that as a result, [BRP], shareholders and other BAM affiliates currently have no discretion to vote any common shares, except solely with respect to a board-recommended extraordinary transaction that would result in a person acquiring more than 50% of the outstanding common shares."

The companies told FERC that BAM shareholders increased their aggregate holdings in TransAlta's common shares to 10.1% in March 2020 and now own 13% of the shares. Before expiration of the standstill agreement, they sought the commission's approval for BAM affiliates to own, with power to vote, 10% or more of common shares.

"Applicants state that because termination of the standstill agreement would result in a change in control over the TransAlta companies if shareholders, together with any other BAM affiliates, own 10% or more of the common shares, applicants request commission authorization for the proposed transaction and associated change in control over the TransAlta companies," FERC wrote.

The companies contended that, despite BAM affiliates already exceeding 10% ownership, the standstill agreement ensured that BAM and its affiliates could not control TransAlta or its subsidiaries.

"Therefore, applicants argue that a change in control requiring prior commission approval will not occur until the expiration of the standstill provisions, anticipated to occur on or about May 1, 2022," FERC wrote. "We disagree."

The commission specifically disagreed with TransAlta and BAM citing FERC's 2009 decision in *Cascade Investment, L.L.C.* (*EC09-78*) to support their contention that the initial investment that elevated BAM and affiliate ownership above 10% did not result in a change of control because of the limitations set out in the

FERC/Federal News

standstill agreement. It noted that the *Cascade* proceeding involved a standstill agreement that included provisions intended to restrict Cascade Investment's ability to control a public utility through ownership in a holding company, Otter Tail Corp. Those provisions included limiting Cascade's holding to less than 20% of Otter Tail's voting securities, a commitment not to seek a seat on board of either Otter Tail Corp. or Otter Tail Power, and a commitment not to influence Otter Tail's operations or the price at which it sold power.

The TransAlta/BAM proceeding differed in key ways, the commission said:

- The application in *Cascade* was filed before the acquisition of 10% or more voting securities in Otter Tail, whereas BRP and other BAM affiliates had acquired 10.1% of TransAlta in March 2020, which is above the threshold provided in FERC's blanket authorization of such transactions.
- Unlike in *Cascade*, the BAM affiliates have placed two directors on TransAlta's board, arguing that holding two seats is insufficient to gain control of the board given its large size and independent composition. But the commission pointed out that it has concerns with structures where the investor itself will be represented on the board, "which confers rights, privileges and access to nonpublic information, including information on commercial strategy and operations," as noted in FERC's other decision issued Thursday (see below).
- Although the TransAlta standstill agreement contains limitations on the ability of the affiliates to vote shares, it does not contain explicit prohibitions regarding the ability to influence the day-to-day operations of TransAlta, unlike in *Cascade*.

"We find that contrary to the requirements of [Federal Power Act] Section 203, applicants failed to file a timely request for the disposition of a public utility and acquisition of securities," the commission wrote. "Specifically, applicants were required to receive commission approval prior to the acquisition by shareholders of greater than 10% of the outstanding TransAlta shares. While we take no further action here, applicants are reminded that they must submit required filings on a timely basis or face possible sanctions by the commission."

Still, the commission did approve the companies' application, finding the change in control would have no impact on competition, rates and regulation, nor would it result in cross-subsidization.

Bluescape and Evergy

In a similar proceeding, the commission found that Dallas-based Bluescape is "individually an affiliate" of Evergy and directed the Midwest utility's operating companies to submit additional information within 30 days so that FERC can process a notice of change in status (*ER20-67, ER20-113, ER20-116*).

FERC said that Evergy's appointment of C. John Wilder, Bluescape's executive chairman, to its board of directors presented a "concern" the commission previously expressed in a proceeding involving CenterPoint Energy. The commission said then that it had an issue with "structures where the investor itself would be represented on the board through the appointment of the investor's own officers or directors, or other appointee accountable to the investor, in order to support a finding of control."

"Where an investor's own officer or director … is appointed to the board of a public utility or holding company that owns public utilities, the investor itself will have those rights, privileges and access, and thus the authority to influence significant decisions involving the public utility or public utility holding company," FERC said. "As a result, we find that the appointment of a non-independent director from Bluescape to the Evergy board rebuts the presumption of lack of control … and that Bluescape is deemed to be an affiliate of Evergy."

The commission directed Evergy's subsidiaries to update their asset appendix with all of Bluescape's energy affiliates and their associated assets, as well ass their horizontal and vertical market power analysis with their affiliates' generation and transmission assets and inputs to electric power production.

Evergy's subsidiaries in September 2020 filed a notice of change in status regarding changes to their upstream ownership. This came shortly after Evergy said it would remain a standalone company after exploring several purchase offers by other companies. (See *Evergy Releases Standalone Plan Details*.)

FERC twice filed deficiency letters in 2021 requesting more information on the upstream ownership. Public Citizen and the Communications Workers of America filed a joint protest in November 2021.

In its Thursday order, the commission found another investment management firm, Elliott Management, was not an Evergy affiliate. It said the record indicated Elliott owns less than 10% of Evergy's outstanding voting securities and said Public Citizen did not present enough evidence to rebut the presumption of lack of control under federal regulations.

FERC ruled that Elliott's appointment to Evergy's board, former U.S. Sen. Mary Landrieu (D-La.), is independent and not compensated by Elliott.

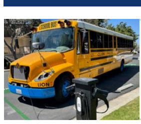
Wilder and Landrieu were *named* to the board in February 2021, with Wilder also chairing the Finance Committee.

Tyson Slocum, director of Public Citizen's Energy Program, still applauded the ruling as a "a win for consumers, market integrity and protection from corporate raiders."

"For utilities with captive ratepayers, all affiliates can only engage in financial transactions with the utility at arm's length," Slocum said in a statement. "This prevents an investor from selling services at inflated costs, and then having the utility recover those inflated costs from ratepayers. Today's order ensures that banks, hedge funds and private equity funds that seek to control a utility's board cannot engage in such abusive practices."

Speaking to reporters after the commission's meeting, Glick said, "This is about consumer protection. If you have affiliates engaging in self-dealing, and we have no way of knowing it or seeing it because we don't consider two entities affiliates, we're not going to be able to protect consumers adequately enough." He also said the rulings would provide certainty to companies so that they know when they would be considered affiliates. ■

Southeast news from our other channels



NC Replaces 'Dirtiest Diesel Buses' with Electric and More Diesel — NetZero Insider

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Full Requirements Customers Win Right to Use Own Storage

By Devin Leith-Yessian

FERC last week ruled that three municipal power providers would not violate their full requirements power contracts by installing battery storage, which the commission determined does not count as the sort of generation they are obligated to purchase exclusively from Appalachian Power Company (APCO).

Under their agreements with APCO, Craig-Botecourt Electric Cooperative and the Virginia cities of Radford and Salem are obligated to purchase their power exclusively from the utility, aside from some pre-existing generation in the two cities.

The three entities rely on the services of Blue Ridge Power Agency, a non-profit formed to negotiate wholesale electric power purchase contracts and monitor their performance for its members. Blue Ridge filed an instant petition with FERC on Aug. 10, 2021, asking that the commission rule that use of storage is permissible within the terms of the contracts because it is not a form of generation and is not prohibited under the agreements (*EL21-97*).

APCO argued that, because the contracts do not allow for the installation of behind-the-meter generation for the purpose of peak shaving, they should be read with the understanding that other methods of reducing peak load, such as demand response programs, are not permissible.

APCO estimated that $8.5 million in expenses would be shifted to its other customers should the petitioners be allowed to install batteries and use them for peak shaving, largely the result of costs associated with building the transmission the utility was required to meet peak demand, but which it could not recoup through demand charges based on the highest hourly usage in a billing month.

Blue Ridge argued that, since the contracts with APCO address the potential for variation in their energy use and both cities have already participated in PJM's demand response program, the methods of shifting their load are permissible under the contract, as long as the energy is ultimately procured from APCO.

Blue Ridge additionally contended that the contracts do not preclude its members from reducing demand, "but rather only preclude

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FERC/Federal News

meeting that demand from sources other than APCO, and that the Blue Ridge Members accordingly retain 'the right to use storage, demand response, load management, or other peak-shaving technologies or programs,'" the order noted.

FERC agreed with Blue Ridge with respect to the contracts with the cooperative and two cities.

"While these three agreements do not expressly mention battery storage investments, when read in context and in their entirety, these agreements support Blue Ridge's position that such investments are permitted under the agreements," the commission wrote.

"The agreements focus exclusively on generation, and the exclusive nature of both APCO's status as sole provider, and each customer's obligation to purchase generation during the delivery period from APCO alone," the commission continued. "The contracts define full requirements electric service as 'the supply of firm energy to be provided by [APCO] to the customer at the delivery points, as the same may fluctuate in real time to serve customer's retail load . . .'"

However, FERC ruled that a fourth party to the petition, Virginia Polytechnic Institute and State University, would be in violation of its full requirements agreement with APCO should it install batteries which, together with generation, would amount to more than 2.35 MW — the highest amount of behind-the-meter generation the university's full requirements agreement allows for.

Unlike the other three contracts, the university's agreement with APCO specifies that storage is to be considered a form of generation, a categorization the majority of the commissioners disagreed with but determined does subject batteries to the same contractual limitations as traditional generation.

Commissioners Danly, Christie Dissent

Commissioners James Danly and Mark Christie dissented from the ruling on the grounds that they did not believe that FERC should exercise its jurisdiction in a matter they believed was a contractual dispute that could have been resolved by the Virginia courts, an argument APCO made in its filings as well.

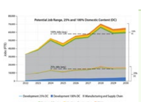
"The fact that the subject of the contract dispute happens to be battery storage units instead of bucket trucks or office equipment is no reason for us to assert jurisdiction and impose a preferred result," Christie wrote.

The issue of jurisdiction largely centered on interpretation of three factors laid out in the *Arkansas Louisiana Gas Co. v. Hall* case, in which FERC declined to take jurisdiction in 1979. The majority in the *Blue Ridge* order determined that the commission met each requirement: possession of special expertise that makes the case peculiarly appropriate for commission decision; a need for uniformity of interpretation; and a case that is important in relation to the regulatory responsibilities of the Commission.

Danly also argued that each of the contracts should be read in the context of the Virginia Tech agreement, which was agreed upon in 2019, two years after the other three, since it was drafted prior to subsequent FERC rulings on the distinctions between generation and storage. The order, he said, could create a pathway for future petitions to seek to introduce new provisions to their contracts through the commission.

"The import of this order is that if your full requirements contract is silent as to this or that matter or if it fails to expressly prohibit a particular thing, then any such practice, might it later be at issue, can now be permitted by the commission, when it wants. This is absurd; this is not how contracts work. This decision will inevitably lead to confusion and disruption of other full requirements contracts and will encourage a slew of future petitions for declaratory orders seeking to reform extant contracts by inserting unnegotiated, uncontemplated, and unanticipated elements," he said. "Contracting parties beware." ■

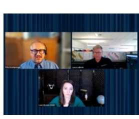
National/Federal news from our other channels


NREL: Sharp Job Growth Needed to Hit US 30 GW OSW Goal


Carbon Capture Projects Rise with Subsidy Boost


Plug Power: Would-be 'Category King' of $10T Global Hydrogen Market


RFF Summit Seeks Effective, Efficient, Equitable Paths to Net Zero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ERO Identifies More Facility Misratings Themes

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CAISO/West News

BOEM Sets California Offshore Wind Auction Date

By Hudson Sangree

The West Coast's first offshore wind auction will take place Dec. 6 for five leases off the Northern and Central California coasts that together could generate 4.5 GW of electricity, the U.S. Bureau of Ocean Energy Management said last week.

The 373,268 acres, or 583 square miles, of deep-sea lease areas will also be the first to require floating wind turbines in U.S. coastal waters.

The sale is crucial to achieving the Biden administration's recently stated *goal* of deploying 15 GW of floating offshore wind by 2035, the Interior Department said Oct. 18.

