

RTO Insider

YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKETS

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

ERCOT

Conservation Helps ERCOT Meet High Demand (p.12)

Texas PUC Ponders Market Design's Next Steps (p.13)

Texas Supreme Court Affirms ERCOT's Sovereign Immunity (p.14)

NYISO

**NYISO Board Selects
NYPA-Transco Project for
Long Island Tx Needs**
(p.24)

MISO

**MISO Committed to Crackdown
on Interconnection Queue
Submittals, Departures** (p.21)

**Stakeholder Activists Call on MISO to be More
Accessible to the Public** (p.22)

CAISO/West

**TransWest Express Transmission
Line Breaks Ground**
(p.8)

CAISO/West

**Report Criticizes Gas
Plant Performance During
Calif. Heat Wave**
(p.9)

RTO Insider

Your Eyes and Ears on the Organized Electric Markets
 CAISO ■ ERCOT ■ ISO-NE ■ MISO ■ NYISO ■ PJM ■ SPP

Editorial

Editor-in-Chief / Co-Publisher

[Rich Heidorn Jr.](#)

Deputy Editor /
Daily

[Michael Brooks](#)

Deputy Editor /
Enterprise

[Robert Mullin](#)

Creative Director

[Mitchell Parizer](#)

New York/New England Bureau Chief

[John Cropley](#)

Midwest Bureau Chief

[John Funk](#)

Mid-Atlantic Bureau Chief

[K Kaufmann](#)

Associate Editor

[Shawn McFarland](#)

Copy Editor/Production Editor

[Patrick Hopkins](#)

CAISO/West Correspondent

[Hudson Sangree](#)

D.C. Correspondent

[James Downing](#)

ERCOT/SPP Correspondent

[Tom Kleckner](#)

ISO-NE Correspondent

[Jon Lamson](#)

MISO Correspondent

[Amanda Durish Cook](#)

NYISO Correspondent

[John Norris](#)

PJM Correspondent

[Devin Leith-Yessian](#)

NERC/ERO Correspondent

[Holden Mann](#)

Sales & Marketing

Chief Operating Officer / Co-Publisher

[Merry Eisner](#)

Senior Vice President

[Adam Schaffer](#)

Account Manager

[Jake Rudisill](#)

Account Manager

[Kathy Henderson](#)

Account Manager

[Phaedra Welker](#)

Customer Success Manager

[Dan Ingold](#)

Marketing Manager

[Eau Rikhotso](#)

Assistant to the Publisher

[Tri Bui](#)

RTO Insider LLC

10837 Deborah Drive

Potomac, MD 20854

(301) 658-6885

See additional details and our Subscriber Agreement at rtoinsider.com.

In this week's issue

Counterflow

How Many Deaths? 3

FERC/Federal

NERC Finds Grid Generally Reliable and Resilient in 2022..... 5

Vistra's Deal for Energy Harbor Runs into Opposition at FERC 6

CAISO/West

TransWest Express Transmission Line Breaks Ground 8

Report Criticizes Gas Plant Performance During Calif. Heat Wave 9

FERC Rejects PG&E Boilerplate Interconnection Agreement..... 10

Western EIM Governing Body Gets New Member, Chair 11

ERCOT

Conservation Helps ERCOT Meet High Demand..... 12

Texas PUC Ponders Market Design's Next Steps 13

Texas Supreme Court Affirms ERCOT's Sovereign Immunity..... 14

ERCOT Board of Directors Briefs..... 15

ISO-NE

NE Stakeholders Debate Future of Everett at FERC Winter Gas-
Elec Forum..... 18

Blackstone Infrastructure to Scoop up Minority Stake in NIPSCO 20

MISO

MISO Committed to Crackdown on Interconnection Queue Submittals and
Departures 21

Stakeholder Activists Call on MISO to be More Accessible to the Public. 22

NYISO

NYISO Board Selects NYPA-Transco Project for Long Island Tx Needs 24

NY Completes Smart Path Tx Upgrades..... 25

NYISO TPAS Briefs 26

From Whale Oil to Clean Hydrogen: NYC Takes Stock of the Energy
Transition 27

NYISO Operating Committee Briefs..... 29

New York PSC Calls for More New Transmission for Long Island OSW..... 30

PJM

PJM Continues CIFP Discussion of Seasonal Capacity Market Proposal..... 31

PJM MRC/MC Briefs 32

Briefs

Company Briefs..... 33

Federal Briefs..... 34

State Briefs 35

Counterflow

By Steve Huntoon

How Many Deaths?

By Steve Huntoon

It's high time we consider how many deaths would result from higher residential energy prices due to the energy transition. *The Economist* points out: "High energy prices can cost lives. They discourage people from heating their homes properly, and living in cold conditions raises the risk of cardiac and respiratory problems."¹

The Economist analyzed "excess deaths" in Europe last winter that are attributable to the enormous increase in residential energy prices after Russian President Vladimir Putin weaponized natural gas supply. Its chart shows the correlation between higher energy prices and higher excess deaths.

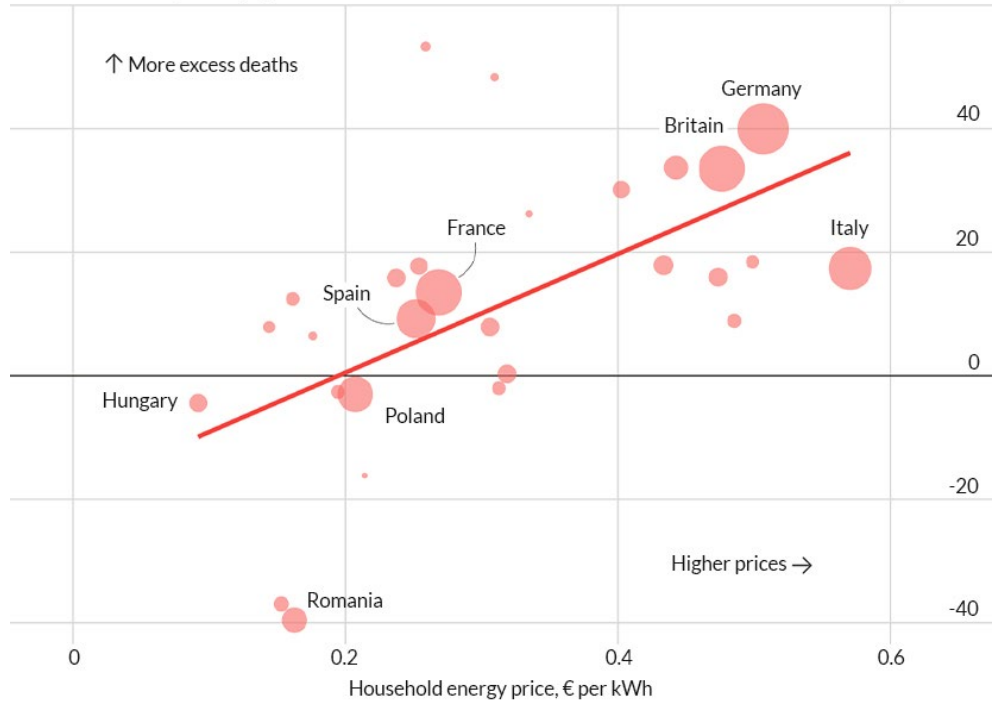
Based on these data and other inputs, *The Economist* estimated that higher residential energy prices resulted in 68,000 excess deaths last winter in Europe — more excess deaths than COVID during that period.

US Study

Disturbed by *The Economist's* analysis, I went looking for similar research in the U.S. One study came out earlier this year from three economists with this conclusion: "Our estimates imply that the 42% drop in the natural gas price [13% decline in household energy bills] in the late 2000s, mostly driven by the shale gas boom, averted 12,500 deaths per year in the U.S. The effect appears to be especially large in high-poverty communities."²

Winter 2022-23, size = population

60 deaths per 100K



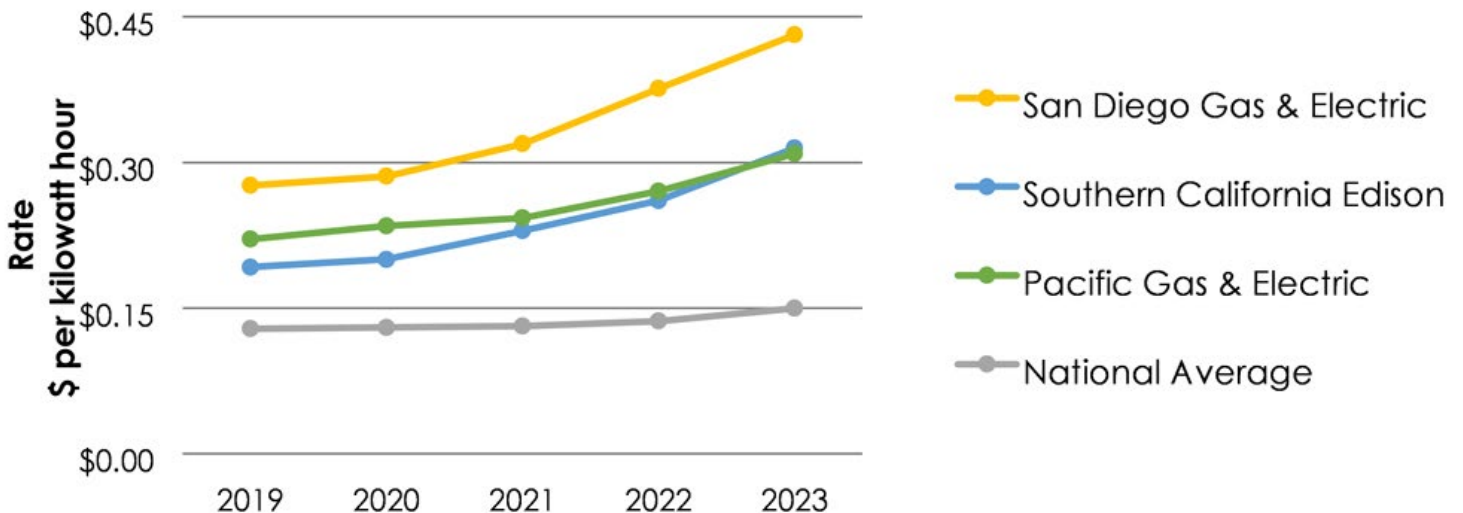
Total non-Covid excess deaths vs. energy prices | *The Economist*

cially large in high-poverty communities."²

Deaths can occur from reducing or forgoing food or medicine to pay for energy (25% of U.S. households reporting this form of energy insecurity) and/or living at an unhealthy temperature to save money (12% of U.S. households reporting this form of energy insecurity).³

Implications for the Energy Transition

What are the implications for the U.S. energy transition? California is a harbinger for the rest of the country. Its residential electric rates have increased way above the national average,⁴ due in large part to its energy transition policies.⁵



Average year-end electric residential rates by utility | *California Public Advocates Office*

Counterflow

By Steve Huntoon

These electric rate increases are just the beginning given California's zero-carbon mandate for 2045.⁶ Not to mention California's phase-out of natural gas use that will impose sky-high electric rates for all space heating.⁷

As for the bigger picture, McKinsey says net-zero globally will require \$3.5 trillion (that's with a "t") in new spending on low-emission assets per year to 2050.⁸

What We Don't Know

How many lives are being lost with rising electric rates like these? We don't know. And

that's a problem.

We need to figure out how much energy transition policies would increase electric rates, and how many deaths would result from such rate increases.

That — along with myriad other public policy considerations — needs to be factored into public policy decisions, such as what higher rates are justified, and who should pay them.⁹

A Closing Caveat

Let me acknowledge that there are other public health aspects of the electric industry,

not the least of which are climate change and air pollution. Let me pass on the former other than to observe the obvious: "It's complicated."¹⁰ About the latter a recent estimate put the range of premature deaths from electric generation air pollution at 4,000 to 9,000 per year;¹¹ presumably that number will continue to decline as natural gas and renewables continue to displace coal. It would seem from data discussed at the outset that excess deaths from the high rates necessary to end carbon emissions would be many times the lives saved from ending electric generation air pollution. But who knows? And that's a problem. ■

¹ <https://www.economist.com/graphic-detail/2023/05/10/expensive-energy-may-have-killed-more-europeans-than-covid-19-last-winter>

² https://gceps.princeton.edu/wp-content/uploads/2023/03/wp305_Jayachandran-et-al_heating_mortality_23jan.pdf

³ <https://www.eia.gov/consumption/residential/data/2020/hc/pdf/HC%2011.1.pdf>. Smaller percentages suffer from inability to use heating or AC equipment due to monetary issues.

⁴ <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/reports/230224-public-advocates-office-2022-electric-rates-report.pdf>.

⁵ One California utility says: "Currently, about 40% of what SDG&E customers pay in their bills go toward climate-related expenses." <https://www.sdge.com/rates/rates-whats-being-done-make-bills-more-affordable>. One such policy is California's net metering rules for rooftop solar, which hurt lower income households. <https://energythaas.wordpress.com/2021/06/01/rooftop-solar-inequity/> and <https://energythaas.wordpress.com/2022/06/05/myths-that-solar-owners-tell-themselves/>. The net metering rules are being changed prospectively, but the damage will continue.

⁶ My take on California's scary no-carb future is here, <https://www.energy-counsel.com/docs/No-Carb-California.pdf>. Other reality checks are here, <https://haas.berkeley.edu/wp-content/uploads/WP332.pdf>, and here, <https://www.economist.com/leaders/2022/11/03/the-world-is-missing-its-lofty-climate-targets-time-for-some-realism>.

⁷ All sales of residential gas heating units will be eliminated by 2035. <https://www2.arb.ca.gov/sites/default/files/2022-11/2022-sp.pdf>, page 214.

⁸ <https://www.mckinsey.com/capabilities/sustainability/our-insights/the-net-zero-transition-what-it-would-cost-what-it-could-bring>

⁹ Or, dare I repeat myself, Plan B: solar geoengineering. <https://energy-counsel.com/wp-content/uploads/2022/05/We-are-Going-to-Need-a-Plan-B-RTO-Insider-5-10-22.pdf>. As Captain James T. Kirk said: "We all have to take a chance — especially if one is all you have." <https://www.imdb.com/title/tt0708484/characters/nm0000638>.

¹⁰ One discussion of complications is here, <https://www.washingtonpost.com/climate-environment/interactive/2023/hot-cold-extreme-temperature-deaths/>.

¹¹ <https://iopscience.iop.org/article/10.1088/1748-9326/ac6cfa>



NEW YORK ENERGY WEEK
BY ENERKNOL

FUELING INDUSTRY COLLABORATION & INVESTMENT
JUNE 20-22, 2023

REGISTER NOW



NEW ENGLAND - CANADA BUSINESS COUNCIL

2023 ANNUAL U.S. - CANADA EXECUTIVE ENERGY CONFERENCE

NOVEMBER 1-2, 2023
SEAPORT HOTEL, BOSTON

NECBC.ORG/PAGE/ENERGYCONFERENCE



MACRUC

MACRUC 28th Annual Education Conference

June 25-28, 2023
Nemacolin Woods, Farmington, PA

Register Now!

FERC/Federal News

NERC Finds Grid Generally Reliable and Resilient in 2022

State of Reliability Report Finds Growing Concerns with Coal and Natural Gas Plants

By James Downing

NERC on Thursday released its 2023 State of Reliability report, which found that the North American bulk power system generally remains highly reliable and resilient.

Transmission system reliability has improved significantly for the fifth consecutive year, but conventional generation — challenged by more frequent extreme weather — saw its highest level of unavailability overall since NERC started gathering generator availability in 2013.

Generation saw its worst “weighted equivalent forced outage rate” last year, Manager of Performance Analysis Donna Pratt said on a conference call with reporters Thursday.

“When we analyze this by fuel type, we also observed increasing outage rates for coal over the five-year period, which correlates to higher numbers of start-ups and maintenance outages,” Pratt said. “And the unavailability of gas-fired generation recently has been consistently higher during the winter months.”

Those are two of the main reasons why generation is “surpassing transmission in contributing to major load-loss events,” she added. No apparent trends are discernible in other forms of generation, the report said.

“Higher overall outage rates for coal and gas generation, as well as some utility-scale solar generation not operating as necessary for reliability, indicate that there is still significant work to be accomplished to accommodate the rapidly changing weather and generation resource mix in conjunction with electrification of the economy in a reliable manner,” said Pratt.

The most significant reliability event of the year was the winter storm in December, also known as “Elliott,” which impacted the eastern U.S. and prompted a joint inquiry from FERC and NERC into what happened. The inquiry is expected to be completed late this year, so NERC’s report did not go into depth on Elliott. (See [FERC, NERC Set Probe on Xmas Storm Blackouts](#).)

But in response to that and other recent cold weather events, NERC issued a Level 3 “essential action alert” this May to tell the industry to increase its winter preparedness. NERC has issued several new standards on winter readiness this year, and others are under development.

NERC’s report also highlighted a June 4,



NERC graphic showing major reliability events on the North American grid in 2022 | NERC

2022, event around Odessa, Texas, where a failed surge arrester caused the loss of 333 MW of synchronous generation, leading to the erroneous loss of another 511 MW and an unexpected loss of 1,700 MW of solar PV generation.