"Today, we are taking another step toward unlocking the immense offshore wind energy potential off our nation's West Coast to help combat the effects of climate change while lowering costs for American families and creating good-paying union jobs," Interior Secretary Deb Haaland said in the release.

The final sale notice followed BOEM's issuance of a proposed sale notice in May for two leases in the Humboldt Wind Energy Area off the coast of Northern California and three leases in the Morro Bay Wind Energy Area off Central California.

The areas hold 5 to 7 GW of total capacity, the National Renewable Energy Laboratory said in June, amid discussions of increasing the state's offshore wind goals.

The California Energy Commission in August boosted the state's long-term OSW goal to 25 GW by 2045, potentially doubling anticipated long-term capacity, in response to urging by stakeholders and Gov. Gavin Newsom.

The governor praised BOEM's action last week, calling it "a historic step today toward achieving [California's] goal of 90% clean energy by 2035 and moving the state away from fossil fuels." The state has a 100% clean-energy mandate by 2045; the 2035 goal is an interim target.

"California could not have better partners in our march toward a clean energy future than the Biden-Harris administration," Newsom said in a statement. "Together, we're fighting for energy independence and a future free of fossil fuels and full of clean energy sources like offshore wind."

The bureau's decision to set a date "sends a powerful signal that the federal agency is moving forward with speed and scale to support California in reaching its ambitious planning goals to deploy up to 5 GW of floating offshore wind power by 2030 and a nation-leading 25 GW by 2045," Adam Stern, executive director of trade group Offshore Wind California, said in a statement.

BOEM Director Amanda Lefton first announced the news of the decision to issue a final sale notice (FSN) on Oct. 18 morning during her keynote remarks to the *Offshore WINDPOWER* conference in Providence, R.I., hosted by the American Clean Power Association.

The FSN was also published on BOEM's California *website*. In it, the bureau identified 43 eligible bidders it deemed "legally, technically and financially qualified to hold a commercial wind lease offshore California." They include companies such as Avangrid Renewables, BP US Offshore Wind Energy, Equinor Wind US, Orsted North America and Shell New Energies. To participate, bidders must deposit $5,000,000 by Nov. 12.

The FSN lays out the details of the upcoming auction, lease areas and lease provisions and conditions. One new provision is that "BOEM will offer bidding credits for bidders who enter into community benefit agreements or invest in workforce training or supply chain development; require winning bidders to make efforts to enter into project labor agreements; and require engagement with tribes, underserved communities, ocean users and agencies."

The auction will be one of many developments needed to get OSW up and running in California in coming years.

Port infrastructure, for instance, remains a major obstacle. The Port of Humboldt Bay is slated to serve the 1.6-GW Humboldt WEA but requires wholesale redevelopment. The

Wind power off the coast of California will require floating platforms because of ocean depths. | *Principle Power*

CEC gave the historic timber port's operator $10.5 million in March to begin upgrading its facilities.

The Morro Bay WEA could be served by several ports, including Long Beach near Los Angeles or Hueneme in Ventura County.

The wind ports must be capable of handling the massive platforms expected off California, potentially larger than any yet afloat at 900 feet tall and capable of generating 15 GW each.

Transmission is another issue. The Morro Bay WEA could tap into existing onshore infrastructure that serves the nearby Diablo Canyon nuclear power plant. Humboldt will require transmission to be built over mountainous terrain to reach the Pacific AC Intertie running down the center of the state or an undersea cable traveling more than 200 miles to the San Francisco Bay Area, developers have said.

"The West Coast market will singularly rival those on the global stage and could draw billions in U.S. supply chain investments," Liz Burdock, CEO of the Business Network for Offshore Wind, said in a statement. "However, the U.S. must move with urgency to capture this rare economic opportunity by freeing up critical support for port and transmission investments, and do the hard work to identify and build an American supply chain that will anchor the U.S. as a global industry leader."

BOEM has plans to open *two areas* for OSW development totaling almost 1.2 million acres off of *Oregon*. The Coos Bay Call Area and the Brookings Call Area are 12 nautical miles from shore at their closest points. (See *BOEM Moves on OSW Plans for Oregon, Central Atlantic*.) ■

West news from our other channels

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CAISO/West News

FERC Clarifies CAISO, NYISO Order 2222 Rulings

By Hudson Sangree

FERC on Thursday declined to rehear a case on NYISO's Order 2222 compliance filing but clarified its comments from a June order on aggregated distributed energy resources providing ancillary services in the ISO (*ER21-2460*).

The commission reached a similar conclusion in CAISO's Order 2222 compliance in an order also approved Thursday, during its monthly open meeting (*ER21-2455*). It denied a rehearing request by environmental and consumer groups but responded to a request by California utilities to clarify that its June order did not "modify or reverse commission precedent that wholesale sales by net metering customers are subject to commission jurisdiction."

CAISO and NYISO were among the first to submit compliance filings last year under Order 2222, which FERC approved in September 2020 to remove barriers to the participation of DER aggregations in the capacity, energy and ancillary service markets of RTOs and ISOs.

In the NYISO case, FERC partially accepted NYISO's Order 2222 compliance filing on June 16 but directed the ISO to file revisions related to small utility opt-in requirements, interconnection rules and other issues. (See *FERC Partially Accepts NYISO Order 2222 Compliance*.)

NYISO responded on July 18 with a request that FERC clarify the discussion in its June order on aggregated DERs providing ancillary services or grant it a rehearing. The ISO had proposed in its compliance filing that aggregations could provide certain ancillary services only if all of the individual DERs in the aggregation were able to provide the same ancillary service.

In its June 17 order, FERC said that "so long as some of the DERs in the aggregation can satisfy the relevant requirements to provide certain ancillary services (e.g., the one-hour sustainability requirement), we find that those DERs should be able to provide those ancillary services through aggregation, in accordance with the goal of Order No. 2222 to allow distributed energy resources to provide all services that they are technically capable of providing through aggregation." Being "'technically capable' of providing a service means meeting all of the technical, operational and/or performance requirements that are necessary to reliably provide that service."

NYISO said its system software allows aggregated DERs to provide only one ancillary service at a time, such as operating reserves, and asked FERC if it intended otherwise.

FERC said the ISO's software limitations meant the resources were technically incapable of providing certain services and that its June 17 order did not "require NYISO to allow a heterogeneous aggregation to simultaneously make available multiple operating reserve products."

The commission denied rehearing requests by clean energy and consumer advocates, including the Natural Resources Defense Council and Advanced Energy Economy, which argued that NYISO's definition of a DER was not technology-neutral, as required by Order 2222, and could prohibit energy efficiency and other passive-demand resources from participating in its capacity market even though they are technically capable of doing so.

FERC disagreed with that argument, as it had in its June decision.

"NYISO's proposal includes a technology-neutral definition for DER and therefore does not prohibit any type of technology from participating in an aggregation," it said.

Commissioner Allison Clements dissented in part "because [the decision] affirms the majority's prior finding that [NYISO] may exclude energy efficiency from participating in distributed energy resource aggregations without running afoul of the requirements of Order No. 2222."

Many DERs, such as solar arrays on industrial buildings, must be aggregated to be large enough to participate in wholesale markets. | *SilRay*

"I disagree with that decision and therefore would have granted the request for rehearing on this issue submitted by [the] clean energy and consumer advocates and found that NYISO's definition of DER does not comply with Order No. 2222," Clements wrote.

CAISO Clarification

In June, FERC asked CAISO to file a further Order 2222 compliance filing addressing concerns about its model for aggregated distributed energy resources, rules for participation of DERs that are customers of small utilities and other matters. (See *CAISO Order 2222 Filing Needs Some Work, FERC Says*.)

On July 15, Southern California Edison, Pacific Gas and Electric, and San Diego Gas & Electric submitted a request to FERC for clarification of the compliance order, which the commission granted.

The "California utilities seek clarification that the compliance order does not modify or reverse commission precedent that wholesale sales by net metering customers are subject to commission jurisdiction," FERC said. "They argue that clarification is needed because a wholesale sale is a sale for resale in interstate commerce subject to commission jurisdiction, whether the seller is behind or in front of a retail meter. ...

"They contend that, if commission policy is modified or overturned, then wholesale sales may no longer be subject to commission jurisdiction."

In its order, FERC said that "as [the] California utilities request, we clarify that … the compliance order does not reverse or otherwise modify commission precedent."

FERC also denied AEE's request for rehearing of the CAISO compliance order. AEE argued that "the barriers created by the 24-hour settlement requirement run afoul of the provisions of Order No. 2222 requiring each RTO/ISO 'to allow distributed energy resource aggregators to register distributed energy resource aggregations under one or more participation models in the RTO's/ISO's tariff that accommodate the physical and operational characteristics of the distributed energy resource aggregation,'" according to FERC.

The commission said it had already addressed AEE's argument in its prior rulings, and "we remain unpersuaded by its claims on rehearing." ■

ERCOT News

ERCOT Board of Directors Briefs

Directors Approve Aggregated DER Pilot Project

AUSTIN, Texas — ERCOT's Board of Directors last week approved a pilot project in which Texas energy providers can aggregate their customers' small distributed energy resources and sell their extra energy back to the grid.

The directors voted unanimously Oct. 18 to approve the *Aggregated Distributed Energy Resource Pilot Project*. The project is intended to evaluate how aggregated DERs can support reliability, participate in the wholesale market and play a role in emergency situations.

Arushi Sharma Frank, Tesla | *© RTO Insider LLC*

"This is a great big historic moment for Texas," *tweeted* Arushi Sharma Frank, Tesla's lead for U.S. energy markets policy. The pilot "will drive demand for DERs [and] retail competition, and prove out the technology solutions needed for a resilient grid."

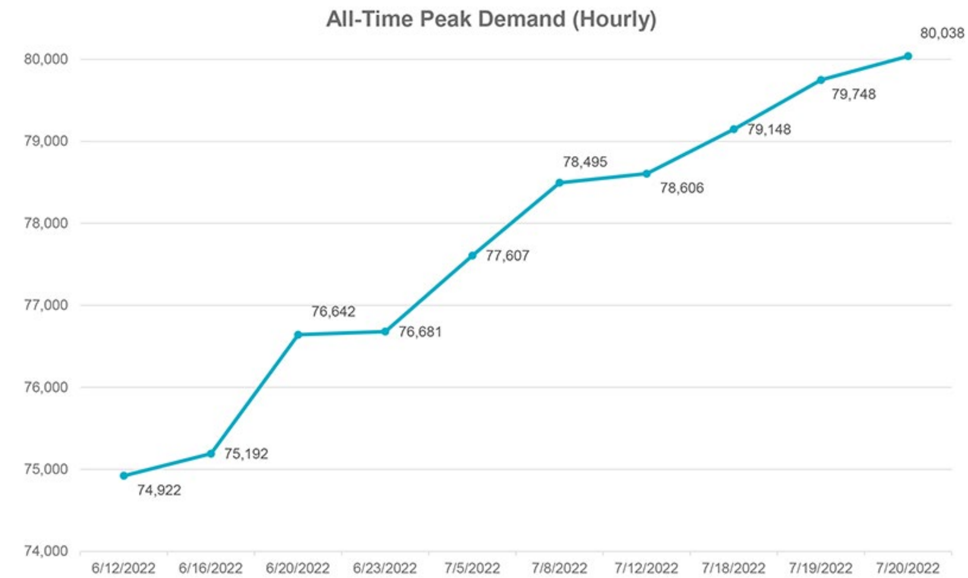
Frank and Tesla have played a key role in the project's formation. Tesla conducted a virtual power plant demonstration with its Powerwall energy storage product in North Texas earlier this year, while Frank was involved in a Public Utility Commission task force on DERs and testified before the PUC.

The commission in July directed ERCOT to develop the pilot. Focused on aggregations of individual sites that can inject or withdraw power from the grid in response to ERCOT instructions, the project will give the grid operator's staff time to develop a full framework for aggregated DER participation (*51603*).

The pilot will be conducted in phases so that it can begin as quickly as possible while minimizing changes to ERCOT and distribution service provider systems. Future phases could introduce additional design elements "to help expand participation opportunities while still maintaining distribution and transmission grid reliability."