“The total generation lost exceeded the most severe single contingency and nearly exceeded the Texas Interconnection resource loss protection criteria, the design threshold that is used to establish the requirements for frequency recovery in the Texas Interconnection,” the report said.

That event and other similar ones indicate that the dynamic performance of inverter-based resources (IBRs) have to be improved if the grid is to benefit from their rapid expansion, NERC said.

Texas has had similar events with IBRs, as has the Western Interconnection, and NERC has highlighted the issues with IBRs since 2016. NERC is working to upgrade its standards to address the issue, and FERC launched a rulemaking on it last year. (See [FERC Addresses IBRs in Multiple Orders](#).)

Immediate industry actions are needed to implement published guidelines and ensure the

reliable operation of the grid as IBRs grow.

“IBR modeling requirements need significant improvement to ensure that high-quality, accurate models are used during reliability studies so performance issues can be identified before they occur during real-time operations,” NERC said.

Physical and cyberattacks on grid assets are increasing, and that reinforces the need for the further development and adaptation of standards and guidelines.

“The growing attack surfaces that result from the increasing penetration of distributed energy resources call for ongoing development and adaptation of cyber and physical security standards and guidelines to keep up with the ever-changing threat landscape,” NERC said. “Furthermore, cyber-informed planning should include designs and be considered when planning and integrating the technologies into the grid to strengthen the cyber robustness.”

Hostile nation states are continually targeting North American critical infrastructure and are constantly evolving methods to compromise the grid’s reliability, resilience and security. Homegrown extremists have also targeted the grid, NERC added. ■

FERC/Federal News



Vistra's Deal for Energy Harbor Runs into Opposition at FERC

Parties Argue it will Harm Ohio Retail Market and Concentrate Market Power in PJM

By James Downing

Vistra's more than \$3 billion purchase of Energy Harbor and its nuclear plants ran into opposition at FERC on Friday as consumer advocates in Ohio argued the deal would harm the state's retail power market (EC23-74).

PJM's Independent Market Monitor, Monitoring Analytics, did not oppose the merger, but it argued that FERC should condition its approval on behavioral commitments from Vistra so it cannot abuse market power in the RTO's capacity market and local energy markets.

Vistra proposed buying Energy Harbor, which owns the generation and competitive retail business spun off from FirstEnergy, in March. Vistra plans to combine the three nuclear plants from the deal with its existing clean energy assets and retail businesses in a new subsidiary called "Vistra Vision." (See [Vistra Pays More than \\$3 Billion for Energy Harbor](#).)

Ohio restructured its industry in 2001, allowing customers to buy power from competitive retailers, but even those who do not shop benefit from the default standard service offer (SSO) auctions into which Vistra and Energy

Harbor have bid their generation in recent years, said the Northeast Ohio Public Energy Council (NOPEC).

"The Ohio SSO market is served by a small — and shrinking — set of suppliers. Over the past five years, the average number of suppliers has dropped from 11 to six," NOPEC said. "In addition, in recent SSO auctions all (or almost all) registered bidders were selected to provide one or more tranches. This is a sign that these auctions currently have limited alternative suppliers."

Both have participated in 39 auctions since 2019, with Energy Harbor winning 22% of total supply and Vistra 33%.

"When both Energy Harbor and Dynegy have submitted winning bids in the same auction, their combined shares of the procured tranches range from 35% to as high as 82%," said NOPEC.

NOPEC is a regional council of local governments that provides electricity aggregation services to their citizens, which represents 68% of the total retail power market of 2.5 million customers — with the rest making individual decisions to shop with specific retailers.

Energy Harbor and Vistra each serve about 20% of the state's government aggregation market, said NOPEC, which is the largest provider of such services with slightly more than their combined share.

"The proposed transaction, and Vistra's resulting increased share of the governmental aggregation market, follows directly on the heels of efforts by its subsidiary, Dynegy, to attempt to eliminate NOPEC as a competitor," the group said.

Vistra's subsidiary Dynegy asked the Public Utilities Commission of Ohio (PUCO) to terminate NOPEC's certificate to serve as a government aggregator after it returned some customers to utility SSO rather than force them to pay spiking prices. NOPEC noted that Dynegy did the same thing because both were responding rationally to market conditions, while the nonprofit was working to ensure its member communities and their retail customers got the lowest prices possible.

The PUCO threw out Dynegy's request, saying that NOPEC did nothing wrong in returning some customers to SSO.

The Ohio Consumers' Counsel also urged



The Perry nuclear plant in Ohio | Nuclear Regulatory Commission

FERC/Federal News



FERC to review the measure and its impact on the retail market in Ohio, noting that the commission has agreed to do so when state agencies have limited authority over mergers.

“The potential adverse effects of this merger on retail consumers in Ohio will be significant,” the OCC said. “FERC’s review of both the retail and wholesale impacts of the merger on Ohio consumers is needed so that Ohio consumers can be protected from the adverse effects of this merger.”

Fewer bidders in the SSO auctions will likely raise prices in them, which will have an impact on the offers made by retailers.

“The standard service offer is used by Ohio consumers as the price to compare against the prices offered by marketers, including prices offered by governmental aggregators,” the OCC said. “Thus, higher standard service offer prices would act as a price ‘umbrella,’ allowing for increases in both marketer headroom and likely the prices offered by them. This also could result in higher profits for marketers, to the detriment of consumers.”

Both NOPEC and the OCC argued that the deal would have detrimental effects on PJM’s

wholesale markets, as did the Monitor, though the latter argued behavioral constraints were the best way to deal with any such issues.

“The IMM recommends behavioral remedies to address flaws in PJM’s energy market power mitigation rules to ensure that Vistra cannot exercise market power as a result of the Energy Harbor acquisition,” the Monitor said. “Absent a reorganization of the entire market, structural remedies for individual transactions are not likely to be as effective as behavioral remedies because the structural remedies are generally based on an unrealistic, static view of market structure.”

Nuclear units have traditionally participated as zero- or low-cost baseload resources in the PJM markets, meaning they bid low and clear often — while benefiting when power prices spike. But now, owners of nuclear plants are increasingly looking to serve some kind of load directly located nearby that is outside of the wholesale markets, which creates the ability and incentive for nuclear plants to exercise market power.

“Under this offer strategy for the nuclear units, the combination of Vistra with Energy Harbor would result in more structural market power

for Vistra as measured by the [three-pivotal-supplier] test both in local markets and in the aggregate energy market,” the Monitor said. “The impact on energy prices and congestion could be very large if the FERC permits this behavior and enough plants engage in the behavior.”

Energy Harbor has a deal with Standard Power to use its Beaver Valley nuclear plant to provide between 200 and 300 MW of power to a data center.

Any competitive concerns from that deal can be dealt with by requiring Vistra to reduce the capacity interconnection rights equal any “behind the generator” load added to the acquired nuclear plants, the Monitor said.

It also suggested three other behavioral requirements: a prohibition on submitting price-based offers that intersect, or cross, the cost-based offer for the resource; that Vistra include operating parameters that are identical to their parameter-limited schedules in its energy-market offers; and that the company use a market seller offer cap in the capacity market that is equal to its units’ net avoidable-cost rate, which the IMM said is the competitive offer for capacity resources. ■

National/Federal news from our other channels



[Siemens Gamesa Quality Control Problems Growing Worse](#)



[ACEEE Highlights Efficiency’s Benefits to Grid Decarbonization](#)



[WoodMac: More than 1.8 GW of US Energy Storage Projects Delayed in Q1](#)



[DC Circuit Overturns EPA Hydrofluorocarbon Rule](#)



[Clean Hydrogen and Renewable Energy Feud over Tax Credit Rules](#)



[DOE Under Secretary: Industrial Decarb Should Happen This Decade](#)



[NERC Committee Delays Guidance on Grid-Forming Batteries](#)



RTO Insider subscribers have access to two stories each monthly from NetZero and ERO Insider.

CAISO/West News

TransWest Express Transmission Line Breaks Ground

Line is Part of California's Clean Energy Goals

By Hudson Sangree

The TransWest Express transmission project, designed to carry 3,000 MW of Wyoming wind power to the Southwest and California, broke ground last week on a typically windy day in Carbon County, Wyo.

Energy Secretary Jennifer Granholm, Interior Secretary Deb Haaland and Wyoming Gov. Mark Gordon participated in the ceremonial groundbreaking at a cattle ranch where the line's northern HVDC terminal will be built.

The Biden administration said the groundbreaking represented a milestone in its push for faster transmission buildup.

"The TransWest Express project will accelerate our nation's transition to a clean energy economy by unlocking renewable resources, creating jobs, lowering costs and boosting local economies," Haaland said in a statement.

TransWest got the go-ahead to build in April, when the U.S. Bureau of Land Management issued a notice to proceed. It was the final step in an approval process that began 15 years ago. (See [TransWest Express to Break Ground After BLM Approval](#).)

The 732-mile high-voltage line will be capable of transmitting 3,000 MW of energy from wind farms near Rawlins, Wyo., to consumers in California, where it is regarded as an important component of the state's push to achieve 100% clean energy by 2045.

To meet the goal, the state will need to import as much as 10 GW of out-of-state wind by 2040, at least half of it from Wyoming, according to projections by the California Public Utilities Commission and California Energy Commission.

CAISO's inaugural 20-year transmission outlook estimated that carrying wind from the Great Plains and Rocky Mountain states to California to achieve 100% clean energy would cost \$12 billion.

Last summer, TransWest's developers asked



From left: TransWest CEO Bill Miller, Energy Secretary Jennifer Granholm, Interior Secretary Deb Haaland, Wyoming Gov. Mark Gordon and TransWest COO Roxane Perruso participate in the ceremonial groundbreaking. | [TransWest Express](#)

to join CAISO as a participating transmission owner under a new subscriber model, in which a line's subscribing customers pay its costs. The ISO's Board of Governors approved the request in December, and FERC approved the agreement between CAISO and TransWest in March as a step toward PTO status. (See [FERC OKs CAISO-TransWest Move Toward PTO Status](#).)

If the arrangement wins final FERC approval, CAISO will operate the line, and its entire capacity will be allocated to the Power Company of Wyoming (PCW), owner of the 3,000-MW Chokecherry and Sierra Madre Wind Energy Project being constructed in the south-central part of the state. FERC approved the arrangement in February 2022.

Both TransWest and PCW are wholly owned affiliates of The Anschutz Corp., a privately held company controlled by billionaire Phillip Anschutz.

Once built, TransWest will consist of 732 miles of transmission lines in three linked segments: a 405-mile, 3,000-MW HVDC system between Wyoming and Utah; a 278-mile, 1,500-MW HVAC line between Utah and Nevada; and a 49-mile, 1,500-MW HVAC transmission

line in Nevada.

It will connect in Utah to lines serving the Los Angeles Department of Water and Power and in Nevada to CAISO's balancing authority area.

Construction is expected to begin by the end of this year, with energization scheduled for 2027, TransWest has said. The line is expected to create about 1,000 jobs during its construction phase.

Other major Western lines being developed to transmit wind energy from the Great Plains and Rocky Mountains include PacifiCorp's Gateway South transmission line across Wyoming, Colorado and Utah. PacifiCorp, owned by billionaire Warren Buffet's Berkshire Hathaway, plans to add more than 3.7 GW of new wind power by 2040 in Wyoming and five other Western states.

Pattern Energy's SunZia transmission project, a 550-mile line from New Mexico to Arizona, received route approval from BLM in May, with construction expected to start this summer. The line will carry energy from Pattern's 3,500-MW SunZia Wind project in central New Mexico to markets in Arizona and California. ■

West news from our other channels



[Wash. Lawmakers Field Ideas on Shifting from Guzzlers to EVs](#)

NetZero
Insider

RTO Insider subscribers have access to two stories each monthly from NetZero and ERO Insider.

CAISO/West News



Report Criticizes Gas Plant Performance During Calif. Heat Wave

Analysis Shows Gas Curtailments, Emissions Both Increased During 2022 Event

By Elaine Goodman

California's gas-fired power plants experienced a surge in curtailments during last summer's heat wave, according to a new report, which questions whether the facilities are a solution to preventing energy shortfalls.

At the same time, the gas plants' emissions spiked, worsening air quality in disadvantaged communities, according to the *report*, released Wednesday by Regenerate California. The group is a coalition led by the California Environmental Justice Alliance (CEJA) and the Sierra Club.

"Gas simply does not do its job when it matters most," said Ari Eisenstadt, energy equity manager at CEJA. "Gas plants' mythical reliability value in keeping the lights on is far outweighed by their negative air quality impacts for environmental justice communities."

Regenerate California partnered with consultant Grid Strategies to analyze power output and emissions from 107 gas plants in California during the record-breaking heatwave from Aug. 31 to Sept. 9, 2022.

Potential generation that was lost due to gas plant outages and derates during the heat wave totaled more than 1.1 million MWh, or nearly 5,000 MW on average, according to the analysis, which used CAISO data.

And during the peak period from 4 to 9 p.m., curtailments were about 200 MW higher on average.

"California gas plant curtailments track fairly closely with CAISO hourly demand during the heat wave, likely reflecting that derates due to high ambient temperatures coincide with periods of high electricity demand," the report said.

The report didn't include curtailment data from days outside of the heat wave. But Grid Strategies Vice President Michael Goggin said a standard assumption is that about 5% of the gas fleet will be unavailable during peak periods.

In contrast, a curtailment of 10% or even as much as 15% was seen at peak periods during last year's heat wave, Goggin said Wednesday during a media briefing on the report.

That was due to gas plants running less efficiently when the weather heats up, along with an increase in equipment failures, Goggin said.

Older plants that were fired up during the heat wave were less reliable, he added.

"It's pretty clear that these gas plants fell well short of what was expected of them," Goggin said.

When asked to comment on the report, a spokesperson with the Edison Electric Institute, which represents U.S. investor-owned electric companies, said EEI members are working to deploy wind, solar and energy storage resources while demonstrating technologies that aren't yet available at cost and scale.

"As we continue to deploy those resources, nuclear energy and natural gas generation are essential partners in accelerating the clean energy transition," EEI media relations director Sarah Durdaller told *RTO Insider*. "They allow our member companies to integrate more renewables into the energy grid while ensuring resilience and reliability."

Emissions Spike

The report also examined gas plant emissions using data from EPA's continuous emissions monitoring program. For the 107 plants for which EPA data were available, emissions of sulfur dioxide, nitrogen oxides and carbon dioxide increased by about 60% during the heat wave compared with a baseline period of Aug. 19-28, 2022.

Not only did overall emissions increase, but emissions per megawatt-hour were also up as older plants came online, Goggin said.

"There were some very dirty power plants that turned on during these really top hours of need," he said.

The increased emissions came after Gov. Gavin Newsom issued an emergency proclamation at the start of the heat wave, loosening air quality requirements to allow gas-fired power plants to generate more electricity. (See *Newsom Declares Emergency as Heat Stresses Calif. Grid.*)

Blackouts Avoided

CAISO was able to avoid rolling blackouts during the heat wave, despite demand reaching a new high of more than 52 GW on Sept. 6. Several factors helped prevent a blackout, the ISO said, including an emergency text message sent out to 27 million cell phones on Sept. 6 urging consumers to conserve electricity. Within 20 minutes of the 5:45 p.m. alert, de-

mand plunged by 2,385 MW. (See *CAISO Reports on Summer Heat Wave Performance.*)

"That's really what kept the lights on," Eisenstadt of CEJA said during Wednesday's media briefing. "If we were paying people to do that — especially if we were paying low-income ratepayers to do that — the effect would be massive."

Eisenstadt and others called on the state to fund clean energy projects rather than keeping gas plants going.

"We must invest in demand-side solutions and drive local clean energy buildout in environmental justice communities to improve air quality and ensure grid reliability," said Teresa Cheng, senior campaign representative with the Sierra Club.

And Eisenstadt said the dense snowpack from California's unusually wet winter — with its expected boost to hydropower this summer — gives the state a window of opportunity to move away from gas power plants to greener forms of energy.

Some older gas plants that were slated for closure now may be kept in service as part of the Strategic Reliability Reserve that the state developed last year as part of Assembly Bill 205.

For example, AES announced in April that it signed agreements with the California Department of Water Resources to extend operations of once-through cooling units at its Huntington Beach and Alamitos gas plants through 2026. The units had been scheduled to stop operating in December 2023.

Units at Huntington Beach and Alamitos made it onto a list in the Regenerate California report of the top 15 gas plants ranked by megawatt-hours of curtailment during the heat wave.

If the three-year extensions for the 1.4 GW at Huntington Beach and Alamitos are approved, AES will run the units during emergency grid reliability events within the Strategic Reliability Reserve Program, the company said.

"Our Southland legacy units continue to demonstrate that they are ready and able to support the reliability of California's electric grid," Andrés Gluski, AES president and CEO, said in a statement at the time. ■

CAISO/West News

FERC Rejects PG&E Boilerplate Interconnection Agreement

Protesters Say the Utility Wanted to 'Ease Negotiation' at Their Expense

By Hudson Sangree

FERC this month rejected a controversial *pro forma* transmission-to-transmission interconnection agreement filed by Pacific Gas and Electric that the utility said was modeled on CAISO's large generator interconnection agreement as a means to streamline its interconnection process.

"PG&E states that the *pro forma* IA [interconnection agreement] will standardize and simplify new agreements and provide transparency and predictability for interconnection customers that are interconnecting their transmission system or transmission facility to PG&E's transmission system," FERC said June 16 (ER23-1661).

The utility argued that the new IA would "create efficiency since it anticipates 15 new or replacement interconnection agreements through 2025," the commission said.

CAISO plans and operates PG&E's transmission system, and its *pro forma* large generator interconnection agreement (LGIA), with revisions for transmission interconnections,

contains "many terms and definitions ... consistent with CAISO's tariff, PG&E said as part of its explanation of why it had used it as a model.

The proposal elicited a slew of protests from utilities, state and federal agencies and balancing authorities that offered 18 categories of reasons why the standardized agreement would be unreasonable and discriminatory to those seeking to connect to PG&E's sprawling transmission grid.

"Protestors request that the commission reject the *pro forma* IA or, in the alternative, that the commission establish hearing and settlement judge procedures," FERC said. "Several protestors ... note that the commission has never approved a *pro forma* 'load' interconnection agreement, and instead reviews interconnection agreements on a case-by-case basis."

One group of protestors called the "Indicated Public Entities" included the city and county of San Francisco, the Northern California Power Agency, the Transmission Agency of Northern California, the Sacramento Municipal Utility District, the Port of Oakland and three irrigation districts that generate electricity.

"Indicated Public Entities argue that PG&E's desire to ease negotiation of new interconnection agreements is no justification for limiting interconnecting entities' ability to negotiate terms based on their own circumstances," FERC said.

The U.S. Department of Energy, the Western Area Power Administration, and the California Department of Water Resources filed motions to intervene and protests.

"DOE asserts that providing uniformity is an insufficient justification for terms of the *pro forma* IA that conflict with legal rights and obligations of the United States," FERC said.

DOE also emphasized that PG&E had not adequately explained why it had chosen CAISO's *pro forma* LGIA as a "useful or appropriate template for transmission-to-transmission system interconnections," the commission said.

FERC agreed with the arguments made by DOE and others.

"Rather than explaining why the specific provisions of its proposed *pro forma* IA are just and reasonable and not unduly discriminatory or preferential in their own right, PG&E places significant emphasis on the fact that it used the CAISO *pro forma* LGIA as a template for its proposed *pro forma* IA, and that the Commission previously accepted similar interconnection agreements," FERC said.

But "CAISO's *pro forma* LGIA is designed to address the specific issues associated with the interconnection of a generator to CAISO's transmission system," it said. "System-to-system interconnections raise different issues and require different considerations than those addressed in an LGIA."

In addition, PG&E's proposal included "significant deviations from CAISO's LGIA without sufficient explanation, FERC found.

Another main reason FERC said it rejected PG&E's proposal was because it "contemplates a *pro forma* IA that includes individually tailored and negotiated appendices that will replace existing IAs when they terminate."

"We find that PG&E has not adequately explained how the individually tailored and negotiated appendices will be used to capture the customer-specific requirements of PG&E's differently situated interconnection customers," FERC said. ■



© RTO Insider LLC

CAISO/West News

Western EIM Governing Body Gets New Member, Chair

New Member, Rebecca Wagner, Has Experience with WEIM Committees

By Hudson Sangree

The Western Energy Imbalance Market Governing Body appointed a new member Thursday and selected a new chair and vice chair from among its members.

The Governing Body's five members chose Rebecca Wagner, an independent energy consultant, to serve the remainder of the term of member Jennifer Gardner, who had announced she planned to resign at the end of this month. The term ends June 30, 2024.

Wagner recently served as vice chair of the WEIM's Governance Review Committee. She was a member of the Public Utilities Commission of Nevada for more than nine years. She also served as director of the Nevada Office of Energy and energy adviser to Nevada Gov. Kenny Guinn.



Rebecca Wagner, WEIM | *Rebecca Wagner via LinkedIn*

She now heads Wagner Strategies, advising clients on regulatory and utility matters, clean energy and climate policy.

"Rebecca is an outstanding addition to the



Andrew Campbell, Energy Institute at Haas | *Energy Institute at Haas*

Governing Body," CAISO COO Mark Rothleder said in a statement. "Her electric industry experience and her participation on WEIM committees [afford] her insight into issues facing our partners in the West. Her leadership experience was central in the development of the joint-authority governance model" for the WEIM and CAISO.

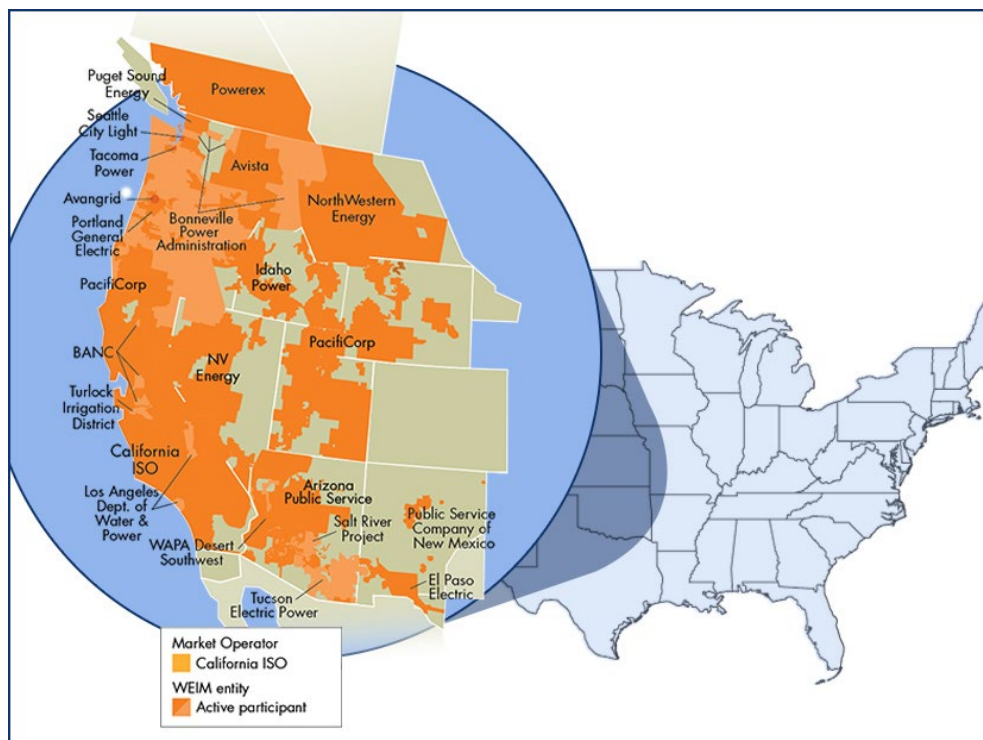
The Governing Body elected Andrew Campbell to serve as chair and Robert Kondziolka to serve as vice chair for the next year.

Campbell, executive director of the University of California at Berkeley's Energy Institute at Haas, was named to the Governing Body last June.

Kondziolka, a veteran of Arizona's Salt River Project, has chaired the Governing Body for the past year and has been a member since January 2020.

The Governing Body also reappointed member Anita Decker to her third term. Decker was executive director of the Northwest Public Power Association prior to joining the Governing Body in 2019. Her three-year term ends in June 2026.

The Governing Body oversees the WEIM's interstate real-time market, which now includes 22 participants. It has generated nearly \$4 billion in benefits for participants since 2014. ■



The WEIM now includes 22 entities in all but one Western state. | CAISO

West news from our other channels



[Washington Looks to Lead on Clean Aviation](#)



RTO Insider subscribers have access to two stories each monthly from NetZero and ERO Insider.

ERCOT News



Conservation Helps ERCOT Meet High Demand

Solar Production Carrying the Load for Texas Grid

By Tom Kleckner

AUSTIN, Texas — ERCOT officials issued their first voluntary conservation call of the year last week as the Texas grid flirted with peak-demand records during an oppressive heat wave.

The grid operator *asked* Texans to voluntarily reduce their electric use between 4 and 8 p.m., “if safe to do so,” because of extreme heat and forecast record demand. ERCOT also requested that the state’s government agencies reduce energy use at their facilities as much as possible.

Demand peaked at 79.2 GW during the hour ending at 6 p.m. June 20, the last official day of spring. That fell short of ERCOT’s record peak of 80.1 GW, set in August. It was also short of the new peak record for June, set June 19 at 79.3 GW.

The grid operator last week had projected record peak demand of 83.2 GW for June 20. (See [ERCOT: Prepared for Expected Record Demand](#).)

“ERCOT is not experiencing any emergency conditions right now,” CEO Pablo Vegas told the Board of Directors during its bimonthly meeting June 20.

Vegas told the directors that voluntary conservation is a “very widely used industry tool” to help lower demand during certain times of the day. ERCOT *credited* the conservation efforts and other reliability tools with surviving the tight periods.

As it normally does when ERCOT needs every megawatt possible to meet demand, the Texas Commission on Environmental Quality *accepted* the grid operator’s request to exercise its enforcement discretion for any generator’s



Extreme heat has Texans taking every precaution. | Mothers Against Greg Abbott PAC



ERCOT CEO Pablo Vegas briefs the Board of Directors on June 20 regarding summer operations. | © RTO Insider LLC

exceedance of the agency’s air-permit limits. The discretion ended at midnight Wednesday.

ERCOT recently rolled out a new notification system to help alert Texans to grid conditions before an emergency is called. It issued its first weather watch earlier this month, extending through Wednesday, to draw public attention to potential high demand triggered by extreme hot temperatures. (See “New Grid Notifications Added,” [ERCOT Monitor Recommends New Market Design in Report](#).)

A *dangerous heat wave* has settled over much of Texas since last week. Humid conditions have sent heat indexes above 120 degrees Fahrenheit in some portions of the state and caused the National Weather Service to issue excessive heat warnings and heat advisories.

ERCOT is expecting demand to exceed 83 GW this week. However, its projections have often come up short.

Several cities have set record highs last week, with Laredo hitting 115 F on June 19. That day, Houston reached triple digits a month earlier than normal.

Despite the sizzling temperatures during the waning days of spring, Woody Rickerson, ERCOT’s vice president of system planning and weatherization, told the board that staff

are *expecting temperatures* this summer to be average and not as extreme as last year, the second-hottest summer on record. A developing El Niño and May rains have lessened the chance for above-normal temperatures, Rickerson said.

Solar energy has carried the load for ERCOT, providing as much as 12.2 GW of energy June 20, close to its summer-accredited capacity of 12.6 GW, which is up 50% over last year. Rickerson said the increase in solar resources has moved the ISO’s normal summer peak from the 5 p.m. hour to 9 p.m.

“The amount of solar we have on the system has really helped mitigate what used to be our peak hour before,” he said. “Now, we’re a little more worried about moving to the 9 p.m. hour. Load will drop from 5 to 9 p.m., but the solar is dropping more than the load drops, so that makes your tightest hour to be later in the day.”

That makes ERCOT dependent on wind to meet the summer demand, Rickerson said. ERCOT has a little over 10 GW of summer-accredited wind resources, but more than three times that in nameplate capacity.

“That’s the reality of where we are. Every day, we’re going to have to look at what the wind is doing,” he said. ■

ERCOT News



Texas PUC Ponders Market Design's Next Steps

Jackson Begins Tenure as Interim Chair in Lake's Absence

By Tom Kleckner

During their first open meeting since the recently concluded legislative session, Texas regulators discussed their next steps in changing the ERCOT market.

Texas legislators sidestepped the Public Utility Commission's proposed performance credit mechanism (PCM) that would pay dispatchable generators credits for being available during peak demand. Instead, they *capped* the PCM's costs at \$1 billion annually and passed a *measure* that creates a \$5 billion taxpayer-funded low-interest loan program for developers who want to build gas-fired generation. (See [Clean Energy Escapes Texas Legislature's Wrath.](#))

To help the PUC refocus and redouble its efforts, Commissioner Will McAdams filed a [memo](#) outlining the short-term operational flexibility challenge and the long-term resource adequacy problem facing the Texas grid.

"As the session has concluded, as we now know what tools we have available in our toolbox and also to bring forward a previously filed suggested framework on reliability standards," he said during the commission's June 15 meeting.

McAdams reminded his fellow commissioners that the operating reserve demand curve (ORDC) retains and attracts sufficient installed capacity but that the increased penetration by wind, solar and battery resources requires additional operational flexibility. He said ERCOT's recent heavy use of reliability unit commitments (RUC) as part of its conservative operations posture is not the answer.

Instead, McAdams suggested using a multistep floor for the ORDC that ERCOT proposed as part of its bridge to the PCM. Adding one floor at 6,500 MW of remaining reserves and a second at 7,000 MW would address the disconnect between conservative market operations and price signals to generators, he said, pointing to the ISO's modeling that indicated applying this change in 2020 and 2022 would have resulted in annual revenues of about \$500 million to primarily dispatchable resources.

"Ultimately, I believe these solutions work in tandem with the PCM," McAdams wrote in his memo. "The adjustment to the ORDC bolsters reliability in the real time energy market, changes to ancillary service products help the day-ahead market and [create] more

operational certainty, while the PCM shores up long-term planning and reliability as an availability market.

"We are at the forefront of a major energy transition. Renewables are here and more are coming," he said during the open meeting. "The effect is having the grid operator, ERCOT, having to do more to harmonize the flow of power with what is increasingly becoming a dominant variable, a resource mix that is dominated by variable resources. We don't have a capacity market in Texas, but we've got a heck of a lot of renewables, and so revenues associated with managing this are only going to increase into the future."

Commissioner Jimmy Glotfelty agreed with McAdams, saying any market solution for ERCOT should rely on a market-driven mechanism that can be deployed in an "efficient, expeditious" manner.

"RUC is an out-of-market action that has a distortionary impact on the market and has a physical impact on our older, long-duration generation assets that are needed to ensure reliability," Glotfelty said. "Secondly, the bridge, by driving generation self-commitment and the real-time market, is where we see revenues that will help cover their marginal costs, thereby providing revenue stability to help retain existing generation and incent investment in new generation.

"A bridge solution should fulfill the objective of stabilizing the market by sending a stronger market signal to incent self-commitment. I think ultimately, we have a proposed solution and I look forward to further evaluate and open meeting and taking action."

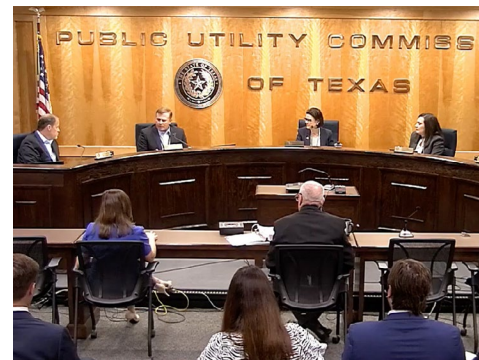
Lake Absent After Resignation



Commissioner Kathleen Jackson | [Admin Monitor](#)

The open meeting marked Kathleen Jackson's first as the PUC's interim chair. She was named to the position after Peter Lake announced his resignation June 2. (See [Texas PUC's Lake Steps Down as Chair.](#))

"Obviously, things look a little different up here today," Jackson said, acknowledging the empty chair to her left. The commissioners excused Lake's absence for a personal matter, though



The Texas PUC meets without Peter Lake, who recently resigned as chair. | [Admin Monitor](#)

he officially leaves the panel on July 1.

She and the other commissioners thanked Lake for his "tireless dedication" to the PUC during the months following the deadly 2021 winter storm, which nearly brought down the ERCOT grid.

"He demonstrated extremely competent and able and steady leadership during that extraordinary time," McAdams said, "when the commission, staff, ERCOT and the industry was asked to pick ourselves up, put ourselves back together and reassure the public that that ubiquitous essential service that we call electricity will remain on and will remain reliable."

"It certainly was one of the most critically difficult and important times in the commission's history, and stepping into a job like that is no easy job," Commissioner Lori Cobos said. "[Lake] did the best he could to lead our agency for the last two years and implementing all the legislation that was passed."

Following an executive session, the commissioners agreed to request the state's attorney general file a motion with the Texas Supreme Court regarding the 3rd Court of Appeals' recent ruling reversing a PUC scarcity-pricing order. (See [Texas Appeals Court Reverses Another PUC Order.](#))

The appeals court ruled June 1 that the PUC violated the state's Administrative Procedure Act's rulemaking provisions when it approved an ERCOT protocol change related to pricing during certain extreme events. It also agreed with the lawsuit's appellants, RWE Renewables Americas and Hereford Wind, that the order constitutes a "competition rule" and that the PUC exceeded its statutory authority with its approval (03-21-00356-CV). ■

ERCOT News



Texas Supreme Court Affirms ERCOT's Sovereign Immunity

Split Decision Shields ISO from Winter Storm Uri Lawsuits

By Tom Kleckner

The Texas Supreme Court on Friday narrowly affirmed ERCOT's sovereign immunity, granting it protection against fraud claims and allegations of overpricing during the 2021 winter storm, and asserted the Public Utility Commission's jurisdiction over the grid operator in a pair of rulings.