"We wanted to find a way to allow these resources to participate in the markets without a significant expense to our system upfront," said David Maggio, ERCOT's director of market design and analytics.

The initial participation will be limited to 80 MW of registered capacity and 40 MW of non-spinning reserve service to establish limits by load zone and by qualified scheduling entities (QSEs), allowing for diverse geographical and technology participation. ERCOT staff can increase those limits.



ERCOT's peak demands during the summer months | *ERCOT*

The DERs will be dispatched in real time by ERCOT's security-constrained economic dispatch on a zonal basis and settled using a zonal price. They will only be eligible to qualify for the non-spin ancillary service and offered into and awarded in the day-ahead and real-time markets, similar to the grid operator's current process for aggregated load resources.

"From our point of view, we'll see a single resource, a single bid into the market and single telemetry," Maggio said. "It will look like every other resource we might see."

The pilot will get underway in January when staff begin DER qualification testing. ERCOT expects the pilot to last at least three years.

PUC Chair Peter Lake said a key answer he is looking for is transmission costs.

"That's a big question we'll need to be answered before we put it on monthly bills for our ratepayers," he said.

Vegas Lays out Priorities

Board Chair Paul Foster welcomed new ERCOT CEO Pablo Vegas to his first board meeting, saying that, "in a very short period of time … he is already beginning to put his mark on the organization."

Vegas, who only stepped into his position on Oct. 1, said he has been working with the executive team on one of the key elements of his first 100 days, developing a "clear remote work policy."

One of interim CEO Brad Jones' first actions last year was to allow most non-operations staff to work from anywhere in Texas, in part to address retention issues it faced after the February 2021 winter storm that drew negative attention to the grid operator.

"The next evolution of our remote work policy … will continue to focus on balancing, first and foremost, meeting all operational requirements of ERCOT without exception, preserving flexibility for employees whose job roles enable them to work remotely and focus on the continued strengthening of our corporate culture," Vegas said.

His other 100-day priorities include meeting with key market, regulatory and legislative stakeholders and ensuring the grid is ready for this winter by deploying and executing on new and existing efforts. ERCOT has scheduled winter weatherization workshops today for transmission service providers and generation owners to review requirements in place following the 2021 winter storm.

Vegas echoed comments he has made in several settings since becoming CEO, saying the key to rebuilding trust in ERCOT is simply "the core of what our operational strategy is."

"Only through consistent and successful

ERCOT News

execution under a variety of conditions and scenarios can we return the trust of all Texans that their grid is sound and reliable," he said, pointing to the grid's dozens of energy-usage operations during the summer.

"The grid has withstood those tests and passed, but this doesn't mean that our work is done. It's really just beginning," Vegas added. "We're going to continue executing our mission with the recent successes we've had. And we'll continue to build on that as we move forward."

Records Fall in Summer Heat

Staff said this past summer was a record-breaking one for both Texas and its grid operator.

Average temperatures from June through August (84.8 degrees Fahrenheit) were the second highest in the state dating back to 1895, exceeded only by 2011 (86.8 F). The heat, and the state's continued growth, led to 33 demand records, highlighted by an all-time peak of 80.01 GW in July.

"It seemed like we were setting new peaks every day," Dan Woodfin, vice president of system operations, told the board.

He noted ERCOT set monthly demand records in April and the next four months, using the fingers on one hand as he listed the months. ERCOT added its sixth monthly demand record of the year on Oct. 12 at 66.1 GW.

Staff had about 8 GW of additional installed wind and solar capacity to work with, resulting in higher hourly renewable generation than the year before. Thermal forced outages were also higher this summer than the previous, but only by an average of an extra generating unit from 2021.

Kenan Ögelman, vice president of commercial operations, told directors that while ERCOT did not have to issue any energy emergency alerts during the extreme heat, it did experience several scarcity intervals that led to operator actions. Ancillary services were almost doubled that of two years ago at some points, and the 2,573 total reliability unit commitment (RUC) hours was 10 times that of 2020's summer.

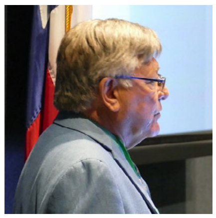
"We're using RUCs more than we do traditionally," Ögelman said.

Asked whether staff were trying to minimize the use of RUCs, Ögelman said, "We're trying to minimize, but not at the expense of reliability."

Natural gas prices that reached $9/MMBtu and increased demand for energy led to increased prices. Load-weighted average prices were up over the previous two summers, exceeding $160/MWh in July.

TAC Shares Changes with R&M

Technical Advisory Committee members and ERCOT staff will continue to tweak its process for handling priority revision requests after meeting with the board's Reliability and Markets Committee on Oct. 17.



Bob Helton, ENGIE | © *RTO Insider LLC*

TAC Vice Chair Bob Helton, of ENGIE, shared with the R&M his committee's proposals to accelerate protocol changes that are stuck in the stakeholder process, qualifications for its members and changes to the credit working groups' structure. (See *ERCOT TAC Considers Membership Requirements, Process Changes*.)

The Credit Work Group (CWG) has reported to the board's Finance and Audit Committee since 2004, but the R&M asked earlier this year that it hear market credit issues from ERCOT staff. The F&A has agreed to give up its market credit oversight responsibilities, with TAC agreeing to take on the role and proposing to consolidate it with its Market Credit Working Group, which reports to the Wholesale Market Subcommittee.

The R&M asked Helton to work with staff in formalizing the Independent Market Monitor's role in the stakeholder process. The IMM is currently free to comment on revisions requests and participate in the discussions.

The board will vote on the TAC proposals during its December meeting.

Directors Approve Nine Rule Changes

The board passed six nodal protocol revision requests (NPRRs), a modification to the Nodal Operating Guide and two system change requests (SCRs) during the meeting:

- *NPRR1058*: requires quicker updates by QSEs to the telemetered resource status, high sustained limit (HSL) and other relevant information, improving the physical responsive capability calculation's validity and dispatch.
- *NPRR1084*: allows ERCOT to publicly provide information about resources' forced outages, forced derates and start-up loading failures in a more complete and timely manner.
- *NPRR1118*: clarifies the outage schedule adjustment (OSA) process to improve the terminology and clarifies the process for issuing advanced action notices and OSAs, as well as offer submission and RUC procedures after an OSA is issued.

ERCOT CEO Pablo Vegas delivers his first update to his Board of Directors. | © *RTO Insider LLC*

- *NPRR1127*: clarifies which entities are required to have hotline and 24/7 communications with ERCOT, and requires those entities answer each hotline call to proactively ensure situational awareness during emergency situations.
- *NPRR1139*: replaces the usage of the wind-powered generation resource and photovoltaic generation resource productions with the HSL of an intermittent renewable resource as reflected in the current operating plan.
- *NPRR1140*: permits generation resources to recover their fuel costs when instructed to start because of an RUC and operate above the resource's low sustained limit.
- *NOGRR241*: clarifies which entities are required to have hotline and 24/7 communications with ERCOT, and requires those entities answer each hotline call to proactively ensure situational awareness during emergency situations.
- *SCR820*: builds on the hotline communication process by developing a web-based platform supporting real-time, bidirectional, "send-review" messaging between ERCOT operators and transmission operators during emergency event coordination.
- *SCR823*: requests that ERCOT upload a flat file received from each affected transmission/distribution service provider (TDSP) that contains all their electric service identifiers (ESI), besides those that have been retired. This flat file would allow all retail electric providers to have county names associated to all ESIs on the very first day following the go-live of Texas SET V5.0 production. ■

— Tom Kleckner

ISO-NE News

Sunrun's Virtual Plant Sees Success in ISO-NE Capacity Market

But Company Disappointed in Order 2222

By Sam Mintz

Sunrun is calling its first year in the ISO-NE capacity market a success.

From June to August, the company's virtual power plant (VPP), made up of thousands of home solar systems across New England, sent more than 1.8 GWh of energy back to the grid, the company said in a recent press release.

The capacity agreement made with ISO-NE back in 2019 was the first of its kind, according to Sunrun.

Chris Rauscher, the company's senior director of market development and policy, said the VPP was successful at sending power back to the grid on the hottest days, replacing output from fossil fuel peaker plants.

"To operate [a virtual power plant] is to really find that balance, the sweet spot, providing value to the electricity grid and all customers on the grid, and retaining the fundamental customer value ... for families who have solar in their homes," he said.

It's part of a vision for demand response that has ISO-NE leading in some ways: The grid operator's passive on-peak DR pathway was what let Sunrun achieve its first-in-the-nation entrance into a capacity market.

"We were the tip of the spear," said Rauscher. "In the ensuing years, there's been way more interest from [distributed energy resources], and batteries in particular, in entering the market. We helped prove it was possible."

2222 Filings Closing the Door?

There's fly in the ointment for the grand plans of Sunrun and other companies trying to replicate its approach: Order 2222 compliance filings from grid operators that they say aren't living up to the promise of a "new day" for DERs.

"At this point, we're feeling disappointed in 2222," Rauscher said.

For example, NYISO has proposed a 10-kW minimum system limit on DER participation in the markets, which Rauscher says would "obviously completely prevent any residential resource from participating in aggregation." (See *NYISO 10-kW Min for DER Aggregation Participation Riles Stakeholders*.)

Sunrun isn't waiting for FERC to finish ruling on the regional compliance filings though: It's making plans to increase its work directly with utilities, in so-called "bring-your-own-device" programs.

Unlike working in a capacity market on the supply side, BYOD programs involve working with states and utilities on the demand side.

An entity like Green Mountain Power, a Vermont utility that Sunrun has been working with, will coordinate with Sunrun to dispatch its batteries in the service area when peak demand comes, reducing the amount that its customers owe.

"That's a really good model, and we really like doing that. But it is different because those savings are constrained to a single load-serving entity as opposed to spread across the market," Rauscher said.

And there's another issue: As more states and utilities start utilizing that type of demand program, the ones that don't have them will be left "increasingly holding the bag," Rauscher said. ■

A Sunrun installation in action | *Sunrun*

ISO-NE News

A Massachusetts Climate Group Takes its Message to NEPOOL

By Sam Mintz

Another climate organization in New England has joined NEPOOL membership as it looks to add a regional lens to its work.

The Massachusetts Climate Action Network (MCAN) on Oct. 1 became the newest member of the end user category of stakeholders in the ISO-NE stakeholder organization. It joined a small group of climate and environmental advocates who have been trying to make a dent in a process they say sometimes seems tilted against them.

MCAN's focus is largely local; its model is to support municipal chapters that often focus on specific projects within their footprint.

But the group's advocacy against the Peabody peaker, a contentious gas and diesel plant under construction north of Boston, has led it down a rabbit hole of regional debate that its leaders felt they could not ignore.

"We're really focused on supporting residents and taking local action," Logan Malik, the group's interim executive director, said in an interview. "But in order to do that, sometimes you need changes to take place at the statewide or regional level."

Starting with the debate around ISO-NE's minimum offer price rule (MOPR), and more recently discussions around capacity accreditation, MCAN has been paying more attention to the regional dynamics that help shape the projects they're focused on.

"We saw this as an opportunity to engage with the various stakeholders across the region who are working on these issues day in, day out," Malik said.

He added that one of the organization's goals of participating is to make the information coming out of ISO-NE and NEPOOL more accessible.

"I think there's still definitely a challenge in translating these very complex discussions into things that people understand and people can engage in," Malik said. "Residents care about this stuff. Residents care about these decisions. And it's very hard for residents not working fulltime in an organization like MCAN to actually understand the material that's coming out."

Taking on 'Entrenched' Fossil Interests

MCAN won't be without friends as it starts navigating its way through what can be a confusing and intimidating stakeholder process. There are a handful of other environmental groups, like the Acadia Center, Conservation Law Foundation and Natural Resources Defense Council, that have increasingly seen NEPOOL as an important venue for their advocacy and a necessary part of their work. Malik cited all of those groups and others as allies that have helped the organization get up

The Massachusetts Climate Action Network is taking its advocacy from the streets to NEPOOL. | *MCAN*

ISO-NE News

to speed on the regional level.