In a 5-4 decision, the state's high court found that ERCOT is a governmental entity and immune to lawsuits because "it prevents the disruption of key governmental services, protects public funds and respects separation of powers principles."

The majority held that the ISO is entitled to sovereign immunity because the state's Public Utility Regulatory Act "evinces clear legislative intent" to vest it with the "nature, purposes and powers" of an "arm of the [s]tate government" and because doing so satisfies the "political, pecuniary and pragmatic policies underlying our immunity doctrines" (22-0056, 22-0196).

Writing for the majority, Chief Justice Nathan Hecht said ERCOT is a "unique entity" and provides an "essential governmental service." He said ERCOT operates under the PUC's direct control and oversight, it performs the "governmental function of utilities regulation, and it possesses the power to adopt and enforce rules pursuant to that role."

"ERCOT's governmental nature is demonstrated most prominently by the level of control and authority the state exercises over it and its accountability to the state," Hecht wrote. "In this regard, it is much like a state agency ... the state has complete authority over everything ERCOT does to perform its statutory functions."

In a 53-page dissent that outnumbered the 40-page decision, justices Jeffrey Boyd and John Devine wrote that "the public's trust is undermined when the judiciary extends sovereign immunity, contrary to history and tradition, to what is undeniably not sovereign: purely private entities." They called on Texas lawmakers to correct the court's "mistake" and waive the grid operator's "newfound immunity" so injured parties have the right "to claim the protection of the laws."

Thousands of wrongful death and property damage lawsuits stemming from Winter Storm



The Texas Supreme Court Building | © RTO Insider LLC

Uri have been combined in pending multidistrict litigation in a district court, where ERCOT is a defendant in most of the cases.

"The root justification for possibly protecting private entities with the [s]overeign's immunity is that, by statute or contract, they act as arms of the state: the government acted through the entity and the actions are effectively attributed to the government as 'action taken by the government,'" Boyd and Devine wrote. "Unlike any other entity previously granted immunity by this [c]ourt, no statute designates ERCOT as a part of the government."

ERCOT said in an emailed statement that it was pleased with the decision.

"The [c]ourt's careful consideration of these significant legal issues allows us to continue to focus on our core [s]tate responsibilities on ensuring a reliable grid for Texans," the grid operator said.

The PUC responded that it would "let the ruling speak for itself."

The decision resolves two separate proceedings the Supreme Court heard in January. (See [ERCOT Claims Immunity Before Texas Supreme Court](#).)

The high court affirmed a 2021 appeals court ruling that ERCOT is a "governmental unit" in a lawsuit brought by San Antonio municipality CPS Energy. The utility alleged that it was short-changed \$18 million during the winter storm by ERCOT's mishandling of power pricing.

It also reversed an appeals court's judgment that the ISO is a private, membership-based nonprofit, not created or chartered by the state, in a case involving Panda Power that dates to last decade. The developer said ERCOT knowingly produced false market data in 2011 and 2012 reports that led Panda to build three power plants, a \$2.2 billion investment that failed to meet its expectations. ■

ERCOT News



ERCOT Board of Directors Briefs

ISO Staff Evaluating Spate of Recently Enacted Legislation

AUSTIN, Texas — ERCOT said last week it is reviewing the *electric-industry-related legislation* that passed during the Texas Legislature's recently completed biennial session to determine what changes are required and their effect on grid operations.

CEO Pablo Vegas told the Board of Directors on June 20 that the legislative session was "intense" given the number of electric-related bills that were taken up and the "disparate opinions on how to address really the core issues of market redesign." He promised a full report in September.

The 88th Legislature saw 257 bills filed touching on energy, ERCOT or the Public Utility Commission. Two years ago, after the deadly 2021 winter storm that nearly took out the Texas grid, legislators filed 311 bills. In the four sessions before Winter Storm Uri, an average of 100 similar bills were filed.

"Our team is currently working on analyzing the effect of all the provisions that have passed in the legislature," Vegas said. "We will be communicating more as we assess along with the [PUC] the best approach for complying with the new changes in legislation."

A sunset bill (*House Bill 1500*) that maintains operations at ERCOT, the PUC and the Office of Public Utility for another six years included several market redesign elements. Chief among those were several provisions adding guardrails to the PUC's proposed performance credit mechanism (PCM) that rewards generators with credits for reliable performance during a predetermined number of scarcity hours. (See *Texas PUC Submits Reliability Plan to Legislature*.)

The measure caps the net cost to the ERCOT market at \$1 billion (less the cost of bridge solutions), adds penalties for generators that don't meet performance obligations and requires that bridge solutions to the PCM be rolled back.

HB1500 also requires ERCOT to add an uncertainty ancillary service product called dispatchable reliability reserve service (DRRS). Based on historical variations in availability for each season, the DRRS' criteria require participants to be online and dispatchable for less than two hours after being deployed and to run for at least four hours. The intent is to reduce ERCOT's reliance on reliability



ERCOT Board of Directors' June meeting. | © RTO Insider LLC

unit commitments, which have soared under the grid operator's conservative operations posture.

The ISO could also have to deal with *Senate Bill 2627*, which creates a low-interest loan program with \$5 billion set aside by lawmakers for primarily new gas generation in ERCOT. Loans and completion bonuses would be disbursed through the Texas Energy Fund, which must first be approved by voters in November.

Board OKs 27% Increase in Admin Fee

The board accepted the Finance and Audit Committee's recommendations to increase ERCOT's system administration fee for the first time since 2016 and to approve the 2024-25 biennial budget.

The admin fee will be raised from \$0.555/MWh to \$0.710/MWh, a 27.9% increase. Much of that difference will be passed on by retailers to ratepayers. Consumer advocates don't oppose the increase, saying it was long overdue and will help pay for the real-time co-optimization (RTC) project that is expected to save billions.

The budget will provide ERCOT with \$424.03 million and \$426.99 million in 2024 and 2025, respectively, for operating expenses, project

spending and debt service obligations.

Both measures will be filed with the PUC for its approval.

According to a 2018 Independent Market Monitor *report*, the market tool would result in a \$1.6 billion reduction in annual total energy costs, or about a \$4/MWh price reduction. The report also found reliability would be improved by reduced overloading of transmission constraints and less use of the regulation-up ancillary service equating to \$4.3 million. Another \$400 million would have been saved by reducing congestion costs and ancillary service costs.

Staff *told* the Reliability and Markets (R&M) Committee June 19 that it will cost about \$50 million to complete the RTC project, which was put on hold after the 2021 winter storm. They said RTC's complex implementation has made it difficult to find the timing and resources for delivery, but that they are ready to resume work on July 1 with an eye on completing the project in 2026.

Most other grid operators already use the RTC tool, which dispatches energy and ancillary services every five minutes. ERCOT says RTC will produce energy from cheaper resources, with more expensive resources shifting to the

ERCOT News



ancillary market.

In discussing ERCOT's technology stack with the R&M, Vegas said RTC and the PCM, "potentially," are among the near-term major projects.

New Ancillary Service Deployed

Staff told the board that the ISO has added and deployed in June its first ancillary service in more than 20 years with ERCOT contingency reserve service (ECRS). The product provides the system with additional capacity that can ramp in 10 minutes to respond to short-term net load ramps.

Vegas said ECRS is necessary because load and generation are constantly changing because of daily load patterns and instantaneous load variation, changes in variable generation and units tripping offline.

ECRS procurements began June 10 with "minimal hiccups," Vegas said. It was first deployed June 14, and then again June 16 and 18 for between five and 25 minutes in amounts between 200 and 600 MW. ERCOT procures about 2 GW of ECRS per hour at an average price of \$25.26/MWh.

"It's working exactly as we had hoped," Vegas said. "It's become a new tool in our suite of operational flexibility products. We've got a broader suite of tools now that we can use

to help deal with changes in load changes in supply and to be able to respond very quickly to market conditions as they evolve."

ERCOT Mulling Coming EPA Regs

ERCOT general counsel Chad Seely briefed the board on EPA's *Good Neighbor Plan*, which requires nitrogen oxide emission reductions from power plants and industrial facilities, and four other *pending regulations* that could affect the state's dispatchable resources.

Texas is among 23 states that, under the plan, must meet the Clean Air Act's "good neighbor" requirements by reducing pollution that contributes to problems attaining and maintaining EPA's health-based air quality standard for ground-level ozone in downwind states. (See *EPA Good Neighbor Plan Expected to Accelerate Coal Plant Retirements*.)

The plan was to be effective Aug. 4. Texas, after earlier being granted a stay of EPA's disapproval of its state implementation plan by the 5th U.S. Circuit Court of Appeals, *filed a lawsuit* June 7 with the same court that challenges the good neighbor plan.

"The EPA right now is coming out with a lot of rules over the near-term and long-term could have a significant impact on our dispatchable resources," Seely told the board.

He said EPA's most significant rule is the

proposed greenhouse gas rule that would require new carbon dioxide restrictions for some coal and gas units by 2030. Several parties have asked for an extension of the Aug. 4 comment deadline; Seely said he expects EPA to grant that request.

In the meantime, ERCOT is evaluating the reliability effect on the thermal generation fleet. Seely said the ISO is collaborating with the PUC, the Attorney General's office, and the Texas Commission on Environmental Quality.

"But most importantly, we have to engage the generators to understand what the direct impact is," Seely said. "They were very instrumental in giving us feedback that ultimately rolled into our assessments ... so it's critically important as we continue to move forward and evaluate these regulations that we have the partnership with the generators to continue to work with ERCOT. They are really in the best position to tell us what that overall impact is."

Seely reminded the board and stakeholders that the greenhouse rule is still in the formal rulemaking process. He said while the final outcome is unknown, he does not see any obstacles "in the path of any generation facility."

"We don't know what challenges may occur" when the final rule is published, he said. "I assume every investor is looking at what the potential environmental restrictions will be



ERCOT's Chad Seely briefs the Board of Directors on upcoming EPA regulations. | © RTO Insider LLC

ERCOT News



going forward with these proposals.”

“If you’re an investor thinking about putting capital into a project like this, a rule like this causes regulatory uncertainty,” cautioned board Vice Chair Bill Flores. “I think it will be exceptionally damaging to potential construction of possible units. This is scary.”

Other proposed EPA regulations include:

- The Texas Regional Haze Federal Implementation Plan that would establish new limits on sulfur dioxide and particulate matter emissions for a dozen primarily coal-fired generating units;
- Revisions to the Mercury and Air Toxics Standards Rule that further restrict mercury and “filterable particulate matter” emissions from coal- and oil-fired generating units; and
- A tailpipe rule that would further reduce greenhouse gas and other emissions from light, medium and heavy-duty vehicles.

Directors Approve 12 Rule Changes

The board unanimously approved 12 protocol and guide changes. Three measures, with dissenting votes during the stakeholder process, were approved separately, including a nodal protocol revision request ([NPRR1169](#)) that expands the qualifications for generation resource that may be a firm-fuel supply service (FFSS) resource or an alternate.

The Technical Advisory Committee approved NPRR1169 in May but took it up again during a special June 6 call after the PUC called for additional discussion. (See [ERCOT TAC Endorses Agreement on ‘Exceptional’ Fuel Costs.](#))

The R&M approved the measure after adding [ERCOT comments](#) that define an FFSS qualifying

pipeline as one excluding intrastate gas utility pipelines that serve customers with a higher protection under the Texas Railroad Commission’s [curtailment rule](#) than electric generation facilities. The rule assigns a higher priority to human needs customers and local distribution systems that serve human needs customers.

The directors approved seven other NPRRs, two revisions to the nodal operating guide (NOGRRs) and single changes to the retail market guide (RMGRR) and the verifiable cost manual:

- [NPRR1143](#): allows ERCOT to give charging instructions to energy storage resources during a Level 3 energy emergency alert.
- [NPRR1161](#), [NOGRR246](#): clarifies that intermittent renewable resources that remain synchronized to ERCOT, but are unable to provide reactive power when not providing real power, do not have to notify ERCOT other than their real-time telemetered status.
- [NPRR1166](#): changes the expiration date for DC ties’ schedule information protected status from 60 days after the applicable operating day to the date on which ERCOT files the report with the PUC, as required by transmission export rates’ rules related to energy imports and exports over the ties.
- [NPRR1167](#): improves the new FFSS product by removing language disqualifying or decertifying resources from the firm-fuel program.
- [NPRR1168](#): changes the Texas standard electronic transaction (Texas SET) to “Establish/Change/Delete CSA Request” and adds new sections to the protocols related to administering requests to change end dates

for active continuous service agreements (CSAs).

- [NPRR1177](#): requires resources to file exceptional fuel costs that include contractual and pipeline-mandated costs, following negotiations between consumer representatives and a generator.
- [NPRR1178](#): clarifies and updates expectations for resources providing ECRS.
- [NOGRR253](#): aligns the guide’s language regarding ECRS and nonspin with NPRR1178’s proposed revisions and NPRR1096’s proposed protocol language. The NOGRR would also clarify that ERCOT may manually deploy load resources, other than controllable load resources that are providing ECRS or responsive reserve, to maintain a minimum 500 MW of physical responsive capability reserves on dispatchable resources to balance demand with supply while maintaining stable grid frequency for smaller disturbances.
- [RMGRR172](#): updates the Texas SET transaction’s name to “Establish/Change/Delete CSA Request” and adds new sections to the guide that describe how to cancel a pending CSA through MarkeTrak.
- [VCMRRO31](#): defines variable costs and clarifies that all cost components used to calculate a filing entity’s fuel adder should also be based on variable costs; removes the minimum requirements fee cost category from being included in the fuel adder; and changes the review timeline to give ERCOT the ability to follow up on more complex cost submissions. ■

— Tom Kleckner



2023
MARC
GRAND VISION
JW Marriott | Grand Rapids, MI | August 6-9

Join us in Grand Rapids at the annual meeting of the Mid-America Regulatory Conference!

- NETWORK**
with commissioners, speakers, and peers!
- LEARN**
and discuss regulatory policies and ideas!
- EXPLORE**
Grand Rapids and attend one of the unique tours!

REGISTER TODAY!
 [MARC-Conference.org](https://marc-conference.org)
 MARCAnnualMeeting@gmail.com



BUSINESS NETWORK for OFFSHORE WIND

OSW POWER-TO-X
SUMMIT
AUGUST 24, 2023
HOUSTON

HOST SPONSOR
DNV

REGISTER TODAY



NARUC Summer
Policy Summit

AUSTIN, TEXAS
JULY 16-19, 2023
#NARUCSummer23
REGISTER NOW!

naruc.org/2023-summer-policy-summit



ISO-NE News

NE Stakeholders Debate Future of Everett at FERC Winter Gas-Elec Forum

ISO-NE's Comfort in Short Term Clashes with Past Urgency, but Concerns Remain

By Jon Lamson and Michael Brooks

FERC commissioners last week questioned ISO-NE officials and New England state regulators on the region's short-term winter reliability challenges and the need for the Everett LNG import terminal, at a forum on gas-electric coordination in Portland, Maine.

While much of the discussion focused on similar topics to the FERC reliability forum held in Burlington, Vt. in September 2022, the tone of this year's conference was less dire. A joint study released in May by ISO-NE and the Electric Power Research Institute (EPRI) found that the risks of a supply shortfall in New England during extreme winter weather events are "manageable" through 2027, even without Everett, though the RTO has pushed to keep the terminal operating because of longer-term reliability concerns. (See *FERC Comes to Vermont and Leaves with a New England-sized Headache* and *Study: Limited Exposure to Supply Shortfall for ISO-NE During Extreme Weather*.)

But this led to skepticism from Commissioner James Danly, who has warned of a looming resource adequacy crisis because of retiring fossil fuel-fired generators. He repeatedly questioned RTO officials on the study's assumptions.

One of the findings of the study was that behind-the-meter solar was underestimated.

"I have to admit, I'm surprised to think that the hopes for winter reliability in New England hang entirely on one set of assumptions on one technology that is 'surprisingly' being deployed at the rate that it is," Danly told ISO-NE COO Vasmi Chadalavada. He asked what other assumptions have changed since last year.

Chadalavada noted that the RTO's position that Everett should be retained has not changed, but that the study focused on the electric system, not the gas system.

"In the longer run, I'm still as concerned as I've ever been," ISO-NE CEO Gordon van Welie told the commissioners. "I think it would be extremely unwise were we to let that facility go until we know where we are with regard to these variables."

Commissioner Allison Clements said she found the study to be "really comprehensive" and that it "provides key parameters to consider, and the resulting low odds of load shedding are encouraging." She acknowledged, however,



Commissioner Willie Phillips | FERC

that ISO-NE "notes itself that it's not equipped to assess the gas system's effects without Everett because only" the gas industry "can speak to that."

Vermont Department of Public Service Commissioner June Tierney observed that "nine months ago, the message was, 'Oh my word, the sky is falling'; today the message is, 'Well, we've got some breathing room.'"

"I can relate to the bewilderment sense that Commissioner Danly has," she continued, as nothing seems to have materially changed since the Burlington conference. But, she said, ISO-NE "did the analysis, and they're to be congratulated for that. And it being ISO's analysis, I have no question that it was done well."

She advised FERC to formally solicit information from ISO-NE about the assumptions and inputs that it used for the study, not just for its ratemaking benefit but also for public transparency.

Everett

Much of the daylong forum's discussions focused on Everett and the Mystic plant.

Richard Levitan, president of the consulting

firm Levitan & Associates, called Everett "the insurance that helps to safeguard both electric and gas reliability on extremely cold days."

Carrie Allen of Constellation Energy — the parent company of both Everett and its primary customer, the Mystic generation plant — agreed that the facility is needed and added that the region is "running out of time" to keep the plant open, noting the long regulatory process that would be required if an agreement is reached.

New Hampshire Consumer Advocate Donald Kreis, however, said ratepayers have been overpaying for reliability "insurance," and he opposes burdening consumers with additional costs from new reliability programs.

"We can design markets to force ratepayers to buy every last aliquot of reliability that industry can conjure, but I beg you not to do that," Kreis said. "In particular, I beg ISO New England not to seek, and I beg FERC not to approve, some new market mechanism — or worse, some out-of-market mechanism — to guarantee that the Everett terminal stays in business."

In written comments submitted to FERC for the forum, Kreis expressed concern about the

ISO-NE News

true benefits of the current Mystic agreement, designed to keep the generator in service through this winter. He cited the extreme weather conditions on Dec. 24 that required ISO-NE to declare a *capacity deficiency* as an example of what he said were dubious reliability benefits provided by the agreement.

"It was shocking to learn that Mystic station had not been dispatched as a resource adequacy crisis loomed, given the vast sums of free money that had been awarded to the facility's owners via the FERC-approved reliability-must-run arrangement," Kreis wrote.

In contrast, gas utility and pipeline industry representatives expressed their concern that ISO-NE is underestimating the reliability risks to the region and argued that the region should maintain Everett and look to build additional gas infrastructure to address reliability concerns.

James Holodak of National Grid said that until renewables can displace significant natural gas demand in the region, "the prudent decision would be to keep Everett open" while expressing his frustration with the difficulties of constructing new natural gas infrastructure in the region.

"All the solutions that we're talking about are fairly expensive relative to the potential for a new pipeline into the area," Holodak said.

Ernesto Ochoa of Kinder Morgan said the penetration of renewables will increase the need for gas infrastructure.



Ernesto Ochoa, Kinder Morgan | FERC

"We believe that more infrastructure is needed in the region, not less, and we're going to continue to say so forever," Ochoa said.

Richard Paglia of Enbridge agreed on the need for additional gas infrastructure to bring more natural gas to the region.

"To me, the glue that holds all of this together are the gas plants that are highly dispatchable ... but we don't have the supply to allow those plants to run when needed," Paglia said.

Massachusetts Energy and Environmental Affairs Secretary Rebecca Tepper pushed back on the idea that the region should pursue additional gas infrastructure.

"The region's problem is an overreliance on natural gas," Tepper said, saying policymakers need to focus on valuing storage, energy efficiency and demand response programs. She declined to give a definitive answer as to whether Gov. Maura Healey's administration supports the retention of Everett beyond the end of the Mystic agreement.

Notable Absences

Energy industry representatives and state regulators made up a large number of speakers at the forum, which notably lacked direct representation of environmental justice or climate-focused organizations, while Kreis was the only ratepayer advocate to serve as a panelist.

"I think this hearing would have benefited from some additional voices today, particularly from the environmental and environmental justice communities, and particularly [from the city] of Everett," Tepper said.

Vermont Commissioner Tierney echoed Tepper's comments, saying, "There are voices out there of people who have not been a part of these discussions to date, and who are also not being directly addressed by this conversation."

She noted that officials often stress the importance of gas during the transition to clean energy: "Every time we say that there are people saying, 'Do you not get it? We need to stop burning fossil fuels.' ...



Massachusetts EEA Secretary Rebecca Tepper | FERC

"I worry that our conversation today — which, again, was expert and highly incisive and elucidating — I worry about it coming across as tone deaf. ... The problem I see continues to be, to the folks we're trying to reach — the hearts and minds that need to join us in this process — they continue to feel like they're not included in the study thinking."

While environmental justice groups were not included as speakers at the forum, several groups did submit written comments or release statements about it, including the Berkshire Environmental Action Team, No Coal No Gas and the Fix the Grid Coalition.

"As fossil fuel-dominated interests gather in Portland, Maine, on June 20 for the 2023 New England Winter Gas-Electric Forum, we expect them to double down on rhetoric that we need even more fossil fuel infrastructure, in the name of reliability," No Coal No Gas wrote in a *statement* prior to the event. "Yet we expect that most of the panelists will be silent on lessons learned from the most recent epitome of winter reliability failure, a widespread failure of fossil fuel generators (particularly gas generators) to deliver on Dec. 24, 2022, a cold snap when they were most needed."

In a *letter* signed by representatives of local climate and environmental justice organizations, Fix the Grid called for a "more holistic approach to grid planning and management," taking into account "the public health and environmental impacts of current and future winter reliability policies and programs, including markets, on low-income environmental justice communities across New England."

The campaign also advocated for an analysis of the reliability potential of increased transmission, energy storage and demand-side solutions including demand response, energy efficiency and conservation.

"We would like to see FERC encourage ISO New England to work with states and public interest organizations to envision a reliable grid that is also affordable and sustainable for all communities," the group wrote. ■

Northeast news from our other channels



[South Fork Wind Announces 'Steel in the Water'](#)

NetZero Insider



[Moody's: NY Evolved from the Pandemic, Challenges Ahead](#)

NetZero Insider

RTO Insider subscribers have access to two stories each monthly from NetZero and ERO Insider.

MISO News

Blackstone Infrastructure to Scoop up Minority Stake in NIPSCO

Purchase Will Help with Decarbonization

By Amanda Durish Cook

[Blackstone Infrastructure Partners](#) will pick up a nearly 20% stake in Northern Indiana Public Service Co. for a little more than \$2 billion, parent NiSource announced last week.

NiSource has been on the hunt for a buyer for a noncontrolling equity interest in NIPSCO since late last year. (See [NiSource Selling Minority Interest in NIPSCO](#).) The \$2.15 billion deal will have Blackstone acquiring a 19.9% stake and pledging an additional \$250 million in equity to fund a *pro rata* share of NIPSCO's ongoing capital needs, according to NiSource.

NiSource *said* the purchase will help finance NIPSCO's continuing transition to a decarbonized fleet and reinforce grid resilience while "accelerating the reindustrialization of the Midwest." It also said Blackstone is interested in a "long-term buy-and-hold approach to large-scale infrastructure assets."

NIPSCO said it expects to invest \$3.5 billion in the grid through 2030, with most of that going to new renewable generation to replace coal-fired assets. The company said it will end reliance on coal by 2028; that's compared to the 75% coal generation mix it employed in 2018.

The transaction is expected to close by the end of 2023, pending FERC approval.

NIPSCO President Mike Hooper said the deal will allow NIPSCO to invest in large renewable generation projects while making capital improvements to its electric and gas infrastructure.

NiSource CFO Shawn Anderson added that the utility is "confident this is the right path forward" to boost NIPSCO's balance sheet and "navigate the current challenging interest rate backdrop" while the utility establishes a more sustainable and reliable system.

"We're pleased to reach this agreement at a compelling valuation following a robust and competitive process and are confident that Blackstone is the right partner for NIPSCO and NiSource going forward, given its global footprint and deep infrastructure experience, including in renewable development and procurement," NiSource CEO Lloyd Yates said in a press release. "With this transaction, our commitment to Indiana remains unchanged, and we will be able to drive further sustainable growth for our stakeholders. This financing transaction will have no impact on NIPSCO's current strategic direction or on our commitment to our gas and electric customers in Indiana."

Blackstone Global Head of Infrastructure Sean Klimczak said the deal "underscores Blackstone's commitment to decarbonization to create value for our investors and our desire to help facilitate the reindustrialization of the Midwest." ■



Northern Indiana Public Service Co.'s Michigan City generating station will shutter in the 2026-2028 time frame | NIPSCO

MISO News



MISO Committed to Crackdown on Interconnection Queue Submittals and Departures

By Amanda Durish Cook

MISO appears set on restricting the interconnection requests it will accept and under what conditions they can leave the line in order to purge speculative generation projects from its queue.

Staff again last week said they need to toughen rules around entering and exiting the interconnection queue so that MISO doesn't devote time to studying projects that aren't a sure thing. The RTO debuted its plan in late May. (See *MISO Wants Tougher Obligations on Queue Entry and Exit*.)

The collection of changes will likely include more expensive milestone payments, a clamp-down on penalty-free withdrawals, stricter proof that developers have secured land and reinforcing harm calculations so withdrawing projects have a better chance of owing money as they exit the queue.

MISO plans to present a straw proposal at the July 19 Planning Advisory Committee meeting.

"We've come to the point where we need to make some enhancements to the queue intake process so we're getting better projects and a smaller number of projects, and we need to do

that before we have a '23 cycle," MISO's Andy Witmeier said at the Interconnection Process Working Group's meeting June 20.

Witmeier said if MISO kicks off the 2023 queue cycle with its existing rules in place, it will likely be hit with 200 GW of new interconnection requests. Last year, the grid operator fielded 171 GW of requests. MISO's current queue contains 1,379 active projects totaling a little more than 237 GW.

"As the queues get larger, they slow down because there are more points of interconnection, more dispatch assumptions and more potential overloads to study," he explained. He said a queue comprised of fewer, more successful projects will lead to faster queue processing and more cost certainty on transmission upgrades.

Most of the projects in MISO's queue that haven't yet proceeded to generator interconnection agreements are *experiencing* delays. All entrants in the 2021 and 2022 cycles are trailing the queue's approximate yearlong timeline because of studies MISO must undertake.

Witmeier said he's already been in private discussions with "key" stakeholders to put together a proposal.

MISO is aiming to file its proposal with FERC by early September, get FERC permission on the plan by early November and close the currently open-ended 2023 queue application window in late November or early December, months later than usual. MISO has been keeping the 2023 queue deadline fluid while it works out how it can make its bursting-at-the-seams queue more scalable.

Witmeier said it's currently much too easy for speculative projects to enter the queue and then drop out penalty-free, getting "all their money back with interest." He said MISO needs to "weed out" the number of submissions.

He said withdrawn projects should be on the hook for some fees for disturbing other projects' network upgrade cost estimates.

Witmeier also said MISO's \$4,000/MW second milestone payment could be ratcheted up to about \$10,000/MW, considering current inflation trends and his opinion that MISO's milestone fees are already too low in the first place.

He said in the past five to six years, MISO has levied harm payments on withdrawing projects for the consequences to lower-queued projects "fewer than a dozen times." He said that's evidence that MISO's harm calculation payments are "way too lenient and need to be adjusted."

"We are responding to consumer demand, but we realize that an unmanageably large queue doesn't work for anyone," Invenergy's Sophia Dossin said.

Witmeier added that developers don't tell MISO why they're dropping out of the queue, whether that's land or permitting issues or climbing network upgrade costs.

Stakeholders asked if MISO has considered limiting the number of interconnection requests or megawatt values that individual customers can submit per annual cycle.

Witmeier said that while MISO has discussed enacting a "hard cap" on individual developers, he said the RTO runs the risk of discriminatory treatment and still more proposed generation than MISO load can snap up. He said large developers typically account for only about a third of queue submittals and are often better prepared than their smaller counterparts when submitting projects.

"It would certainly help competition but is that better?" he asked hypothetically. ■



Pollinator habitat under a Minnesota Power solar facility | Minnesota Power

MISO News

Stakeholder Activists Call on MISO to be More Accessible to the Public

Groups Ask MISO to Adopt Equitable Grid Principles

By Amanda Durish Cook

MADISON, Wis. — MISO stakeholders from the environmental and consumer-advocate realms are on a mission to make the grid operator's transmission planning more equitable in nature and accessible to the public.

Leading the charge is Yvonne Cappel-Vickery, the clean energy organizer for the Alliance for Affordable Energy, who said there's a lack of accessibility within MISO for individual ratepayers to make their opinions heard on grid decisions that affect them.

During a public comment period at MISO Board Week held in Madison in mid-June, Cappel-Vickery introduced a set of *equitable grid principles* she wrote with a group of 25 scientists and activists from throughout the MISO footprint in the hope that MISO will adopt some or all of them in its transmission planning.

The principles call on MISO to prioritize renewable energy, climate resilience, indigenous rights, an environmentally conscious sourcing of infrastructure materials, worker protections, making meetings more user-friendly and communicating with and addressing concerns of impacted communities during system planning.

Cappel-Vickery told the MISO Board of Directors that transmission planning is "becoming increasingly public," as evidenced by a recent *article* in the *New York Times* that emphasized that the clean energy transition is dependent on major transmission construction.

She asked the MISO Board of Directors to consider how the equity principles can be implemented into the RTO's transmission planning and the Board of Directors governance.

Authors of the document also include members of the Union of Concerned Scientists, the Environmental Law and Policy Center, Vote Solar, Healthy Gulf and the Center for Earth, Energy, and Democracy, among others. The representatives began connecting last summer to devise the principles.

"MISO and other RTOs are too heavily influenced by the interests of incumbent electricity industry players. Impacted communities and the general public are often marginalized in grid infrastructure decision making at the RTO level...Ultimately, decisions about the purpose and siting of billions of dollars in grid infrastructure are made with little public accountability," the groups wrote in the principles. They said MISO and state utility commissions are "generally inaccessible to the public and to impacted communities."

"There are a lot of people getting more knowledgeable about the levers they can pull to make changes. We only have things to gain from feeling more empowered about the system that impacts all of our lives," Cappel-Vickery said in an interview with *RTO Insider*.

Most of MISO's stakeholder meetings are open to the public, but Cappel-Vickery said the learning curve to understand what's being talked about is daunting.

She said MISO hosting some public meetings free of acronyms and pared-down technical speak would go a long way in making MISO more accessible to the public. She also said MISO can provide more accessible education so that the public understands the important work that it provides.

"It's a lot of acronyms. RTO language isn't just engineers. It's also economists, public service commission staff, politicians. It's like a convergence of four foreign languages," she said. "When the equity conversation comes up, I think people get uneasy. And it's hard. But one thing that is completely free is saying what you mean without acronyms. ... I don't think folks need to understand every nitty-gritty detail to understand that they want transmission to deliver cleaner and more reliable energy."

Cappel-Vickery said when she explains the



Authors of the principles call themselves the Equitable Grid Cohort. They met in New Orleans in the fall to discuss how transmission investment decisions can be made more equitable and with more community input. | Colin Byers, Union of Concerned Scientists

MISO News

grid's innerworkings, she often makes parallels to the highway system enabling trucks to deliver food to grocery stores.

Cappel-Vickery said the principles are designed to be iterative, and MISO could customize them.

"This is something that MISO can look at and say, 'We can achieve four of these but maybe we can't adopt these others right now.' Even if they could only adopt some components of the principles, it would go far to show that MISO is taking this seriously," she said.

Cappel-Vickery said the principles shouldn't be construed as rebuke of MISO, either.

"From my work and perspective, MISO is not a bad guy. MISO does critical work, and we rely on their brilliant staff to keep the lights on," she said.

Cappel-Vickery said MISO might approach the conversation by asking the authors of the grid principles to speak to staff and stakeholders at one of its public meetings. She said she realizes that equity planning isn't something that RTOs have historically engaged in.

"Just because we haven't done it before doesn't mean we can't do it now," she said. "We just think there are ways planning could be a little bit better and more inclusive."

Co-author and Union of Concerned Scientists Senior Energy Analyst Sam Gomberg said the set of principles "provide clear guidance to MISO regarding the future we need to be driving towards."

"MISO is in the midst of an extraordinary transition to clean energy, and the decisions made at MISO affect every community located in its footprint. It's critical to get it right," he said in an emailed statement to *RTO Insider*. "...As MISO and its member utilities embark on an unprecedented build out of the transmission system to enable clean energy, communities will be asked to support these investments and host this infrastructure. These principles inform all of us about what needs to happen to garner their support and to be successful in our collective efforts to build an equitable, just, and clean energy future."

Cappel-Vickery pointed out that MISO's quarterly board meetings occur in the middle of a work week "at a time when anyone not expressly hired to do this is in working hours." She said MISO might allow for public comments that aren't reliant on attendance. MISO could dedicate an inbox to collecting emailed comments and could publish them or read them to board members during open sessions,



Entergy

she said.

She said that could lead to a resident of Louisiana, for example, telling MISO they'd like a more interconnected MISO South even if they aren't available to travel or call in.

"That's something that isn't going to be a huge lift. We hear from MISO that they're overburdened, that they're experiencing labor shortages, but this is doable," she said.

She also said MISO's Consumer Advocate Sector could "activate" new members to be a mouthpiece for the public during meetings.

Cappel-Vickery suggested MISO embrace the stance that climate change is real from an apolitical, scientific perspective and should be planned for accordingly. She said it's possible for MISO to discuss grid resilience in a way that expressly includes climate change.

"The way that it's spoken about now, it seems like this opt-in. It doesn't sound like it's definitive, that this is something we need to address," she said. "Here in south Louisiana, whether you believe in climate change or not, we're experiencing storms that are more severe and more frequent."