The NEPOOL stakeholder process MCAN is joining hasn't historically been an easy place for environmental groups to gain a foothold. It's a big time commitment, with complex meetings that take place during the week for as long as multiple days at a time. Some groups, like NRDC, have elected to hire consultants to help stay on top of the process and present their ideas.

"It's a question of resources. The technical committees meet regularly, and the meetings can be lengthy," said Phelps Turner, a senior attorney for CLF.

There's also an incumbency effect that gives many of the longer-standing members advantages.

"I think that the way that the system is set up, in the way that the voting structure and [NEPOOL] operation works ... there is a certain bias towards incumbency and the existing system. Trying to move in a new direction isn't always easy," said Bruce Ho, a deputy director at NRDC who represents the organization within NEPOOL.

Ho's experience with the MOPR debate and other changes that he argues are needed to enable the clean energy transition and decarbonization has featured lots of pushback, he said.

"I think there's a lot of entrenched value, a lot of entrenched economic investments and interests in the current fossil system."

There are just six environmental organizations out of more than 500 NEPOOL members, although they also often align on issues with renewable developers and suppliers, or state officials and consumer advocates.

"I think those voices can serve as an important counterbalance in the stakeholder process, to stakeholders from the fossil fuel industry, who have historically dominated the conversation and who have a vested interest in maintaining the status quo at all costs," Turner said.

Whether they have a meaningful impact on ISO-NE's decision-making in the region is an open question though.

"I think there's always room for more participation, and more diverse participation," said Turner. "Until then, it may be hard to influence the ultimate outcome of various decisions."

The View from NEPOOL

Groups like MCAN are welcome, encouraged and appreciated in the stakeholder process, said David Cavanaugh, chair of the NEPOOL Participants Committee.

He said that the climate and environmental groups that have previously participated in meetings have represented their interests well.

"We welcome others who are similarly willing to invest the time to understand and work collaboratively in seeking ways to address creatively the many interests and concerns at the table, and to find enduring solutions to the challenges we are now facing, including prominently the need to reliably serve the region's energy load while addressing climate change by reducing carbon emissions from the industry," Cavanaugh said.

He acknowledged that joining NEPOOL can be a challenge for new members.

"There is unquestionably some ramp-up time to learn about the members and their various interests and concerns, and to understand the issues facing the region and alternative ways to address those issues," Cavanaugh said.

But he laid out a series of ways that the organization aims to get them up to speed, from targeted orientation sessions and trainings, to elected sector officers tasked with helping new members in their sector.

"In my experience, new members will find that representatives of the NEPOOL participants and NEPOOL counsel who have been in the region for decades are generally very willing to educate and fill in knowledge gaps," he said. ■

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MISO News

MISO: Diminished Emergency Possibilities this Winter

By Amanda Durish Cook

| Entergy

MISO says it will easily navigate normal winter conditions with its own firm supply but acknowledges that a worst-case winter storm in January could exhaust its emergency reserves.

During a winter readiness workshop Thursday, staff estimated they will have between 112 GW and 116 GW of capacity available to meet a projected 102 GW demand peak in January and 97-GW peaks in December and February. The forecast assumes average outage rates that have historically reached 29 GW.

The RTO's all-time winter demand peak of 109 GW was set in January 2017.

Resource Adequacy engineer Eric Rodriguez said MISO "will be long as far as firm resources are concerned" if it experiences a normal number of outages and typical winter weather.

But the grid operator said "high-risk, low-probability events," such as an artic blast, intense winter storms and fuel supply issues, "could impact available power" and challenge reliable operations.

According to Adam Simkowski, MISO's principal meteorological risk analyst, MISO South should experience above normal temperatures while MISO Midwest should see near to slightly below normal temperatures. The grid operator noted that the National Oceanic and Atmospheric Administration is modeling a dynamic winter storm pattern for the Great Lakes states and said the area is at risk for blizzards and wind turbine icing.

"We could see a pretty active precipitation pattern this winter," Simkowski said.

MISO is monitoring the small potential for a stratospheric warming event "which could destabilize the polar vortex" and unleash frigid weather that could dip into MISO South, he said.

"Overall, the ingredients for this to happen this winter don't seem extremely likely," Simkowski said, although he said the footprint could encounter "five- to 10-day shots" of cold weather.

Staff doesn't foresee emergencies outside of a perfect storm of variables during the January peak. They said a scenario with unusually high demand of 109 GW and low available generation of only 95 GW could use up its 9.3 GW of expected emergency supply and force MISO to rely on imports from its neighbors to avert load shedding.

"Operating the power system is extremely complex, and adverse weather conditions can test the resiliency of the electric grid," Jessica Lucas, executive director of system operations, said in a *press release*. "We have a responsibility to ensure 42 million customers have reliable power, which is why we need to work collaboratively with our partner utilities as we head into winter."

"The system is evolving and will continue to evolve toward a more complex, less predictable future for the region," added Anna Foglesong, director of strategy and policy coordination. ■

MISO News

Stakeholders Doubt MISO Study of Alternative Tx Projects

By Amanda Durish Cook

Clean energy and public consumer advocates questioned Wednesday whether MISO planners are sufficiently exploring alternatives to the projects transmission owners submit to staff.

Piqued by a batch of expedited substation projects in MISO South for the 2022 planning cycle, they asked for proof that the grid operator is identifying or studying alternative projects. They expressed hope during a Planning Advisory Committee that staff find larger regional projects that could satisfy several needs rather than blindly accepting TOs' project plans. (See *MISO's 2022 Tx Planning Cycle Exceeds $4B*.)

Several stakeholders said TOs don't make enough project specifications public to allow meaningfully proposed project alternatives. "More detail needs to be given to stakeholders ahead of time," Southern Renewable Energy Association Executive Director Simon Mahan said.

He suggested that MISO planners might also lack the capabilities to study project alternatives.

"As a stakeholder, I don't know what to do," Mahan said. "I think you all are doing the best you can … but $70 million is a lot to rush through. I don't know if MISO has the tools to future-proof the system. I'm just worried how many more times this is going to happen in the future. I'm just really worried about this."

This summer, Cleco applied to include a 230-kV and an 138-kV substation, each costing $15 million, for *expedited treatment*. Entergy requested approval to install two additional 230-kV breakers into an existing substation near the Louisiana-Texas border; to construct a 230-kV substation; and a $32.6 million, 115-kV substation in northern Mississippi. The utilities said the projects were necessary because of load growth in their territories.

MISO recommended all the projects for late inclusion in its 2022 Transmission Expansion Plan.

Clean Grid Alliance's Natalie McIntire said her organization has raised the issue with MISO several times. She said she believes that Order 1000 obligates staff to offer and analyze project alternatives.

"Whenever we ask about this, MISO assures us it studies alternatives. But we don't in the stakeholder process see alternatives. … This is an issue of costs for consumers," McIntire said.

She said it seems that MISO "does a lot of hand waving" in only reassuring stakeholders that they study alternatives, but don't back that up with evidence. The RTO is best positioned to examine alternatives with its "top-down" view of the system, McIntire said.

"We continue to make these comments, and I feel like it's never quite resolved," she said.

Jeanna Furnish, MISO's director of expansion planning, said "there are situations in which" MISO comes up with alternative projects, with those alternatives sometimes presented in subregional planning meetings.

"So does every single project get an alternative? That's probably not true," she said.

Furnish said MISO will "think through" whether it has the tools to adequately study alternatives and how it might be more transparent in discussing the alternatives.

She also said grid operators stand to be affected by FERC's notice of proposed rulemaking on more comprehensive transmission planning. Furnish appeared before the commission's technical conference on transmission planning earlier in the month. She said then it isn't feasible for grid operators to consider alternatives to every TO-proposed project. (See *States Urge More Transparency on Tx Planning, Independent Monitors*.)

Cleco Energy's Chris Thibodeaux said the utility's expedited projects will bring jobs to Louisiana and are requested by industrial customers who need transmission-level service.

"I'm not sure how the Environmental Sector really has a say in that," he said.

Jeff Cook, with the Office of Consumer Advocate, said a public consideration of alternatives can help stakeholders more easily accept expensive projects.

LS Power's Brenda Prokop added that an evaluation of alternatives could help determine whether the RTO could rely on larger projects to take care of various smaller needs.

Mahan agreed that MISO could help members figure out whether larger projects would save money and give stakeholders more confidence in the planning process. ■

| *Entergy*

MISO News

MISO to File More Stringent Generator Retirement Study Process

By Amanda Durish Cook

Consumers Energy plans to retire units 1 and 2 of its D.E. Karn Generating Plant in 2023 | *Consumers Energy*

MISO remains committed to beefing up and making information from its generation retirement studies more public as it outlined a number of study changes it plans to soon file with FERC.

The grid operator told stakeholders Wednesday it plans to impose a yearlong notice requirement on retiring generation before it begins retirement studies under Attachment Y of its tariff. It also plans to conduct the studies on a quarterly basis, share with stakeholders the megawatt value of retirement requests, and discourage reliance on load shed as a valid mitigation option when voltage and thermal violations are uncovered in its steady state analyses. (See *MISO Bolstering Generation Retirement Studies Amid Capacity Shortage*.)

"I know it's a major change, but this will help us perform better studies. We believe there may be a ramp up in retirements, and this will help us study them," Sydney Yeadon, with MISO's resource utilization team, told stakeholders during a Planning Advisory Committee meeting.

Currently, generators intending to retire must notify the RTO six months ahead of time and studies are conducted as the notices are received. Staff says the changes are needed given the increase in retirement notices.

MISO says it will need four quarterly study periods worth of notice, rather than 52 weeks, from generation that is being retired or suspended.

MISO will define first-quarter retirement studies as beginning the first business day of March through the last business day of May; the second quarter as beginning the first business day of June through the last business day of August; the third quarter as beginning the first business day of September through the last business day of November; and the fourth quarter as beginning the first business day of December through the last business day of February.

The new study process will allow one quarterly study period after FERC approval for generator owners to prepare to use the new system.

Stakeholders asked whether the grid operator will study alternatives to keeping aging or uneconomic generation online under system support resource (SSR) agreements. Staff responded that it annually re-evaluates the need for SSRs after they are designated and said they view the agreements as a last resort for reliability.

DTE: Consider Old Generators for Reactive Power

DTE Energy is continuing its push to give old thermal generators new life as synchronous condensers that furnish the grid with reactive power.

During an Oct. 11 Planning Subcommittee, DTE's Kenneth Gavin said that as dispatchable power retires and renewable integration gains traction, MISO will find a greater need for reactive power.

The utility says that existing generators can be cost-effectively converted to zero-emissions synchronous condensers after they suspend operations through MISO's Attachment Y retirement process. It says that such conversions "can supply clean reactive power to the grid that maximizes performance and maintains customer affordability."

Sustainable FERC Project's Lauren Azar said the sooner MISO and members begin addressing grid technologies to support a majority renewable mix, "the better off we'll all be."

WPPI Energy's Steve Leovy said it's an opportune time for the RTO to signal a need for synchronous condensers because several thermal generators are announcing or weighing retirements.

Currently, retiring generators in the MISO footprint that are converted into synchronous condensers aren't eligible for compensation under the tariffs Schedule 2, which outlines compensation for reactive supply and voltage control. The grid operator's retirement process would take away a converting plant's interconnection rights. ■

MISO News

FERC Rules Kentucky Muni Can Remain a MISO TO

By Amanda Durish Cook

FERC on Thursday affirmed the Henderson, Ky., municipal utility's status as a transmission owner in the MISO region, ruling its facilities can be classified as transmission rather than distribution lines (*ER19-776-001; ER19-809-001*).

Big Rivers Electric Corp. has disputed Henderson Municipal Power and Light's standing as a MISO transmission owner, arguing that the city's lines are distributed in nature and that it shouldn't share in Big Rivers' transmission pricing zone.

FERC previously found in 2019 that Henderson's 69-kV and 161-kV lines can be categorized as transmission, making the city a MISO transmission owner in the pricing zone. The utility is interconnected with Big Rivers' transmission system.