More Lines Equal Equity in MISO South

Cappel-Vickery, a New Orleans resident, said while she wants the equity in planning principles applied to MISO Midwest and MISO South alike, they would be particularly beneficial in MISO South.

Cappel-Vickery said in her experience, many MISO South residents welcome the idea of transmission expansion, viewing it as crucial to avoid prolonged outages during heatwaves or after hurricanes. She said the importance of equity planning was never more crystallized than in the aftermath of Hurricane Ida in 2021.

"People lost their lives after that storm. We don't see transmission as being inherently bad at all," she said.

She also said soaring summertime temperatures are cause for more intensive planning.

"I have no recollections in my childhood of experiencing 115-degree heat indexes. And now we have them multiple times per year. It seems imperative to include climate change modeling when they're talking about reliability," she said.

Cappel-Vickery said she shares concerns that Entergy's outsized local reliability spending in the 2023 Transmission Expansion Plan could negate the need for larger, regional transmission and could lead to a "really skimpy" third cycle of MISO's long-range transmission plan (LRTP) portfolio, which will be the first to contemplate MISO South subregional needs. (See [Initial MTEP 23 Ignites Familiar Arguments over MISO South's Reliability Spending](#).)

"There are a lot of questions around Entergy's proposals. And we're not OK with the cost burden falling completely on ratepayers," Cappel-Vickery said of a regional-versus-local cost allocation. "Tranche 3 and Tranche 4 could hold incredible potential for ratepayers in MISO South. From our organizational standpoint, a worst-case scenario is we keep building more generation and never expand transmission."

MISO: Onus is on Members and State Officials

MISO said it "acknowledges the importance of concepts such as those outlined in the equitable grid principles" but said it is limited in what it can do as it doesn't own grid assets.

"We support our members' goals as they address clean energy, siting and overall investment in electricity infrastructure. As MISO does not own, site or construct electricity infrastructure, our members and state regulators are a more appropriate venue to assess and appropriately address these matters. MISO's role is to understand the impacts of our members' plans as it relates to existing energy policies and provide insight on how to reliably implement their goals," MISO spokesperson Brandon Morris said in an emailed statement to *RTO Insider*. ■

NYISO News

NYISO Board Selects NYPA-Transco Project for Long Island Tx Needs

Propel NY Reps. Say 'Transmission is the Bridge to Ensure an Effective Transition'

By John Norris

ALBANY, N.Y. — NYISO last week [announced](#) its Board of Directions selected a proposal from Propel NY Energy to fulfill the Long Island Public Policy Transmission Needs (PPTN) solicitation to unbundle local constraints and enable the export of future offshore wind energy throughout New York.

Propel NY, a partnership between the New York Power Authority and NY Transco, will build its Alternative Solution 5 project with the Long Island Power Authority and Consolidated Edison, with the goal of “advancing the state closer to its goal of 9,000 MW of offshore wind energy by 2035,” the board said June 20.

NYISO estimated that the project will cost \$3.26 billion. The developers will build a network of new transmission lines and substations connecting Long Island to New York City and estimate they will break ground in 2026. It has a required in-service date of May 2030.

Propel NY’s project (Project ID: T051) emerged as NYISO’s [preference](#) in early May and quickly obtained stakeholder votes of recommendation for approval before moving forward to the board for approval.

In an interview with *RTO Insider*, Philip Toia, president of development at NYPA, and Paul Haering, vice president of capital investment at New York Transco, shared how excited they are to help deliver clean energy throughout New York and bring the state closer to its

decarbonization goals.

Propel NY’s project “reinforces the backbone of the transmission system in Long Island,” Toia said.

It “checks a number of boxes that the NYISO evaluates, including transfer capability, expandability and operability,” said Haering.

The project will build six new underground transmission lines, including five 345-kV lines, that go between three ties connecting Long Island to the New York City metropolitan area and four new substations. It also upgrades several LIPA-operated facilities.

Haering said, “The goal of the PPTN was to improve the transfer capabilities between Long Island and New York City,” and the Alternative Solution 5 “proposal is going to greatly increase that capability” by enabling “offshore wind to get upstate” while “improving the ability for energy from upstate to get back onto Long Island when the wind isn’t blowing.”

Toia said there could be a few challenges, including unlogging an already congested Long Island transmission system, getting community stakeholders involved via consistent outreach and permitting processes.

Haering noted ongoing supply chain disruptions also could be problematic should key components like high-voltage cables become unavailable. He added that their teams have worked aggressively to ensure that all the manpower, resources and equipment are available to execute the project.

Transmission projects in general, particularly those in crowded regions such as New York City and its eastern suburbs on Long Island, can draw opposition and pushback. Propel NY is taking an “early, often and inclusive” stakeholder approach to build support and head off opposition, Haering said.

Shannon Baxevanis, communications and stakeholder lead at

NY Transco, said, “For the last two years, we’ve been undertaking an education and awareness effort with stakeholders that are within the [project’s] geographic footprint.”

Baxevanis said these have mostly been high-level conversations with politicians, economic development organizations, and environment or advocacy groups, but “that will really morph into a more developed granular ground game.”

“We are going street-by-street, neighborhood-by-neighborhood, getting to know residents, making them aware of what the project is and giving them the conduit to have a voice in our process,” she added.

Haering applauded the PPTN process, saying, “It is the poster child for how it should be done.”

Toia added, “We have confidence in the [PPTN’s] open process,” and, “when you look at New York, there’s a multitude of pathways for transmission to be built. ... It’s an all-hands-on-deck approach that has been successful for the state.”

RTO Insider asked about renewable and offshore wind development more broadly and whether New York could achieve its ambitious decarbonization goals.

Toia admitted the goals are aggressive but was confident that they could be reached via effective transmission development.

“Transmission is key to ensuring that renewable energy that is being built is able to get to the market and is not bottlenecked anywhere,” he said.

Haering pointed out that “because of our knowledge of the system, it was recognized by NYISO and its independent consultant that our project had some of the least amount of risk as compared to some of the other proposals,” and so, “hopefully that means this project will be delivered on time and on budget for the benefit of ratepayers.”

Haering said they anticipate filing relevant Article VII [paperwork](#), which is the application material required for major New York transmission facilities, with the state’s Public Service Commission in the first half of 2024. ■



Overview of NYISO’s qualitative cost cap assessment | NYPA & NY Transco

NYISO News

NY Completes Smart Path Tx Upgrades

By John Norris

ALBANY, N.Y. — New York last week *finished* upgrading 78 miles of transmission lines that will enable the reliable transmission of clean energy from the north to the rest of the state.

The Smart Path project rebuilt and replaced aging transmission poles made from wood with steel ones capable of supporting 345-kV lines, as well as upgraded substations along the project's path (18-T-0207).

The \$484 million worth of upgrades span from Massena in St. Lawrence County to Croghan in Lewis County and were undertaken by LS Power Grid New York and the New York Power Authority (NYPA).

The newly energized Moses-Adirondack Smart Path line will operate at the 230 kV level until the completion of the attaching Smart Path Connect *project*, which rebuilds roughly 100 miles of transmission lines in the North Country and the Mohawk Valley.

The Smart Path Connect *project* is a partnership

between NYPA and National Grid and construction is scheduled to run until December 2025.

These Smart Path projects are among the many transmission projects New York is *developing* to support its growing clean energy fleet. The announcement mentioned the Propel NY transmission proposal, which was selected by NYISO's board to enable the delivery of offshore wind energy from Long Island to the rest of the state. (See [NYISO Selects Propel Project for Long Island Transmission](#).)

Comments

The office of New York Gov. Kathy Hochul announced the completion of Smart Path and included statements from several high-ranking officials.

Justin E. Driscoll, acting president of NYPA, said, "The Moses-Adirondack Smart Path transmission line was the Power Authority's oldest asset, built in 1942, acquired by the Authority in the early '50s, and now it has become one of our newest. I am immensely proud of the Power Authority team, the skilled laborers,

and contractors who completed this challenging work on this major transmission artery safely under unusually difficult circumstances."

State Sen. Kevin Parker (D), chair of the Energy & Telecommunications Committee, said, "We must embrace the opportunities to modernize our energy systems and invest in clean and sustainable solutions that ensure the resilience of our infrastructure, the protection of our environment and the wellbeing of our communities."

Assemblymember Didi Barrett (D), chair of the Energy Committee, said, "The newly completed Smart Path Transmission Project is integral to enhancing resiliency and modernizing the grid, which is necessary to achieve our climate goals, and will provide up to 900,000 homes with clean electricity."

"Our members will continue to offer the expertise and dedication necessary to help support Gov. Hochul and New York State in its efforts to support green energy," said Bill Brown Jr., business manager of the International Brotherhood of Electrical Workers. ■



Modernized steel 345kV transmission Clean Path lines | NYPA

NYISO News



NYISO TPAS Briefs

Long Island PPTN

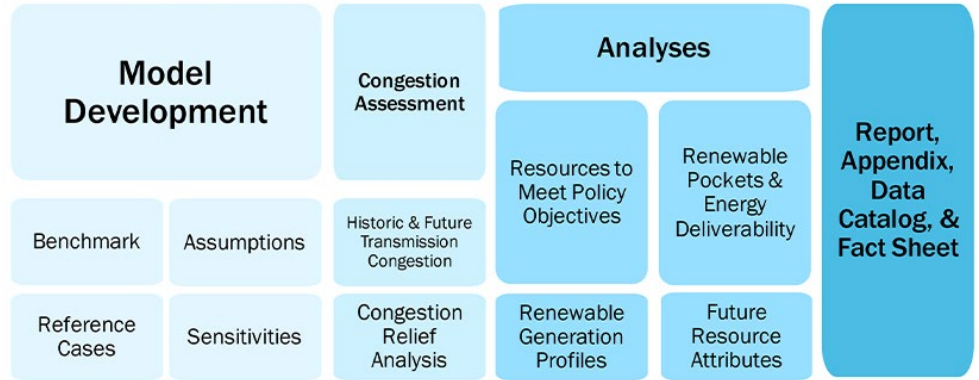
The NYISO Transmission Planning Advisory Subcommittee on Friday voted to recommend that the system impact study report results for Propel NY Energy’s Alternate Solution 5 project be approved by the Operating Committee.

Propel NY, a partnership between the New York Power Authority and New York Transco, proposed to build a transmission project to unbundle Long Island and enable the area to export offshore wind energy to the rest of the state as part of NYISO’s Long Island Public Policy Transmission Needs solicitation.

Propel NY’s Alternate Solution 5 proposal recently emerged as the ISO’s preferred project. (See “Long Island PPTN,” *NYISO Business Issues Committee Briefs: May 24, 2023*.)

System and Resource Outlook

NYISO *announced* it has kicked off this year’s annual System & Resource Outlook study and anticipates having the report finished by the



Overview of NYISO’s system and resource outlook scope | NYISO

second quarter of next year.

The outlook report forecasts system needs for 20 years, identifies challenges related to achieving New York’s policy objectives and builds upon past recommendations or observations. (See “NYISO Releases the Outlook,” *NYISO OC Discusses NOPR Comments, High Temps*,

EDS Results.) It is part of the economic planning process of NYISO’s wider *Comprehensive System Planning Process*, and the ISO will spend upcoming meetings reviewing study assumptions, benchmarking results and discussing potential improvements. ■

— John Norris

Have an opinion on electric policy you’d like to share?
Submit a Stakeholder Soapbox Op-Ed

See rtoinsider.com/soapbox for editorial guidelines.

NYISO News

From Whale Oil to Clean Hydrogen: NYC Takes Stock of the Energy Transition New York Energy Week Returns After 3-Year Hiatus

By Rich Heidorn Jr.

NEW YORK — After a three-year hiatus prompted by the coronavirus pandemic, *New York Energy Week* returned to Manhattan last week, with participants celebrating the progress the state and city have made toward decarbonization while offering sobering acknowledgements of the challenges ahead.

Co-sponsored by Consolidated Edison, the New York State Energy Research and Development Authority and technology provider *EnerKnol*, the program offered panel discussions and presentations at several venues around New York City.

During a panel discussion on opening night June 20, Matthew Ketschke, vice president of distributed resource integration for Con Ed, observed that the utility, which serves 3.6 million customers in New York City and Westchester County, is at “the hub of the energy transition in New York City and New York state.”

“One of my roles is to help to figure out how to make that happen, [with] stakeholders and both government and industry innovation,” he said.

Ketschke noted that Con Ed, “the oldest continuously traded company on the New York Stock Exchange,” recently celebrated its *200th anniversary*. “The original company was a manufactured gas company. It actually used whale oil to produce manufactured gas,” he said. “It

wasn’t until the 1950s that we started to flow natural gas.”

Ketschke acknowledged the difficulty of meeting the state’s Climate Leadership and Community Protection Act, which requires 70% renewable energy by 2030 and 100% by 2040.

“Clearly, New York has set up very ambitious goals. But without ambitious objectives and goals, you really don’t make a whole lot of progress. We’re going to have some significant technical hurdles to overcome. But New York is already way ahead in a lot of areas,” he said, citing the city’s 100-year-old electrified subway system and its “very low” per capita energy consumption.

The utility recently published a long-range plan for decarbonizing its gas system, which considers “shrinking and sunseting” the system or repurposing it for low-carbon fuels, such as hydrogen.

“I think there are a lot of challenges,” he acknowledged. “That said, we’re New Yorkers. We’re pretty good at overcoming challenges, and I think there’s a lot of very good work that’s been done so far.”

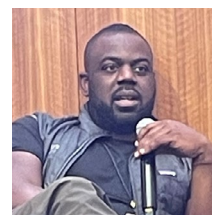
Hiring Needs

To meet those challenges, Con Ed is expanding its outreach efforts as it looks to add 1,000 new employees in the next year.

“That means going to high schools and having

conversations with kids who might never have thought of the electric business or the gas business or the energy business as being a career for them,” Ketschke said. “Somebody I’m real interested in coming to work for us is somebody who is in high school ... and is an athlete and ... likes a physical job, but never thought of being a lineman, or maybe a gas mechanic, or working in a power plant.”

The company offers a tuition aid program that helps employees go to college. “We have a number of people today working [as] general managers and vice presidents who came in as meter readers and kind of worked their way up,” he added.



Donnel Baird, CEO of BlocPower | © RTO Insider LLC

Con Ed and others seeking workers should expand their hiring criteria to emphasize “helpfulness and grit,” said Donnel Baird, CEO of New York-based *BlocPower*, which helps decarbonize homes and other buildings in low- and moderate-income

neighborhoods. “When it really comes down to finding the best talent ... if you’re serious about it, you’ll end up with a DEI [diversity, equity and inclusion] strategy.”

For its part, BlocPower is providing job training to gang members and the incarcerated.

“There is, as we all know, a massive under-supply of skilled labor and skilled technicians across the country that is so pervasive that it could cripple all of the incredible clean energy legislation the Biden administration has passed,” he said. “We may not be able to implement [the Inflation Reduction Act] if we don’t solve this green workforce problem.

“There is a lot of heavy lifting that must be done, and my premise is that ... most of us, if not 98% of us — even folks who are climate advocates — we do not truly believe that we’re going to pull this off,” he continued. “So we are all struggling with depression. We’re struggling with anxiety, particularly if you have children or ... grandchildren that you care about. People don’t really believe that we’re going to pull this off. And so our job at BlocPower is to identify the geographies and markets where there’s an appetite to go big or go home.”

BlocPower has contracts to help three cities



From left: Donnel Baird, BlocPower; Matthew Ketschke, Con Edison, Mary Beth Mandanas Onyx Renewables Partners and moderator Shihab Kuran, Power Edison | © RTO Insider LLC

NYISO News

— Ithaca, N.Y., and Menlo Park and San Jose, Calif. — that have committed to decarbonizing 100% of their buildings.

“And so over the next five or six years, we’re supposed to invest around \$6 billion of private sector capital ... to help building owners finance affordable electrification for all in these cities, and go building by building to install air source heat pumps, heat pump hot water systems, replace gas ovens, and develop the workforce to go building by building to do that.”

Victoria Cerullo, acting executive director for the New York City Mayor’s Office of Climate and Environmental Justice, spoke about the city’s efforts to aid its 500,000 “energy-cost burdened” families and identifying “underutilized rooftops” to bring solar to small apartment buildings in environmental justice communities.

“We have old buildings here in New York City — old buildings [and] new buildings. ... We need to harness all of the existing rooftops and any accessible space to power the city.”

Transmission, Generation to Eliminate the ‘Tale of Two Grids’

The push for more solar in New York City is among the efforts policymakers are making to eliminate what has been termed the “tale of two grids” in New York state, with upstate residents getting 90% of their electricity from non-emitting generation, and city residents depending on fossil fuel generation for 90% of their power needs.

Another effort to eliminate that disparity is *Clean Path NY*, an \$11 billion partnership between the New York Power Authority (NYPA), energyRe and Invenergy to deliver more than 7.5 million MWh of emissions-free energy into New York City annually.



RTO Insider Editor Rich Heidorn Jr. (right) moderates a panel with (from left) Luke Falk, Clean Path NY; Emilie Nelson, NYISO; and Patricia Lombardi, New York Power Authority | *Andrew Theodorakis/NYPA*

“We are extraordinarily proud of the fact that our project, and all of the projects that are happening, are really now oriented toward delivering meaningful benefits to frontline communities, to avoid some of the negative social health consequences that are pursuant to the burning of fossil fuels,” Clean Path COO Luke Falk said. “The reduction of [nitrogen oxides, sulfur oxides and particulate matter] attributable to just our project will reduce the statewide emissions from electricity by more than 20% per year.”

Falk, who discussed the project in a panel discussion Wednesday, was joined by Patricia Lombardi, senior vice president for NYPA, who discussed plans to retire additional fossil fuel peaker plants in the city as the new renewables are connected.

Several plants were recently shuttered, and NYISO will be issuing a short-term reliability assessment in July on plans to retire additional peakers in 2025, said ISO Executive Vice President Emilie Nelson, the third member of the panel.

“The reliability margins are narrowing,” Nelson said. “And that really comes back to what we’ve already talked about: that new supply needs to come into service in order to allow for resources to exit.”

Improving air quality in the city means winning buy-in from upstate communities hosting the generation and transmission. Clean Path sought to minimize the impact by using existing rights of way and putting much of the remaining transmission underground, Falk said.

“Our experience is that it is extraordinarily important ... to give primacy to community engagement and stakeholder relations,” Falk said. “And that’s not just a talking point for our project. We’ve had literally hundreds of meetings with different groups across the state, representing every type of interests that you can think of: from the most local community-centric concern to ... broad, regional environmental concerns, to labor, to workforce development to ... our elected officials, and everybody in between. It’s an ongoing process.” ■

Save your acrobatics for Cirque de Soleil.

Jumping through hoops was never really your thing anyway.



NetZero Insider. Stay informed.

Staying on top of the news and policy changes as the U.S. decarbonizes its economy is a mighty challenge. That’s why you subscribe to *NetZero Insider*, your eyes and ears on climate policy and adaptation. Offering comprehensive, timely, unbiased reporting and analysis from Washington and the states, *NetZero Insider* makes it easy for you to be prepared. Whatever the future brings.

**NetZero
Insider**

NYISO News

NYISO Operating Committee Briefs

Long Island PPTN

NYISO's Operating Committee on Thursday cleared a final administrative hurdle for Propel NY Energy's Alternative Solution 5 transmission project, voting to recommend the approval of its system impact study report.

The ISO's board on June 20 selected Propel's proposal to fulfill Long Island public policy transmission needs and enable the export of at least 3,000 MW of offshore wind energy into New York. (See related story, [NYISO Selects Propel Project for Long Island Transmission](#).) Construction is expected to begin in 2026, and the required in-service date is May 2030.

Also on Thursday, the state's Public Service Commission [declared](#) that another PPTN is needed to facilitate Long Island's delivery of more OSW. (See related story [New York PSC Calls for More Transmission for Long Island OSW](#).)

May Operations Report

NYISO [updated](#) the OC that it added an additional 20 MW of nameplate energy storage and 78 MW of behind-the-meter solar resources in May. It also said load peaked for the month at 19,777 MW and the month's minimum load was 11,886 MW.

The ISO also told stakeholders it declared no thunderstorm alerts during the month, which it said was unusual for May.

Senior Vice President Rana Mukerji [presented](#) a similar monthly market operations report to the Business Issues Committee on June 21.

"May was very quiet, with low prices and low fuel costs," he said. "Lower fuel prices are driving lower market prices."

New Members for Environmental Advisory Council

NYISO on Thursday also [announced](#) that Julie Tighe, Burçin Ünel and Daniel Zarrilli were

appointed to serve on the ISO's Environmental Advisory Council.

Formed in 2005, the EAC provides NYISO senior leadership and its board with expert analysis on evolving state and federal environmental policies and how those policies impact the ISO's mission of maintaining reliability.

Tighe is president of the New York League of Conservation Voters, while Ünel is executive director of the Institute for Policy Integrity at New York University School of Law. Zarrilli is special adviser for climate and sustainability at Columbia University.

The ISO's Kevin Lanahan said in the announcement that the three "are respected experts and industry leaders who will help guide the work of our Environmental Advisory Council at a critical time for the industry and the pursuit of a just transition under state policy mandates." ■

— John Norris



NYISO headquarters in Rensselaer, N.Y. | NYISO

NYISO News



New York PSC Calls for More New Transmission for Long Island OSW Offshore Wind Alliance Director Praises Order

By John Norris

ALBANY, N.Y. – The New York Public Service Commission on Thursday *announced* it is commissioning NYISO to focus its next Public Policy Transmission Needs process on facilitating the delivery of 6,000 MW of offshore wind generated off the Long Island coast to the New York City area (22-E-0633).

State law mandates that at least 9,000 MW of offshore nameplate capacity come onto the state’s grid by 2035. The PSC ordered the development of new transmission to accommodate these future resources by 2033.

A solicited proposal will be deemed complete if it includes all the facilities, equipment, and transmission or substation upgrades necessary

to deliver the energy through Consolidated Edison’s local system. The project selected will also be required to obtain transmission siting approval and undergo a full environmental and community impact review.

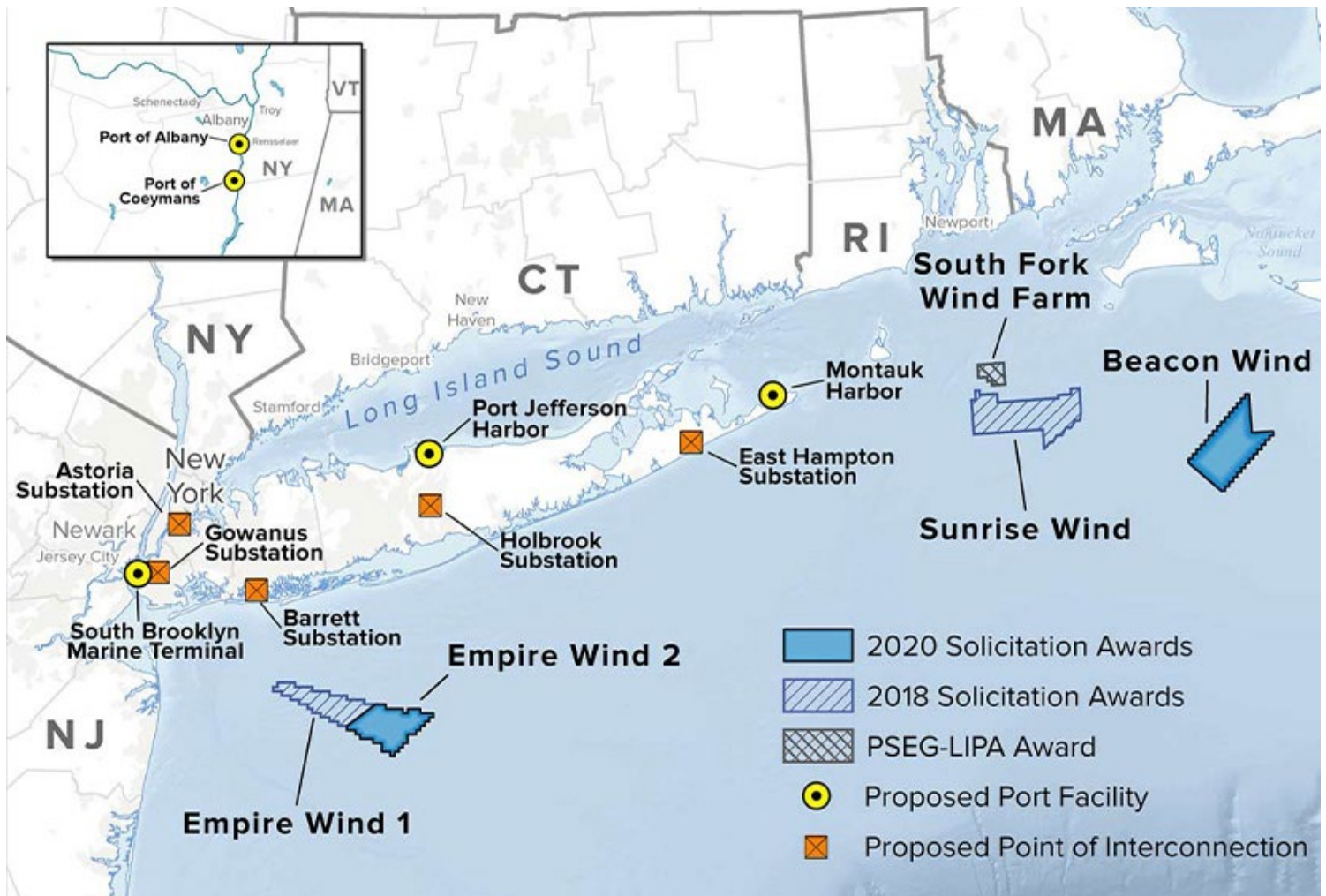
The PSC’s call for another Zone J-to-K-based PPTN came just two days after the NYISO Board of Directors selected Propel NY Energy’s proposal to fulfill an earlier Long Island PPTN that will increase the island’s export capability by at least 3,000 MW and build three new 345-kV lines on the local transmission system. (See related story, *NYISO Selects Propel Project for Long Island Transmission.*)

“We conclude that this public policy requirement drives the need for additional transmission facilities, and in particular, we seek options for delivery of the output of offshore

wind generating resources to New York City interconnection points,” PSC Chair Rory Christian said.

Fred Zalzman, director of the New York Offshore Wind Alliance, a consortium of wind developers, *praised* the PSC’s order, saying, “This week’s historic transmission decisions by New York policymakers offers a critical ‘one-two punch’ in getting clean and renewable energy online.

“New York’s transmission system was never designed to support the flow of power from offshore, and this week’s decisions demonstrate policymakers’ resolve to modernize New York’s grid and remove one of the biggest obstacles to offshore wind energy development.” ■



Overview of active New York offshore wind development | NYSERDA

PJM News

PJM Continues CIFP Discussion of Seasonal Capacity Market Proposal

Bifurcated Market Could Address Shift in Risk Toward Winter, PJM Says

By Devin Leith-Yessian

PJM last week continued outlining its proposal to redesign the capacity market to address resource adequacy and reliability concerns through the Critical Issue Fast Path (CIFP) process.

The June 21 [presentation](#) followed a June 14 CIFP meeting initiating the third stage of the CIFP process, in which PJM and stakeholders will finalize their proposals. Both stage-three meetings have been devoted solely to PJM's proposal, with additional time scheduled to continue the presentation this Wednesday. (See [PJM Adds Seasonal Capacity to Stage 3 of CIFP Proposal](#).)

Both meetings were dominated by discussion of PJM's proposition to bifurcate the capacity market into summer and winter products, which it argues would allow the markets to address a shift in risk toward winter storms, rather than the historical expectation that risk coincides with the peak loads that typically fall in the summer.

PJM Senior Director of Economics Walter Graf said resources could submit offers to participate in either season and could clear in both, one or neither. Resources with costs to operate that may not be recovered by clearing in just one season would be able to indicate a minimum price, which would prevent them from being committed if they cleared in only

one season and would not cover their costs at the price the other season's auction reached. Most resources today have capacity value in both seasons, Graf said, and would have both annual and seasonal costs.

"There are certainly resources today that are mitigated to offer at zero. Those resources would probably also in this construct be mitigated to have a zero-offer component," he said.

Kevin Kilgallen of Avangrid Renewables said each season carries its own risks for generators as well, creating a need for a season-specific capacity performance quantified risk component to fully represent those liabilities.

Once resources clear the seasonal auctions, an adjustment factor would be used to align the results with the annual variable resource requirement (VRR) curve. The summer and winter capacity price would be linked and scaled up or down until it matched the price on the VRR curve with the corresponding amount of capacity procured.

PJM's Skyler Marzewski said the advantage of retaining an annual is that the new market structure would be built around components already approved by FERC. Graf said that under "blue sky" conditions, without the constraints of the CIFP timeline, avoiding this additional step would be ideal.

"What are the fewest steps we can take to make a seasonal approach with what we

already have," he said, describing PJM's approach to drafting the new model.

Kilgallen said if PJM's preference is to move entirely to seasonal auctions with their own demand curves, it should do so rather than trying to use adjustments to get back to the current annual VRR curve.

"If the seasonal demand curves are the way to go, let's just go there and accept it," he said.

Calpine's Matt Barmack said if the summer clearing price is low, reflecting PJM's belief that risk is now concentrated in the winter, resources may struggle to clear in that auction and cover their full annual costs.

Graf said co-optimizing the seasonal capacity prices allows the rate at which each auction clears to also reflect any costs generators may incur that bleed into other seasons. That's also in part why PJM decided to seek a seasonal model with two auctions, rather than adding more granularity, he said.

The shift toward winter risk is in part a result of PJM's proposal to use an expected unserved energy (EUE) model for its reliability analysis instead of its status quo loss of load expectation (LOLE). During the May 30 CIFP meeting, PJM [shared](#) preliminary analysis of how the EUE model — which aims to capture the depth and breadth of outages, rather than a count of the number of incidents — could change its thinking on what periods have the highest risk. (See ["PJM Presents Risk Modeling Analysis," PJM Stakeholders Complete 2nd Phase of CIFP](#).)

The analysis suggests that 96% of the risk is concentrated in the winter under the EUE model, compared to 78% under LOLE. The increase in winter risk also reflects a proposal to use a longer lookback for weather data to capture the impact of rarer weather events.

PJM's presentation of its proposal is to continue Wednesday, with discussion of a potential model for reliability risk assessment and changes to accreditation, particularly pertaining to the effective load carrying capability construct. The Independent Market Monitor and Leeward Energy also are set to make presentations.

PJM Director of Stakeholder Affairs Dave Anders said additional stage three CIFP meetings will likely be required before the stage-four meeting scheduled for August, when stakeholders will vote on the proposals. ■



PJM Senior Director of Economics Walter Graf (right) presents a proposed overhaul of the RTO's capacity market to stakeholders during a June 21 Critical Issue Fast Path (CIFP) process meeting, along with PJM's Skyler Marzewski. | © RTO Insider LLC

PJM News



PJM MRC/MC Briefs

MRC Endorses IROL-CIP Cost Recovery

VALLEY FORGE, Pa. — The PJM Markets and Reliability Committee endorsed a proposal to create a cost-of-service payment structure for generators that require upgrades following being designated critical to the derivation of an interconnected reliability operating limit (IROL) under NERC's critical infrastructure protection (CIP) standards. (See "PJM, Monitor Review IROL-CIP Proposals," *PJM MRC/MC Briefs: May 31, 2023*.)

PJM's Darrell Frogg previously told the committee that the proposal would function similarly to PJM's existing black start cost-recovery mechanism, with generators submitting costs to the RTO and Monitor to review, and reviews collected through charges to market participants.

Supporters during the Operating Committee discussions on the proposal argued that having a facility declared critical by NERC and required to make reliability upgrades is outside of their control, can carry significant costs and is unpredictable. The OC endorsed the PJM proposal on March 9 with 89% support, while a competing proposal from the Independent Market Monitor received 11%. (See *PJM OC Briefs: March 9, 2023*.)

Susan Bruce, representing the PJM Industrial Customer Coalition (ICC), questioned if there are any cost minimization functions taken into consideration and what costs PJM can share with stakeholders regarding IROL-CIP expenses.

Frogg said security concerns limit how transparent they can be about specific costs, but there are oversight mechanisms in place and cost estimates of IROL-CIP upgrades in general can be shared, similar to data sharing around black start costs.

Independent Market Monitor Joe Bowring said the definition of which resources can be designated as critical is vague and argued that it's a slippery slope to create new cost-of-service structures, rather than putting the costs in the markets.

"This is not like black start; it's opening a whole new opportunity to non-market cost-of-service recovery services," he said.

"PJM operates markets. PJM is not a cost-of-service regulator. These costs are part of the cost of doing business as a generator in PJM markets. Generators do not offer to share ex-

cess revenues when regulatory changes result in more revenues rather than more costs. This proposal is inconsistent with the PJM market design," he said.

Greg Poulos, executive director of the Consumer Advocates of the PJM States (CAPS), said advocates appreciate Bowring's efforts to find a market solution and believe the question of whether this should be a cost of service is best addressed at FERC. Several advocates abstained from Thursday's acclamation vote on the proposal.

"There's always a concern, I think a growing concern in some respects, about cost-of-service mechanisms at the PJM level," he said.

Dominion's Jim Davis said ensuring that generators can recover their costs avoids putting operators in the positions of considering retirement after being found critical due to the cost of making the required upgrades.

Frogg said costs will be recovered over 12 months and only those upgrades that are required to comply with CIP standards and would not be made had the facility not been designated critical would be recoverable under the proposal.

Craig Glazer, PJM vice president of federal government policy, said the proposal is consistent with other formula rates approved by FERC and implemented by the RTO. While PJM determines which facilities are critical and which upgrades are legitimate, it must follow the formula approved by the commission.

"It's not like whatever you believe is reasonable you go with," he said.

Bowring responded that the fact that it's possible to define a cost-recovery mechanism is not a reason to do so. He said the proposal raises the possibility that there will be proposals for more cost-of-service recovery mechanisms in the markets, undermining the fundamentals of the PJM market design.