The commission said it's appropriate that Big Rivers "share its imputed revenues for its bundled load with Henderson for transmission service provided by the Henderson facilities." FERC added that a joint pricing zone is appropriate in this instance because it provides for Henderson to recover revenue from the facilities' physical location and is similar to MISO's other joint pricing zones.

The commission said Big Rivers and Henderson should both have a stake in the pricing zone, despite Big Rivers' reconfiguration of its system in 2019 by disconnecting a substation tie line between its facilities and Henderson's.

FERC's decision confirms an administrative law judge's opinion last year.

MISO's Board of Directors approved the transmission-owning membership of Henderson in 2018. The grid operator applied FERC's seven-pronged transmission test under Order 888 to determine that most of Henderson's system qualified as transmission. (See "6 Added to MISO Membership," *MISO Board of Directors Briefs: Dec. 6, 2018*.)

Big Rivers in 2019 alleged that MISO presented for stakeholder review the *results* of the transmission test during a Planning Subcommittee meeting after it had already *filed* Henderson's application as a transmission owner with FERC. ■

North Main Street in Henderson, Ky. | *Nyttend, public domain, via Wikimedia*

NYISO News

NYISO Operating Committee Briefs

Natural gas compressor | *Ariel Corp.*

ISO: Champlain Hudson Critical to NY Reliability in Future

The NYISO Operating Committee this month approved the ISO's draft 2022 Reliability Needs Assessment (RNA), which did not identify any reliability needs for the 10-year study period but found that resource adequacy and transmission security margins are tightening over time.

But NYISO emphasized that the Champlain Hudson Power Express (CHPE) transmission project is critical to meeting future reliability needs, and delays could result in even thinner margins, creating significant risks to certain peakers who may be asked to continue operation when they otherwise would be unavailable because of non-compliance with new rules. An ISO representative said that "we're putting all of our reliability eggs into the CHPE basket."

The state also views the HVDC line, which would run from Quebec to New York City, as critical to its clean energy goals. (See *NYSERDA Seeks 1-Year Delay for Tier 4 RECs*.)

The report also noted that New York is likely to experience even smaller margins if additional power plants become unavailable or if future demand outpaces current forecasts. (See "RNA Draft Report Findings," *NYISO Transmission Planning Advisory Subcommittee Briefs: Oct. 3, 2022*.)

The RNA also found that extreme weather events can result in transmission security deficiencies in the city, while gas supply shortages during winter peak conditions can eventually threaten reliability needs after 2032, when gas is predicted to become deficient in meeting statewide system needs.

The draft will be presented to the Management Committee on Wednesday for voting and to the NYISO Board of Directors for final approval in November.

NYISO-PJM Stability Analysis

NYISO recommended that its interconnection reliability operating limit (IROL) with PJM be removed after a study showed no stability issues even at transfer levels well in excess of the limit.

Robert Golan, NYISO manager of operations and engineering, *presented* the OC with the results of the study, which modeled three 115-kV tie lines with maximum transfers, winter ratings and optimized generation dispatch. NYISO-to-PJM flow achieved an emergency transfer limit of 2,440 MW, while PJM to NYISO achieved 3,175 MW.

The study also evaluated 61 NYISO and 68 PJM contingencies, finding that for NYISO to PJM, transfer levels were increased to 164% of the limit, giving the ISO a new proposed stability limit of 3,600 MW. From PJM to NYISO, the emergency transfer thermal limits increased to 150%, creating a new proposed limit of 4,250 MW.

The ISO "saw acceptable responses" in both the New York Control Area and PJM when examining "both angular and voltage response of each system," Golan said.

Golan was quick to note, however, that both NYISO and PJM would reassess the need for the reinstatement of an IROL based on future system changes and five-year periodic reviews.

In response to questions around PJM's status, Golan said NYISO has been "working hand-in-hand with PJM over the past year," and that the RTO is currently waiting for the ISO to "go through the stakeholder process so that they can know when this report is approved."

CESIL Updates

The committee approved *manual updates* implementing recently approved tariff revisions that preclude demand-side resources from curtailing critical electric system infrastructure load (CESIL) in response to ISO-called events and tests, beginning Nov. 1.

CESIL includes natural gas compressors and storage facilities; LNG storage, liquification and vaporization; refineries; electric system control centers; and natural gas system control centers, terminals, and metering and regulation stations. The revisions are intended to improve conditions for the upcoming winter, when gas supplies may short. (See "Critical Infrastructure Load," *NYISO Business Issues Committee Briefs: June 22, 2022*.)

Ancillary Services

The committee also approved *manual revisions* regarding NYISO's voltage support, operating reserves and black start capability services, such as preparing for the possibility of new technologies entering black start capability service and adding a 15-business-day window

NYISO News

for ISO review of voltage support test data.

The ISO incorporated a "wish list of little things" that it had wanted to include in their manuals to confirm that market and review functions were in line with real-time situations.

Along with the new review period for voltage support reporting submissions, NYISO added a new allowance for out-of-period reactive capability testing and clarified language around data transmission requirements.

The 15-day review period was welcomed by stakeholders, with Brookfield Renewable's Christopher LaRoe saying that the proposal for "the ISO to reply with a status besides 'pending' is helpful" because it will solve the current problem of "tight time constraints around the deadlines for suppliers to submit data for testing."

The ISO also made terminology changes within its black start capability manual that would prevent innovative technologies from being excluded from these processes, with NYISO's Harris Miller stating that the ISO is "trying not to exclude anyone."

The changes become effective Nov. 1.

Interconnection Queue Streamlining

Zach Smith, NYISO's vice president of system resource and planning, told the committee that the ISO has identified analyses that can be eliminated from the System Reliability Impact Study (SRIS) for 30 to 40 projects in the interconnection queue.

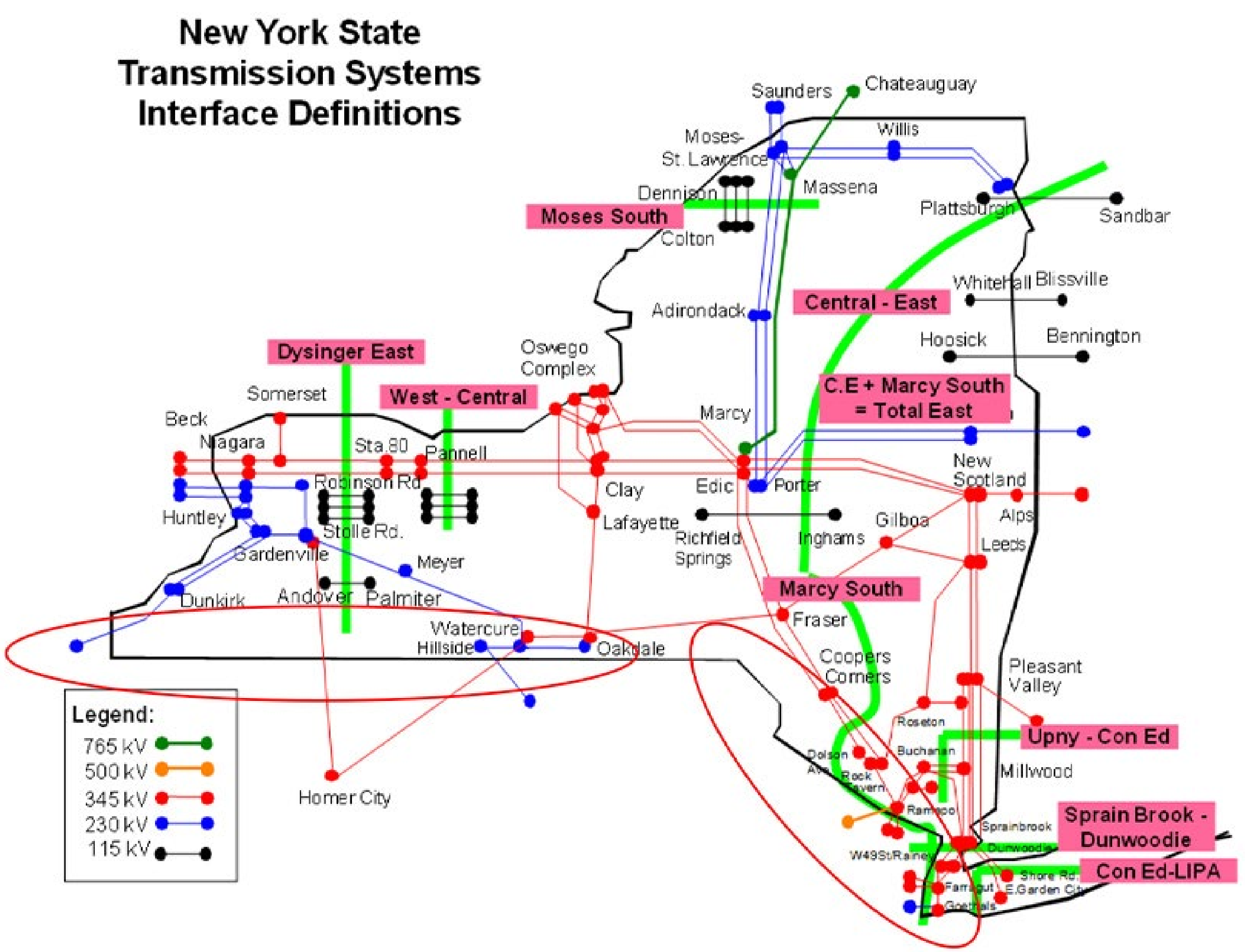
Smith noted that NYISO has been actively looking for ways to expedite SRIS processes to fix the backlog of projects currently waiting in the interconnection queue. (See *NYISO Proposes Fixes for Interconnection Backlog*.)

The categories identified are "immediate actions the ISO can take" to address these concerns without "sacrificing the quality of work or reliability of the grid" while remaining "in compliance with the relevant tariff and NERC standards," according to Smith.

Stakeholders expressed support for these efforts, with Kaley Bangston from Invenergy stating that her team "thanks the ISO for putting the work and thoughts together to make this happen."

NYISO plans to return to the Transmission Planning Advisory Subcommittee and the OC in November to share a more detailed list of projects that the ISO proposes to modify the study scope. ■

— John Norris



NYCA transmission system interface | *NYISO*

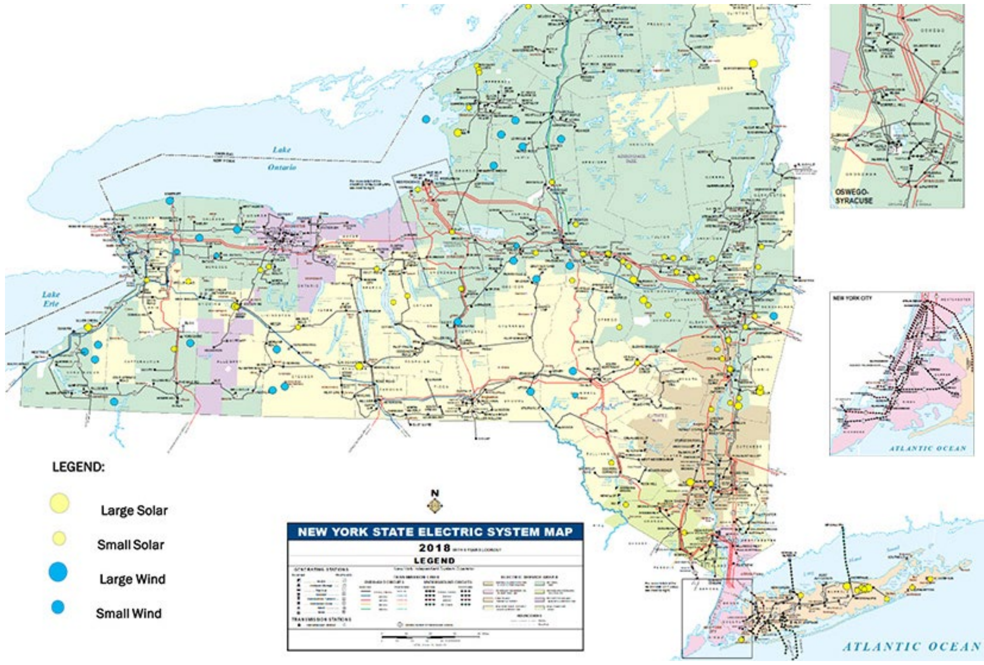
NYISO Class Year 2021 Cost Allocations Advance to OC Vote

By John Norris

NYISO stakeholders Oct. 17 voted to recommend that the ISO's Class Year 2021 (CY21) study results and cost allocations move to the Operating Committee for a vote this week.