PJM Gives Date for Winter Storm Elliott Presentation

A detailed report on the impact the December 2022 winter storm had on PJM's operations

and generator performance during the event will be released on July 17, PJM Vice President of Market Design and Economics Adam Keech told the MRC. A workshop for stakeholders to discuss the report has been scheduled for July 25, with the aim of giving stakeholders time to digest the document.

"Right now, the paper is fairly hefty, so it may take an amount of time to get through it," Keech said.

PJM provided a preview of the report's findings during a May 17 critical issues fast path (CIFP) process meeting, a forum that was in part convened in response to the storm's impact. (See *PJM Presents Lessons Learned from Elliott, More CIFP Presentations*.)

During that meeting, PJM's Glen Boyle said Elliott was the latest winter storm demonstrating what the RTO has concluded is a shift in reliability risks towards the winter, rather than its longtime assumption that risk correlated with summer load peaks.

The analysis has found that market participants require additional education regarding performance assessment intervals (PAIs) and the penalties they carry for generators underperforming during an emergency. It also found instances where the penalties were not aligned with dispatch basepoints due to resources' obligations not taking their specific characteristics into account.

Boyle laid out a series of recommendations that PJM had reached as a result of the analysis at that point, including an overhaul of capacity market incentives, re-evaluating whether energy efficiency and demand response resources have performed in a way that matches their expected reliability contributions and investigation of poor performance of non-retail, behind-the-meter generation.

Stakeholders Approve Tariff Clarification on Smooth Supply Curves

The MRC endorsed *proposed* tariff changes aimed at clarifying that smooth supply curves will only be published for Base Residual Auction (BRA) results and not for Incremental Auctions (IAs). (See "First Read on Smooth Supply Curve Quick Fix," *PJM MIC Briefs: April 12, 2023*.)

PJM's Skyler Marzewski said the new language consists of adding "for each Base Residual Auction" to a paragraph in Attachment DD section 5.11(e) pertaining to how the supply curve will



Craig Glazer, PJM | @RTO Insider LLC

PJM News



be graphed after the auction.

Road Path for CAPSTF Discussed

The Clean Attribute Procurement Senior Task Force (CAPSTF) is on hiatus until September after more than 90% of stakeholders participating indicated that the group should suspend discussions until the CIFP has completed its work on drafting changes to the capacity market because of overlap in the two groups' deliberations. A second vote also found that none of the three conceptual designs drafted by the task force reached 50% support.

Scott Baker, PJM's facilitator for the task force, *said* the group will reconvene in September to determine if it should continue working toward market-design changes based on the final product created through the CIFP process or if the CAPSTF should be sunset.

He said Package A would create a forward clean energy market with a PJM renewable energy certificate and a PJM clean energy attribute certificate differentiated on the eligible technologies. Package B would have a third product, a clean capacity certificate. The certificates in Package A would be unbundled from energy, while the added certificate under Package B would be unbundled from capacity.

Package C would create a two-auction system, with a state attributes procurement auction (SAPA) that would provide the locational marginal reliability value of participating clean resources and a minimum reliability attributes auction in which PJM would procure enough capacity to satisfy locational reliability needs netted against the impact of SAPA resources' impact on load.

Calpine's David "Scarp" Scarpignato said the company supports the clean energy transition but believes the capacity market is not the best place for market-design changes to be made with the goal of incentivizing new renewable generation.

"There might be better ways through the energy market or maybe bilaterals to get a more effective transition to clean energy," he said.

Ken Foladare of the Tangibl Group said the CAPSTF has engaged in fruitful discussion, but agrees the CIFP process is likely to yield significant changes to the capacity market and its work should be completed before the task force continues drafting design packages.

Constellation's Adrien Ford noted that the task force's vote to go on hiatus had a significant number of abstentions and suggested the reason could be that it was an advisory vote on how the group should best direct its work. She said the company supports Package A and hopes that the work on finalizing the proposal can continue.

PAI Notifications to Include More Information

PJM's Chris Pilong said the *RTO plans* to include information about the proposed revisions to conditions under which a PAI can be declared in any future notifications sent out when an interval begins. Should a PAI be called in the "limbo period" before FERC rules on PJM's filing, email notifications will include the proposed language and the impact it could have on settlements if FERC were to accept the change. (See *PJM Board Rejects Lowering Capacity Performance Penalties*.)

If the order were to partially approve the filing or a deficiency notice issued prior to a PAI being called, notifications would include information about what changes to the proposal are required.

If FERC were to approve the filing, software changes would be developed to allow more precise notifications to be sent out and information would include what changes have been made. Notifications would go out to all stakeholders subscribed to email lists for the

standing committees.

Vitol's Jason Barker said he's concerned about the potential for notifications to be sent out for false positives or when the criteria for a PAI have not all been met, adding that any actions PJM can take to give a more assertive signal to market participants are welcome.

Old Dominion Electric Cooperative's Mike Cocco urged PJM to develop a way for data about emergency conditions to be pushed to members, rather than require them to go to PJM's Data Monitor portal to monitor for any changes.

Members Committee

State Advocates Concerned About Rising Transmission Costs

Speaking to the Members Committee Thursday, Poulos said consumer advocates are concerned about the rising cost of transmission for end customers and the lack of market-driven ways of containing costs.

"It is now about 28% of the bill for wholesale-cost customers," he said.

Exelon's Alex Stern said transmission development is mainly driven by state and federal policy, rather than markets. Grid reliability concerns have driven investments for decades and the challenges presented by the clean energy transition have only exacerbated the issue.

"A lot of what we're seeing in real time as far as transmission investment is driven by regulatory signals and from my perspective that's how it should be. Transmission owners will continue to discharge their obligation to ensure grid reliability is preserved. The regulators need to keep doing the job on their end as well and if they feel the grid is reliable enough or if they feel the transition is happening too fast, then they need to send those signals as well," he said. ■

National/Federal news from our other channels



[Clean Energy Bills Stack up in NJ Legislature](#)

NetZero
Insider



[Loan Programs Office Announces \\$9.2B for Ford Battery Plants in Tenn., Ky.](#)

NetZero
Insider



[NJ BPU Outlines \\$150M Building Decarbonization Plan](#)

NetZero
Insider

RTO Insider subscribers have access to two stories each monthly from NetZero and ERO Insider.

Company Briefs

Ameren to Add 4 Solar Projects by 2026



Ameren last week announced plans to build or acquire four new solar projects in Missouri and Illinois totaling 550 MW.

The company said it aims to invest billions in wind and solar projects over the next 20 years, but it also has proposed building a natural gas-fired power plant in the next decade.

The projects are expected to be completed and begin service at different times between 2024 and 2026.

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

Xcel Advances Solar Projects, Extends PPA in Texas-New Mexico Region

Xcel Energy last week announced plans to build three new solar facilities near existing


 power plants in its Texas-New Mexico service area and extend a current power purchase contract for generation.

The proposed solar facilities will be located at natural gas plants Cunningham Generating Station in New Mexico and the Plant X Generating Station in Texas. The combined capacity of the two plants in New Mexico will be 268 MW, while Plant X will have 150 MW.

Final decisions are expected in 2024, with the plants projected to be operational by 2026 and 2027.

More: [T&D World](#)

Evergy Slashes Planned Renewable Additions, Proposes More Natural Gas

 Evergy last week scaled back its plans to add more clean energy and now says it doesn't plan to add any solar power

until 2026 and will keep its Lawrence coal plant open until 2028.

Two years ago, Evergy announced plans to retire the Lawrence Energy Center and add 700 MW of solar power by 2024. Now, Evergy plans to add 3,100 MW of renewable energy by 2032, down from the 3,540 MW it planned to add as of last year's filing. It also plans to add more than 1,440 MW of natural gas power by 2028.

Evergy's plan claims Kansas City's clean energy goals are "incredibly aggressive" and too expensive. The city wants it to close Hawthorn and all other coal units by 2030 and replace them with clean energy. Doing so, the company's plan says, would cost \$3.5 billion more than its preferred energy transition.

The company revealed the plans in filings with Kansas and Missouri regulators.

More: [Kansas Reflector](#)

Federal Briefs

MVP Gets Final Permit Needed to Resume Construction



The U.S. Army Corps of Engineers last week gave Mountain Valley Pipeline approval to resume construction through hundreds of water bodies in Southwest Virginia and West Virginia.

Mountain Valley said it has completed more than half of the nearly 1,000 water body crossings along the natural gas pipeline's 303-mile route, but company spokesperson Natalie Cox said there are "approximately 643 total water resources to be crossed, including water bodies and wetlands, some of which may be crossed more than once."

Mountain said it hopes to complete the pipeline by year's end.

More: [The Roanoke Times](#)

Study Says Model Underplays Flooding, Puts IIJA Spending at Risk

The federal government is relying on an outdated weather model that is putting hundreds of billions of dollars in infrastructure spending at risk, according to a study by climate research firm First Street Foundation.

First Street Foundation's research identified the National Oceanic and Atmospheric Administration's Atlas 14 model as failing to keep up with the risks from the changing climate and showed the model drastically underestimates the frequency of high-intensity rainfall events. First Street developed its own methodology to assess rainfall and found 17.7 million properties face significant flood risk — 12.6 million more than the Federal Emergency Management Agency has identified as falling within the 100-year floodplain.

The 2021 Infrastructure Investment and Jobs Act calls for state and local governments to consult a federal prediction model that First Street says vastly underestimates the likelihood of flooding. That means that many new projects could face flooding threats earlier than expected, forcing local governments to pay for unanticipated main-

tenance or potentially wasting funds from the \$350 billion the legislation set aside.

More: [POLITICO](#)

FERC Dismisses EPA Concerns, Approves Pipeline Expansion

FERC recently approved Equitrans to build and operate the Ohio Valley Connector Expansion Project in Wetzel County, W.Va.; Greene County, Pa.; and Monroe County, Ohio, despite EPA concerns that FERC failed to consider greenhouse gas emission estimates.

The new 24-inch-diameter pipeline is covered under the permit issued by FERC for a project allowing a subsidiary of the Mountain Valley Pipeline's lead developer to increase its capability to deliver gas throughout the country.

FERC brushed aside an EPA recommendation that commission staff quantify upstream greenhouse gas emissions associated with the project. In a February letter, the EPA reiterated concerns about incomplete disclosure of and the assessment of impacts from greenhouse gas emissions. However, FERC said it was not required.

More: [Charleston Gazette-Mail](#)

State Briefs

ARIZONA

ACC Approves SRP Coolidge Expansion

The Corporation Commission last week voted 4-1 to reverse its decision to deny the expansion of the natural gas Coolidge Generation Station.

The decision comes after the Salt River Project reached a compromise with the residents of Randolph, which allowed the once-dead expansion to move forward.

The newly approved expansion adds 12 new generator units instead of the originally proposed 16 and moves the units farther away from homes.

More: [KNXV](#)

Hobbs Vetoes Bill to Regulate Renewable Energy

Gov. Katie Hobbs last week vetoed legislation that would have imposed new requirements on solar and wind plants.

The bill contained a list of what cities, towns and counties could adopt in zoning standards, site-specific conditions and permitting requirements on such facilities. Potentially more significant, it would have required owners to not only have a decommissioning plan in place, but also to post a bond to cover the costs if the company goes bankrupt or tries to walk away. It also would have mandated restoring and re-establishing soil and vegetation.

Hobbs said the bill “encourages an inconsistent statewide patchwork of regulations for renewable energy projects” and “creates additional regulatory confusion for businesses.”

More: [Arizona Capitol Times](#)

FLORIDA

Tampa Unveils Climate Action Plan

Tampa officials recently unveiled a 156-page “Climate Action and Equity Plan,” becoming the latest local government in Florida to do so.

Mayor Jane Castor said the plan is guided by three goals: to reduce the city’s carbon emissions; build climate-ready infrastructure; and “support all citizens along the way.” Specifically, the plan has 143 initiatives organized into 10 climate action categories:

energy; water and wastewater; stormwater; transportation and land use; waste management; housing and development; community; habitat and environment; food; and governance.

More: [Florida Politics](#)

IOWA

DOE Awards State \$12M to Strengthen Grid



The U.S. Department of Energy last week awarded the state nearly \$12 million to strengthen its grid against severe weather.

The state’s Economic Development Authority will administer the \$11.8 million grant, seeking competing project proposals that “will facilitate faster service restoration, provide benefits to vulnerable and disadvantaged populations to reduce the impact of severe weather-related outages, and expand opportunities for a skilled workforce to secure and retain quality jobs.”

The state was one of seven, along with three tribal nations and D.C., to receive a total of \$77 million.

More: [Des Moines Register](#)

Landowners Sue Summit over CO₂ Transportation Method

A group of landowners recently sued Summit Carbon Solutions to halt development of its proposed CO₂ pipeline.

The landowners argue that the Utilities Board did not have the authority to approve the form of “supercritical” carbon dioxide that Summit plans to transport. Currently, regulations state that the board has authority over pipelines transporting CO₂ in a liquid state. Summit said it plans to transport in supercritical form, which is when liquid exists in a high-temperature, high-pressure condition.

More: [SDPB Radio](#)

Montgomery County Extends Wind Turbine Moratorium

The Montgomery County Board of Supervisors last week unanimously approved a 180-day extension of its wind turbine moratorium.

The county’s original moratorium was set to



expire July 1.

More: [Radio Iowa](#)

MINNESOTA

Proposed Nickel Mine Begins Environmental Review

Talon Metals last week filed papers with the Department of Natural Resources to launch the environmental review process for its proposed underground nickel mine.

The DNR will use the company’s assessment as a starting point for developing a more extensive EIS on the project, which would guide the department and other agencies in deciding whether to issue permits. The review process historically takes several years, but Talon is hoping the design will speed things up enough so that it can begin production in 2027.

The mine would supply nickel to Tesla for EV batteries.

More: [The Associated Press](#)

NEBRASKA

OPPD Board Pushes Vote on \$2B Energy Generation Plan to August

The Omaha Public Power District Board of Directors last week postponed a vote on a \$2 billion expansion proposal from June 15 until August 15.

Systems Committee Chair Craig Moody said more time is needed to iron out details of board oversight of the proposal, which if approved, would play out over the course of a decade.

More: [Omaha World-Herald](#)

NORTH CAROLINA

Cooper Signs Bills that Increases Punishment for Damaging Infrastructure

Gov. **Roy Cooper** last week signed a bill that increases punishments for intentionally damaging utility equipment, six months after the Moore County power grid attacks.



Under the updated charges, someone who damages infrastructure could serve more than six years in prison and face up to \$250,000 in fines. It would also allow any person injured “by reason of damage to an energy facility” to sue

whoever caused the damage. If an attack causes a death, a person could be charged with a B2 felony.

More: [The News & Observer](#)

OHIO

FBI Recommends Sentences for Householder, Borges

The FBI last week recommended sentences for ex-House Speaker Larry Householder and former GOP Chair Matt Borges for their roles in the FirstEnergy corruption case.

The FBI is asking for a 16- to 20-year sentence for Householder, who was found guilty on corruption charges. Householder accepted a \$61 million bribe from FirstEnergy to pass legislation friendly to the company. Householder’s attorneys have asked for a 12- to 18-month sentence, saying that the money wasn’t for Householder’s personal use.

The Bureau also recommended a 5-to-8-year sentence for Borges, who was found guilty of racketeering in March.

Householder and Borges will be sentenced on June 29 and June 30, respectively.

More: [The Hill, Ohio Capital Journal](#)

House Leadership Protects HB6, Blocks Repeal Effort

House Speaker Jason Stephens (R) and his fellow GOP members on leadership last week voted to recall HB 120, which would have eliminated subsidies for two 1950s-era coal plants under scandal-plagued HB 6.

The GOP did not give a reason for recalling the bill from the committee.

According to House rules, “only one discharge motion can be presented for each bill or resolution,” which could mean that pulling the bill out of committee completely killed the effort to get the legislation to the floor for a vote.

More: [WEWS](#)

TENNESSEE

TVA Proposes Methane Plant Outside of Nashville

The TVA last week revealed plan details for



a methane gas plant, a 12-mile pipeline and a battery system in Cheatham County that would generate 900 MW.

TVA purchased several hundred acres of land in Cheatham County, about 20 miles from Nashville, for \$1.4 million in 2020. At the time, TVA officials said they did not have specific plans for the land; however, it is the property where the new plant is being proposed.

TVA Spokesperson Scott Brooks said the agency has not explored route options and that it only has the proposed site.

More: [WPLN](#)

VIRGINIA

Culpeper County Splits Decision, Approves Solar Farm

The Culpeper County Planning Commission last week voted 4-3 to approve a conditional-use permit for a \$50 million utility-scale solar project.

The decision affirmed the general location, character and extent of the application from North Ridge Culpeper Solar despite it not being in substantial accord with the county’s comprehensive plan.

More: [Culpeper Star-Exponent](#)

Save your 10 to 1 odds for Vegas.

You never want to chance too much in this market.

ERO Insider. Stay informed.

Staying on top of cybersecurity alerts and new reliability standards is a mighty challenge. That’s why you subscribe to *ERO Insider*, your eyes and ears on electric reliability. Offering comprehensive, timely, unbiased reporting and analysis from inside the room at NERC and Regional Entity meetings, *ERO Insider* makes it easy for you to be prepared. Whatever the future brings.