Nearly 120 stakeholders attended the Transmission Planning Advisory Subcommittee meeting where NYISO shared the list of upgrades required to reliably interconnect the 57 projects included in the CY21 study, at a cost of up to $900 million.

NYISO Manager of Facility Studies Wenjin Yan shared that 54 projects were requesting both energy resource interconnection service and capacity resource interconnection service (CRIS), while three members were CRIS only.



New York State electric system map (2018) | *NYISO*

Decision Process and Timeline

With the upgrades and cost allocations for the CY21 projects identified, the ISO will now seek OC approval for the class year study reports, which include the allocations for CY21 system upgrade facilities (SUF) and system deliverability upgrades (SDU).

The OC's approval of the CY21 study report will trigger the start of the initial decision period, during which class year developers will have 30 calendar days to accept or reject their cost allocations for SUFs and SDUs, and deliverable megawatts, if available, by providing NYISO either an acceptance or non-acceptance notice.

Developers who reject their cost allocations during this initial period will trigger additional decision rounds in which the ISO will issue within 14 calendar days a revised CY21 that removes projects that rejected their cost allocation, whereupon the remaining developers will have an additional seven calendar days to provide their acceptance or rejection to the revised CY21 cost allocations.

If additional rejections occur in subsequent rounds, the rejected projects are removed from the CY21 and the ISO will issue another revised CY21, and this iterative process will continue until all remaining CY21 members accept their respective cost allocations.

Once the remaining CY21 projects have accepted their cost allocations, developers will have five business days to pay cash or post security for the full cost allocation amount, and any developers who intend to post security are encouraged to reach out to applicable transmission owners to ensure the type of security that they intend to post meets the applicable transmission owners' security arrangement requirements.

NYISO pointed out that developers who fail to notify the ISO by a stated deadline will be deemed as submitting a non-acceptance notice and removed from the class year.

Due to projects that reject their cost allocations in one round, the remainder of the CY21 members may see their CY21 cost allocations and any deliverable megawatts revised based on the updated study results.

NYISO also shared rules and procedural elements of this decision process, noting how developers that have additional SDU studies may accept their SUF project cost allocations, but separately accept or reject their SDU costs.

Developers with additional SDU studies not yet completed before the start of the CY21 initial decision period are given the ability to accept their SUF costs at this time and proceed with the additional SDU studies until they are completed or they can wait until the additional SDU studies are completed and, at that time, accept or reject the SUF and SDUs.

The ISO shared anticipated CY21 calendar breakdown, noting that the CY23 study could start as early as Jan. 3, 2023, with one decision round, or Feb. 13, 2023, should the CY21 study enter three decision rounds; however, CY21 can proceed with more than three decision rounds.

In response to questions about the timeline and whether the process could be sped up, Yan responded that "there is no reason we are going to hold up the results" if things could move faster than anticipated as the ISO "will use all their efforts to meet class year and tariff schedules."

CY21 is considered complete once the class year report has been completed and all remaining developers have accepted and paid — or posted — security for their respective cost allocations.

Next Steps and Voting

Attending stakeholders recommended that the CY21 final results and cost allocations proceed to the OC for approval, though one objection was submitted by Empire Offshore Wind LLC, which represents two CY21 projects: Q958 (EI Oceanside 1) and Q959 (EI Oceanside 2).

If approved by the OC, developers will have 30 calendar days to decide whether to accept their respective CY21 cost allocations.

If all 57 CY21 members accept their cost allocations, and no further decision rounds are required, then the ISO anticipates CY21 will end on Dec. 2, with the Class Year 2023 (CY23) study expected to start on Jan. 3, 2023. ■

PJM News

PJM Stakeholders, Bowring Debate Monitor's Budget, Scope During OPSI Annual Meeting

IMM Stresses Market Competition amid Energy Transition

By Devin Leith-Yessian

INDIANAPOLIS — PJM Independent Market Monitor Joe Bowring last week criticized inquiries into the budget of his firm, Monitoring Analytics, and the scope of its contract with the RTO, saying they threaten the IMM's independence.

Bowring told the Organization of PJM States Inc.'s (OPSI) Market Monitoring Advisory Committee, meeting as part of OPSI's Annual Meeting event on Oct. 18, that stakeholders have recently questioned the RTO's Finance and Liaison committees about his firm.

"Some of the sectors have been using the Finance Committee as a point of attack against the Market Monitor, and we think it's a precursor of what we can expect over the next three years; our contract is up in three years," Bowring said. "A number of the sectors were not happy when our contract was renewed the last time around, and we are experiencing this as the beginning of the next round of attacks on the Market Monitor and our existence, let alone our independence."

Alex Stern, director of RTO strategy for Public Service Electric and Gas, responded that stakeholders involved in the budget approval process were seeking answers about the cost of Monitoring Analytics' services and why its expenditures historically have been millions below its budget.

"There were concerns expressed that members are paying substantially more for the services of Monitoring Analytics than other regions that are similarly situated, and there were concerns that there are escalations in the budget year over year despite actuals consistently coming in much lower," Stern said.

Bowring said unspent money in the Monitor's budget is subtracted from its allocation in the subsequent year's budget, preventing it from profiting from excess funds. He noted that Monitor Analytics is seeking a $500,000 budget increase from approximately $14.6 million this fiscal year to $15.1 million next year, of which they expect to spend $13.5 million.

"If our budget is $13 million and we spend $11 [million], we don't get to keep the other $2 [million]; it simply falls forward into the next year and reduces the next year's budget by that amount. So it's a zero-profit, cost-based operation," he said.

Monitoring Analytics President Joe Bowring speaks during the Organization of PJM States annual Market Monitoring Advisory Committee meeting on Oct. 18. | © RTO Insider LLC

Jason Barker of Constellation Energy said his company supports a strong and independent Monitor, but it has misgivings regarding its scope and whether Monitoring Analytics may be exceeding it. When asked to elaborate by committee members, he said some of the issues were confidential and questioned whether the body would have the authority to act on complaints brought before it.

"The central question is, who oversees the market monitoring activities? Is it this committee? Is it the board? What powers would this committee have, and how would they exercise them if matters are brought before you?" he said.

Jackie Roberts, federal policy adviser for the West Virginia Public Service Commission, said it frustrates the states' attempts to act upon concerns regarding the IMM and report them to FERC when they're made in forums they cannot participate in, such as the PJM Liaison Committee, rather than before the OPSI Advisory Committee.

"We hear a lot about what Joe's doing at these meetings, but what we don't hear are criticisms that occur at the Liaison Committee and where Joe [Bowring] can't hear the criticisms and the states can't hear the criticisms," Roberts said. "It's very hard to report to FERC about the Market Monitor through this committee as we are obligated to do without knowing what those comments are, and the Liaison Committee is not charged with reporting to FERC about the Market Monitor."

She called for PJM to limit discussion of IMM performance and direct that to the Advisory Committee or open the Liaison Committee to state participation.

Marji Philips of LS Power said there have also been concerns regarding Bowring's influence on stakeholder discussions, which she said can sometimes tamp down on negotiations.

Maryland Public Service Commissioner Michael Richard said he believes a broad scope for the Monitor is important for states to gain confidence that PJM's markets are functional by providing more oversight and involvement than their individual offices can.

"We believe that he has a very broad mandate and he is in the position of what he deems important to ensure competitive markets," he said.

Competition is Key

Bowring praised the performance of the RTO's competitive markets and outlined several potential improvements and future challenges during the meeting last week.

"We need collectively to make the markets work. Competitive markets have worked; they continue to work; and it just requires everyone to buckle down and think about that being the focus and not accepting some of these counter narratives which suggest that somehow markets are fundamentally broken," Bowring said.

Many of the areas Bowring expressed concerns about have to do with what he believes are instances where parties try to sway the competitive aspects of the markets.

Bowring said that renewable resources, for examples, should compete in a single capacity market, alongside other generators. That would increase the capacity market price for thermal generators and provide a strong incentive for intermittent resources to hybridize to make themselves more reliable and able to compete.

Markets do, however, need clear rules around their functioning, Bowring said, and it's important that those rules remain focused on using the principles of competition toward their solution.

"You can't solve every possible problem we foresee coming for the next 20 years; we have to solve the problems in front of us, thinking about the future. We have to remain technology neutral and not have our thumb on the scale in any particular direction. We also don't need artificial price increases to solve what we may perceive to be problems. We've gone through cycles of PJM and others thinking that we need to raise prices and saying prices are too low. As long as we have the market rules right, prices are not too high or too low, they are what they are and people have to deal with the outcomes of that," Bowring said. ■

New Commissioners Bring Pa. PUC to Full Strength

Deal Ends Deadlock over Five-member Commission

By Hugh R. Morley

The Pennsylvania Public Utility Commission swore in three new members Thursday, bringing the five-member board to full strength for the first time in 30 months as it faces the challenge of balancing the push toward clean energy with the continuation of the state's strong fossil fuel sectors.

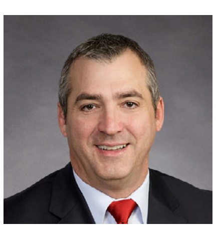
Commissioner John F. Coleman Jr. | *Pennsylvania PUC*

The Republican-controlled State Senate approved Democratic Gov. Tom Wolf's nominations Wednesday, reappointing John F. Coleman Jr. to the PUC after 12 years as a commissioner. Newly appointed members were Stephen M. DeFrank, a government relations professional who spent 24 years in state government, and Kathryn L. Zerfuss, a veteran government affairs strategist who worked on regulatory and policy issues.

The PUC last held a full complement prior to April 2020, when Commissioner Andrew Place resigned to take a job outside the state. Commissioner David Sweet's position became vacant in 2021 when his term expired, and Coleman's job had been vacant since Oct. 1 when his term expired, leaving the PUC with just two members.

Coleman will serve until April 1, 2027, DeFrank until April 1, 2025, and Zerfuss until April 1, 2026.

The three commissioners join Chair Gladys Brown Dutrieuille and Commissioner Ralph V. Yanora in steering an agency with 526 employees and an $85.3 million budget. The PUC regulates about 9,000 entities in industry sectors that include electricity, natural gas, telecommunications, water, rail, motor carriers and pipelines.



Commissioner Stephen M. DeFrank | *Pennsylvania PUC*

In a release announcing the Senate's approval of the three nominees, Dutrieuille welcomed the continuation of Coleman's "experienced voice" on the commission and the "new perspectives" of DeFrank and Zerfuss.

Pennsylvania state capitol | *Dough4872, CC BY-SA 4.0, via Wikimedia Commons*

"Pennsylvania continues to face a diverse list of utility issues, and their voices, insights and backgrounds will be vital as the PUC moves forward," Dutrieuille said.

Energy Disputes

The appointments come amid criticism from environmentalists at the slow pace of Pennsylvania's embrace of clean energy — solar provides less than 1 % of the state's energy — but strong support elsewhere for the state's legacy energy industries. They also accompany uncertainty over Wolf's effort to bring the state into the Regional Greenhouse Gas Initiative (RGGI), which Republicans oppose.

The RGGI effort was blocked in July when Commonwealth Court Judge Michael Wojcik issued a temporary injunction in response to petitions by the coal industry, operators of the Keystone and Conemaugh plants, and others. That case is pending. (See *Court Blocks Pa. from Joining RGGI*.)

The dispute over RGGI had earlier derailed Wolf's effort to *fill the PUC* when Republicans last year refused to approve the governor's nomination of Hayley Book, a climate adviser in the state Department of Environmental Protection who led the effort to join RGGI. Republicans *said* they would not approve PUC nominees until Wolf dropped his unilateral effort to join RGGI, and the governor eventually dropped Book's nomination.

The approval of the three nominees who took office Thursday was part of a deal between Wolf and Senate Republicans under which the GOP would back two Wolf nominees and he would reappoint Coleman, a Republican, according to a local press report. Without the deal, the vacancies could have been left for

PJM News

the next governor to fill, after the November election.

Business and environmental representatives welcomed the appointments.

Elowyn Corby, Mid-Atlantic regional director at Vote Solar, who co-authored an *opinion piece* earlier this month contending that Pennsylvania's clean energy strategy is inadequate, said she was "delighted" by the approval of the three commissioners.

"The PUC plays an integral and often under-appreciated role in shaping Pennsylvania's energy landscape, and I'm grateful and relieved that it will once again have the five Commissioners it needs to do its important work," she said.

Jon Anzur, vice president of public affairs at the Pennsylvania Chamber of Business and Industry, said the organization was pleased to see the Senate "bring the panel to full complement."

"The PUC commissioners and their staff work on important issues affecting the business community, like siting energy infrastructure, protecting ratepayers, and having a voice in ensuring that the PJM grid is reliably managed," he said.

Qualifications, Aspirations

Coleman was serving as CEO of the Chamber of Business and Industry of Centre County in 2010 when then-Gov. Edward Rendell, a Democrat, nominated him. He served as PUC vice chair from 2011 to 2015 and from October 2021 to September 2022.

He is a member of the National Association of Regulatory Utility Commissioners' Committee on Gas and was an inaugural member of NARUC's Pipeline Safety Committee. He served as a board member of the Organization of PJM States Inc. from 2013 to 2017.

Addressing the state Consumer Protection and Professional Licensure Committee, which supported all three nominations, Coleman cited his accomplishments at the agency. Among them: his work advocating for legislation to enhance enforcement of the PA One Call Law, which aims to prevent accidental disruption of underground utility infrastructure. He also cited his effort to lead "the implementation planning for the PUC reorganization" and in "enhancing natural gas expansion pilot projects."

In *written testimony,* he said his future priorities would include leading a PUC One Call Working Group; ensuring the commission "continues to be structured in the best way to accomplish our mission;" and "keeping a close eye on energy suppliers to make sure everyone is following the rules in our competitive marketplace."

In his only mention of clean energy, Coleman said he would "foster new technologies and competitive markets in an environmentally sound manner."

DeFrank, *in written testimony* to the committee, said that, if confirmed to the commission, he would focus on utility regulation, including the "PUC's core function of ensuring the delivery of safe and reliable utility service to our ratepayers."

"I also intend to focus on the ever-increasing cyber threats that exist to our distribution systems and ensuring our utilities are prepared to meet those challenges," he said. "Cyber threats are only going to increase in quantity and sophistication. We must be prepared to meet those challenges."

Until his confirmation to PUC, DeFrank was a principal in the government relations group of Buchanan Ingersoll & Rooney, of Harrisburg, where he moved after 24 years working in state government, including stints for three senators. Among the positions he held was chief of staff/executive director to Sen. Lisa Boscola, Democratic chair of the Senate Consumer Protection and Professional Licensure Committee, which endorsed him for the PUC position.

Commissioner Kathryn L. Zerfuss | *Pennsylvania PUC*

Zerfuss, who *in testimony* to the committee said she was the first person in her immediate family to go to college, served as deputy secretary for legislative affairs in Wolf's office at the start of his second term. While there, she helped establish an initiative to encourage students, workers and businesses to collaborate on programs that meet the needs of a 21st century workforce. She also helped secure Pennsylvania's first tax credit to help working families with childcare.

Zerfuss had earlier served as director of legislative affairs at the state's Transportation and Agriculture departments, and as deputy director of legislative affairs at the state Department of Revenue. She also worked at the Pennsylvania Gaming Control Board.

"Everything that I have done in my almost 20 years in Harrisburg has prepared me to become a public utility commissioner and taught me something about the commission's constituencies," she said. ■

PJM News

Renewable Devs Criticize PJM Response to FERC on Queue Proposal

Queue Restructuring also Discussed at OPSI Annual Meeting

By Devin Leith-Yessian

INDIANAPOLIS — Several renewable energy developers and investors filed comments with FERC on Thursday arguing that PJM's *response* to the commission's *deficiency letter* on its interconnection queue restructuring proposal is insufficient (ER22-2110).

Jointly *filing* as the Affected Interconnection Customers, the companies argued that PJM has not explained whether the threshold of $5 million of network upgrades under which a project would be eligible to be placed into a fast-track interconnection study queue includes the costs of upgrades that have already been in construction or whose construction could have been fully securitized already through a signed interconnection service agreement (ISA).

Such projects should be permitted to be entered into the fast-tracked expedited process, the companies argued, even if the necessary upgrades would exceed $5 million.

"Network upgrades that have already been constructed or fully securitized prior to the transition date cannot adversely affect subsequently queued projects because they have already been fully committed to financially," they said. "Transition Cycle projects in queue windows AE1 through AG1 with allocations towards network upgrades that have been fully constructed or securitized ('fully funded [network upgrades]') prior to the transition date through a signed ISA should be eligible for the Expedited Process category, regardless of whether those network upgrade allocations are greater than $5 million."

Without that being the case, the *ad hoc* group argued that there could be impacts for companies both within the transition queues and those in the pre-transition cycles, which could see their network upgrade burden increase.

"In some instances, it could inadvertently cause such pre-Transition Cycle projects from signing an ISA even though they have remained in queue for up to six years, having planned for network upgrade socialization that PJM is now removing. Such an outcome would be illogical and would not be just and reasonable."

The group also argued that PJM has not satisfied FERC's request for justification for the proposed removal of two tariff sections related to reporting and penalties for completing a percentage of the transmission service request studies within a certain time frame. Without further information from PJM, it encouraged FERC to require that the language remain in the tariff until another approach can be found.

PJM Vice President of Planning Kenneth Seiler (left) speaks on a panel at the Organization of PJM States Inc. annual meeting on Oct. 18. | *© RTO Insider LLC*

PJM News

"PJM claims to be concerned about inconsistent requirements in its tariff, but PJM does not explain why it cannot consolidate the inconsistent provisions in one place or revise them to fit them into the new regime," the group said. "PJM also does not try to explain why penalties are no longer needed to enable it to process study requests in a timely fashion, which is very important given the huge backlog of its interconnection queue."

The group of companies includes Acciona Energy USA, ConnectGen, Copenhagen Infrastructure, Hecate Energy, Leeward Renewable Energy Development, Scout Clean Energy and Tri Global Energy.

Queue Backlog Discussed During OPSI Annual Meeting

During a panel during the Organization of PJM States Inc.'s Annual Meeting discussing the interconnection queue backlog on Oct. 18, American Municipal Power General Counsel Lisa McAlister said she believes that imposing penalties for failing to complete a percentage of the studies could be unfair to both transmission owners and RTO stakeholders.

"While that makes sense and it could be a compliment to the stricter requirements of commercial readiness on the generator's part, the transmission owners do a lot of the interconnection studies from what I've seen, and if they have incomplete information or the information ... it doesn't seem really fair to impose penalties on the transmission owners and then ... penalties on the RTO itself," McAlister said. "The RTO is a nonprofit organization that doesn't really have independent funds, so those are going to get passed through to PJM members who don't have any skin in the game and certainly aren't responsible for not having done the studies."

Fellow panelist Benjamin Greene, RTO policy manager for American Electric Power, said the penalties could erode the relationship between PJM and its TOs, as well as potentially put the transmission providers in an awkward position of trying to determine which of the two is at fault for studies not being complete.

PJM Vice President of Planning Kenneth Seiler told the panel the RTO is hoping that if FERC approves its proposal soon, it could get through the transition queues within two to three years. Smaller projects that have minimal impact on the grid could be done within six months, with much of the work PJM staff have to commit to studies laying in those projects that would require hundreds of million in transmission upgrades.

Seiler also said he's hopeful that FERC will revise its interconnection queue Notice of Proposed Rulemaking (*RM22-14*), issued in June, to remove a proposal to allow developers to ask RTOs and transmission providers to determine the costs of different combinations of projects. Such a rule would increase complexity and slow down PJM's ability to complete studies, he said. (See *FERC Proposes Interconnection Process Overhaul*.)

"If we're going to continue to have optional studies, we're almost going to go back to where we were or where we are now, which is going to be pretty time consuming. We're going to have to spin off another group to do optional studies, which everyone else is then taking their studies and deciding if they want to move forward, because all these projects intersect with each other. So the more flexibility we introduce for the developers, the more time it's going to take for us to process the queues," Seiler said. ■

SPP News

SPP Brings Back Ex-staffer to Develop Western Services

By Tom Kleckner

SPP has welcomed back Carrie Simpson, a former six-year staffer with extensive market design expertise, to lead the continued development of its service offerings in the Western Interconnection.

The RTO on Thursday announced Simpson's appointment as director of Western services development, effective Nov. 1. Working with SPP's Western stakeholders, she will direct the ongoing development and implementation of wholesale markets and other services.

Simpson left SPP for Xcel Energy-Colorado in 2015 after playing a critical role in helping design and draft the rules for the grid operator's Integrated Marketplace. The Day 2 market launched in 2014 and serves as the foundation for the RTO's Western market offerings.

"Developing services that address the needs of the Western Interconnection is a huge opportunity," Simpson said in a *statement*. "I look forward to working with stakeholders across the west in my new role to develop solutions that support affordable, reliable electricity for the whole region."

As Xcel Energy-Colorado's Western markets director, Simpson and her team were responsible for analyzing and evaluating participation in organized wholesale markets. She already has strong relationships with Western stakeholders and established herself as one of the key subject-matter experts participating in SPP's Markets+'s development, one of the RTO's six different *Western services*. (See *SPP Woos Western Utilities with Markets+ Offering*.)

"We're very excited to welcome Carrie back to SPP," said Bruce Rew, SPP's senior vice president of operations. "She has extensive knowledge and experience in operations and market design, as well as collaboration in the Western Interconnection."

In an email to Western stakeholders, Rew said Simpson will work closely with them to ensure SPP's Western energy services continue to "reflect the collaborative, mutually beneficial partnerships we've established since 2018," when the grid operator announced its intent to act as a reliability coordinator for Western utilities.

That service went live in 2019 and was followed by the Western Energy Imbalance Service Market in 2021. That same year, the Western Power Pool selected SPP to operate its Western Resource Adequacy Program. The grid operator is also assessing whether to expand its RTO in the West.

SPP said Simpson's role is new and reflects the company's "commitment to pursuing strategic opportunities to enhance electric reliability and affordability in the Western part of the U.S."

Simpson, who has 18 years of industry experience, has an undergraduate degree from Harvard University and a law degree from the University of Denver's Sturm College of Law. She is licensed to practice law in Colorado. ■

Carrie Simpson raises a point during a Markets+ development session. | *© RTO Insider LLC*

PJM News

FERC Affirms SPP's Zonal Planning Criteria

FERC on Thursday sustained a previous order accepting SPP tariff revisions that establish an annual process allowing each transmission pricing zone to develop a uniform planning criteria that the grid operator would use to evaluate the need for zonal reliability upgrades (*ER22-1719*).

The order addressed requests for rehearing and alternative clarification after the commission's June approval of SPP's filing. (See *FERC Accepts SPP's 2nd Try at Zonal Planning Criteria*.)

SPP transmission owners ITC Great Plains, Oklahoma Gas & Electric, GridLiance High Plains and Evergy's subsidiaries all filed rehearing requests that FERC said "primarily revive arguments raised in their initial pleadings" that:

- the proposed two-step voting process for approving zonal planning criteria allows small transmission customers to block their adoption;
- using SPP's regional planning criteria as a backup and allowing TOs to use their own local planning criteria, but directly assigning the costs, both violate the cost-causation principle;
- exempting one of the 18 pricing zones from the planning criteria development process is unduly discriminatory;
- SPP abdicated its role in the development process and did not comply with the requirements of Orders 1000 and 2000 regarding its responsibility for transmission planning; and
- the June 29 effective date for the revisions imposes compliance and implementation burdens.

FERC said SPP continued to meet its burden under Federal Power Act's Section 205 that its tariff revisions are just and reasonable and not unduly discriminatory or preferential. It noted that SPP's proposed two-step voting process to approve zonal planning criteria provides a "just and reasonable mechanism for parties to achieve consensus that does not provide an undue advantage to any class or type of transmission owner or customer."

The commission did clarify that the development process will begin on April 2, 2023. ■

— Tom Kleckner

Evergy line crew at work | *Evergy*

Company Briefs

Tesla to Build Lithium Refinery in Texas

Tesla last week said it is moving forward with plans to build a lithium refinery on the Texas Gulf Coast to gain more control over the supply chain for electric vehicle batteries.

The company had told regulators it planned to build a battery-grade lithium hydroxide refining facility near Corpus Christi that would process raw ore material into something more production-ready.

More: *Bloomberg*

BMW Investing $1.7B in SC Plant with Shift to EVs

BMW last week said it will invest $1 billion in its factory in Greer, S.C., to start producing electric vehicles and an additional $700 million to build a battery plant in nearby Woodruff.

BMW declined to say when the first EV might be produced but said it wants to increase EV production at the plant by 10% every two years, with the goal of having EVs amount to half its total auto production by 2030.

More: *The Associated Press*

Kingbee Rentals Orders 9,300 Canoo EVs

Electric vehicle company Canoo last week announced it has received an order for 9,300 of its vehicles from Kingbee Rentals. Kingbee also confirmed an option to increase the order to 18,600 vehicles.

The news comes months after Canoo landed an order from Walmart, which agreed to buy 4,500 of its delivery vans.

More: *The Journal Record*

Turcotte Joins EPSA as Assistant VP, Government Affairs

The Electric Power Supply Association (EPSA) last week named Jeffrey Turcotte its assistant vice president of government affairs.

Turcotte joins EPSA from ISO-NE, where he served most recently as senior adviser of federal affairs after joining the organization in 2010.

More: *EPSA*

RMI Names Creyts New CEO

RMI, formerly Rocky Mountain Institute, last week announced Jon Creyts will be its next CEO, effective Nov. 1.

Creyts, 52, joined RMI in 2012 and currently serves as the company's chief program and strategy officer. He took that role in early 2021 and has championed RMI's diversity, equity and inclusion efforts.

More: *RMI*

Federal Briefs

FERC Approves Pegasus Wind Settlement

FERC last week approved a settlement for reduced reactive power rates at the Pegasus Wind Farm in eastern Michigan.

The 131-MW facility came online in 2020 and originally filed for a $1.13 million annual revenue requirement (ARR) for reactive service. However, FERC found that a $530,000 AAR, or $44,166 per month, was more appropriate.

With the settlement in place, MISO will determine refunds with interest for Pegasus Wind's customers.

More: *ER22-728-001*

FERC OKs Coal-to-gas Pipeline Project

FERC last week approved a natural gas project in Kentucky and Indiana that will allow the coal-fired AB Brown Generating Station to switch to natural gas.

The Henderson County Expansion Project is designed to deliver 220 million standard cubic feet of natural gas per day to fuel two new natural gas generation units at the AB Brown station operated by CenterPoint Energy. The new generation units will replace coal-fired capability. The company plans to construct a new 24-mile-long, 20-inch-wide pipeline and related infrastructure.

More: *Bloomberg Law*

Fed Needs 30,000 New EVs Per Year to Meet Emission Goals

Meeting federal emissions goals may require agencies to acquire 30,000 emissions-free vehicles per year and about 25 times the current number of charging ports, said a Government Accountability Office (GAO) report released last week.

The Biden administration recently issued an executive order mandating all new federal vehicle acquisitions be emissions-free by 2035, with the requirement applying to all light-duty vehicle acquisitions by 2027. The order covers about 380,000 vehicles, including about 260,000 light-duty vehicles, according to the report.

The GAO analysis found that agencies replace about 8% of their fleets annually, 73% of which are light-duty vehicles. Acquisition of zero-emission vehicles is likely to be relatively simple for federal agencies, according to the office.

More: *The Hill*

Global Fossil Fuel Emissions Expected to Rise by 1% in 2022

Global carbon dioxide emissions from fossil fuel combustion are expected to grow by just under 1% this year, according to the IEA.

The analysis shows that CO_2 emissions are on course to increase by close to 300 million tons in 2022 to 33.8 billion tons — a much smaller rise than their jump of nearly 2 billion tons in 2021. The report said the rise in global emissions this year would be much larger — close to 1 billion tons — were it not for the major deployments of renewable energy technologies and electric vehicles around the world.

More: *IEA*

State Briefs

CALIFORNIA

Forestry Dept. Sues SCE, T-Mobile for Causing 2020 Silverado Fire

The Department of Forestry last week sued Southern California Edison and T-Mobile USA, alleging equipment failures caused the Silverado fire in 2020 in Orange County.

The lawsuit said arcing between a 12,000-volt electrical conductor operated by SCE and a communication line assembly belonging to T-Mobile ignited the wildfire on Oct. 26, 2020. The lawsuit accused the companies of negligence and failing to properly design, install and maintain their equipment.

The fire displaced 90,000 residents and burned more than 12,000 acres.

More: *The Orange County Register*

ILLINOIS

Mattoon Council Renews Solar Farm Permit

Cypress Creek Renewables last week had a permit renewed for a 5-MW solar facility in Mattoon.

The company first obtained a city special use permit in 2018, renewed the permit in 2020, and renewed again last week.

City Administrator Kyle Gill told council that Cypress Creek and other solar developers have been waiting to use a new round of state incentives that have a Nov. 1 application deadline.

More: *Journal Gazette & Times-Courier*

McDonough County Approves Pipeline Moratorium

The McDonough County Board last week unanimously approved a two-year moratorium for CO_2 pipelines in the county.

Board Chair Scott Schwerer said the county wants to give the federal government time to potentially upgrade safety guidelines for such projects.

More: *Tri States Public Radio*

IOWA

Windsor Heights Aims for Clean Energy by 2030

The Windsor Heights City Council last week unanimously passed a resolution that set a city goal of obtaining 100% carbon-free electricity by 2030.

That date keeps the resolution in line with U.N. findings that said greenhouse gas emissions need to be cut by 45% from 2010 to 2030 to limit global warming to 1.5° C.

More: *WOI-DT*

MICHIGAN

7-Eleven Signs 20-year Clean Energy Agreement with DTE Energy

7-Eleven last week announced its enrollment in MIGreenPower, DTE Energy's renewable energy program, that will allow the company to receive 100% renewable energy for all 160 of its Southeast locations for 20 years, starting in 2025.

7-Eleven set a goal of reaching a 20% reduction in CO_2 emissions by 2027.

More: *CBS Detroit*

MINNESOTA

Enbridge to Settle Pipeline Violations

Enbridge Energy, the owner and operator of the Line 3 pipeline project, will pay more than $11 million after investigations identified water quality violations and three aquifer breaches related to the pipeline's construction.

The Pollution Control Agency and Department of Natural Resources announced the results from investigations of water quality violations and aquifer breaches related to the construction project. The investigations have resulted in more than $11 million in payments, environmental projects and financial assurances from Enbridge, according to the agencies.

The investigation found that Enbridge violated regulations when it discharged construction storm water into wetlands and inadvertently released drilling mud into surface water at 12 locations in June and August of 2021. The DNR also finalized agreements with Enbridge to address three aquifer breaches.

More: *The Associated Press*

MONTANA

Laurel Residents Suing Over Gas-fired Power Plant

Laurel residents and environmentalists are suing the city, Yellowstone County and NorthWestern Energy for allowing construction of the 175-MW gas-fired Laurel Generating Station to proceed without local government review.

Plaintiffs argue the utility is moving forward with the project without approval from local zoning officials or elected officials. They are asking the district court to direct the city of Laurel to take up the zoning issues at the site; if not Laurel, then the court should direct Yellowstone County to do the job.

The lawsuit is the third accusing state or local governments of allowing the project to proceed without first taking the necessary regulatory steps.

More: *Billings Gazette*

NORTH CAROLINA

Cypress Creek Renewables Eyes 6 Solar Projects

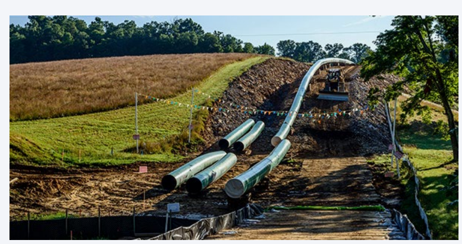
Cypress Creek Renewables last week filed six applications with the Utilities Commission for six solar projects that would produce a combined 480 MW.

Two of the 80-MW projects are planned in Duplin County, with the others in Bladen, Jones, Onslow and Wayne counties. Cypress Creek has submitted proposals with Duke Energy to sell electricity generated by the solar farms directly to the utility.

The solar farms would reduce emissions by 370,000 tons per year, Cypress Creek said.

More: *Winston-Salem Journal*

Mountain Valley Pipeline Halts Eminent Domain for Southgate Extension



Mountain Valley Pipeline last week announced it has decided to withdraw eminent domain actions against land the company sought for its Southgate extension, a 75-mile offshoot of the main pipeline that would carry gas from Pittsylvania south to Rockingham and Alamance counties.

"As the timing, design, and scope of this project continue to be evaluated, MVP has elected to dismiss this action, believing that to be the appropriate course of action for the time being and a demonstration of its desire to work cooperatively and in good faith with landowners and communities along the pipeline's route," said the motion filed in U.S. District Court for the Middle District of North Carolina.

However, Mountain Valley asked for the dismissal without prejudice, which would allow it to pursue eminent domain actions against the properties again.

More: *Virginia Mercury*

OHIO

Power Siting Board Approves Two Solar Projects

The Power Siting Board last week announced the approval of three alternative energy projects, including two solar projects and one storage facility.

One authorization will allow Pleasant Prairie Solar to construct a 250 MW solar facility in Franklin County. The other will allow Harvey Solar to construct a 350-MW solar facility in Licking County. Licking County will also be home to a 200-MW storage facility owned by Flint Grid.

More: *WTOL*

OREGON

Jury Awards $10.4M for Trauma from Portland Pipeline Explosion

A NW Natural employee and a salon worker won a combined $10.4 million after a jury found they suffered hearing loss and emotional trauma when they narrowly escaped a natural gas explosion that rocked a Portland neighborhood in October 2016.

The jury awarded $6.5 million to Kristen Prentice and $3.9 million to Eric Rader and found contractor Loy Clark Pipeline Co. liable for both workers' medical expenses and lost earnings. Loy Clark has been sued at least 10 times in relation to the explosion.

More: *The Oregonian*

VIRGINIA

Dominion Acquires BESS Project

Dominion Energy last week announced it has acquired a 15.7-MW battery storage project currently in development.

The battery energy storage system (BESS) project was acquired from East Point Energy, which is the grid-scale BESS developer acquired by Equinor a few months ago.

The project will have a storage capacity of 62.9 MW to its 15.7MW output and will come online in 2023.

More: *Energy Storage News*

Dominion Proposes New Solar, Storage Projects

Dominion Energy last week proposed 23 new solar and energy storage projects in a filing with the State Corporation Commission.

The proposal includes 10 solar and storage projects that total nearly 500 MW. Dominion would own and operate the projects. The utility also proposed power purchase agreements with 13 projects owned by independent developers, totaling more than 300 MW.

The projects are subject to SCC approval and would require local and state permits before construction could begin. If approved, Dominion expects the projects to be completed between 2023 and 2025. The projects would add about $0.38 to the average monthly bill, according to the filing.

More: *Virginia Business*

WYOMING

PSC Approves Black Hills' Transmission Project

The Public Service Commission last week approved a certificate of public convenience and necessity for Black Hills Energy to build an $260 million transmission expansion project.

The company said the 260-mile project, known as Ready Wyoming, will help meet current and growing energy needs of customers.

Construction of the project is expected to begin in 2023 and be completed in multiple phases through 2025.

More: *Casper Star-Tribune*