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RTO Insider

YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKETS

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Your Eyes and Ears on the Organized Electric Markets
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FERC/Federal News

Trump's Victory and Its Implications for FERC and Power Markets

By James Downing

The ramifications of President-elect Donald Trump's victory are going to be bigger elsewhere, but FERC and the industries it regulates will see their share.

Independent regulatory agencies are never at the top of campaign debates, and it is unclear how much Trump will pull from the plans the Heritage Foundation made for him in the so-called Project 2025, which included changes proposed for the commission by former Trump FERC appointee Bernard McNamee. (See *Plan for GOP President: Cut Climate Programs, 'Re-Examine' RTOs*.)

FERC is partisan by design, with members appointed from both parties by the president. This article is focused on Republican appointees, since they will be setting the tone for the next few years. "I think people are feeling that they're being treated inequitably," said former FERC Commissioner Nora Mead Brownell. "I think the economic divide grows wider, and I think that gave people a reason to ignore the [misogynistic], racist comments and buy into a promise that we know from the previous administration will never come to be. And on the flip side, Biden stayed too long, and I don't think that they ever got their economic message out sufficiently. That's what people cared about."

Brownell was appointed to FERC by President George W. Bush, but she is no fan of Trump and spoke to us from London, where she went to escape the elections. She said the results are "mind boggling."

One of the biggest questions facing the agency is whom Trump will pick for chair. It has a full slate of commissioners with two Republicans: Mark Christie and Lindsay See. Sources favor See, but the question remains open.

Another key question for the future composition of FERC is whether Chair Willie Phillips will step down once the gavel is taken away from him, opening a seat for Trump to fill. Chairs tend to leave after a demotion, but Cheryl LaFleur did not, so there is precedent for Phillips remaining. FERC did not respond Nov. 6 to questions about Phillips' future.

"They could appoint a chairman, and they could try and steer away from power markets," Brownell said.

Utilities, however, have benefited from organized markets, so that would run into opposition, but FERC can exert significant control over the RTOs, and a new commission might try to expand to help the new administration's policy priorities, she added. It is unclear which way that will go because in a two-party system, the Republicans still have plenty of internal policy debates, she said, adding that she wonders whether traditional GOP "conservatives" or "Trumpers" will win out.

Brownell put R Street Institute in the former category and its Director of Energy & Environmental Policy Devin Hartmann, a former FERC staffer, told us a lot of the future depends on Phillips' decision and the makeup of the Senate.

FERC headquarters in D.C. | *© RTO Insider LLC*

Why This Matters

President-elect Trump can pick a new FERC chair as soon as he takes office, who will be able to set the agenda for the agency. A key question is whether Chair Willie Phillips stays on after that, opening the door for a Republican majority on the regulator sometime next year. His term expires in 2026.

"There's a few things that I think that Chairman Phillips has worked on that he wants to see through, and so I'm curious to see if he wants to sort of realize that his legacy could still be executed by sticking around," Hartmann said.

That would be a new situation for FERC with a majority of the party not in the White House until Phillips' term expires in 2026. When it comes to the Senate, whether the GOP's majority stays in the low 50s or reaches in the mid-50s would have implications for how easily Trump appointees can be confirmed, Hartmann said.

A narrow majority would give the most moderate Republicans on the Energy & Natural Resources Committee, like Lisa Murkowski (R-Alaska), more sway, while a wider margin would allow more conservative voices to take on that role. Hartmann pointed to Sen. Mike Lee (R-Utah) as an important voice with a larger majority.

"Senator Lee is a very principled conservative, and while some of the rhetoric on FERC specifically has raised eyebrows, he really believes in executing its role fairly and not favoring certain industries," Hartmann said.

That has been demonstrated in some of the debates around permitting reform where Lee did not want to carve out policies that favor oil and gas exclusively, favoring technology-neutral approaches instead, he added.

Cato Institute Director of Energy and Environmental Policy Studies Travis Fisher said his think tank aims to be bipartisan, but his experience includes working on Commissioner McNamee's personal staff and being the lead author of the Department of Energy's 2017 *Staff Report to the Secretary on Electricity Markets and Reliability*. (See *FERC's Independence to be Tested by DOE NOPR*.)

"From my point of view, the odds of getting good free market policy out of the [Democratic] Party — that seems slim," Fisher said. "So, I'm optimistic that we might have generally more free market policy. But of course, there's things to not like about each party."

One campaign promise Trump made that implicates FERC is to cut utility bills in half, and one way the commission could try to address affordability is to investigate why years of low wholesale power prices, driven by cheap natural gas, have not lowered bills for retail consumers.

"I've put in a few filings at FERC, but you know, it's one thing to say you're creating savings at the wholesale level, but they have not really shown how that passes through to actual savings for people paying retail bills," Fisher said. "And I suspect the crossover between federal and state jurisdiction is going to get a little bit more scrutiny."

One issue we brought up with everyone was whether the second Trump administration would try to put its thumb on the scale for coal, as it did with a notice of proposed rulemaking Energy Secretary Rick Perry filed with Fisher's involvement. He said he doubted that would happen again but declined to discuss it in detail.

That effort was rejected unanimously by FERC, including three of his appointees — then-Chair Kevin McIntyre and Commissioners Robert Powelson and Neil Chatterjee. Whether the agency gets independent-minded commissioners under Trump depends on who is nominated, Fisher said.

The Fate of Transmission Reform

A focus of FERC under President Joe Biden has been to reform transmission planning, which led to Order 1920. That was passed along partisan lines of the three-member commission this summer, with Commissioner Christie arguing that the Democrats were favoring the growth of wind and solar above other concerns.

The majority on the House Energy & Natural Resources Committee made its views known, sending letters to FERC and other agencies to stop any "partisan" policymaking.

"The results of the 2024 presidential election are now apparent, and leadership of ... FERC will soon change," House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-Wash.) wrote. "As a traditional part of the peaceful transfer of power, FERC should immediately stop work on any partisan or controversial item under consideration, consistent with applicable law and regulation. There are many bipartisan, consensus items that FERC could pursue to fulfill its mission before the end of your tenure. I urge you to focus your attention on these matters."

Grid Strategies President Rob Gramlich has been one of the biggest supporters of Order 1920 and he argued the rule still would benefit Trump's agenda, which is heavy on expanding cryptocurrency and artificial intelligence.

"I think the tech investors and executives are really going to want to see a grid expanded to accommodate power demand growth," Gramlich said. "And, of course, power demand growth is a key part of Order 1920."

FERC could still issue its rehearing order on the rule in the next couple of months, but the change in leadership has implications for how the rule will be implemented and will likely mean a "retreat" from Biden-era policies, he added.

A big part of the future of transmission reform depends on where Commissioner See comes down, said R Street's Hartmann. While a lot of the political discourse around the rule has pitted it as trampling states' rights (one of her top issues), the technical aspects of its changes have been embraced by state commissioners.

"I think the big question mark will be whether she can decipher the technical merits of Order 1920 from some of the political posturing that we've seen from certain states and recognize that actually the states that have been more engaged on transmission issues really do respect the core aspects of Order 1920," he added.

Fisher said he was not against expanding the grid as needed, but he doubted it would remain a priority under Trump.

"We should be candid that the grid might need some transmission, but really the need and the main cause for new transmission is wind and solar, especially wind," Fisher said.

If you can characterize transmission expansion as a low-cost option for meeting new demand, then it will get some focus, but FERC will not be mandating grid planning to enable the energy transition or universalizing the costs of state clean energy and climate policies, he added. Arguments about needing to expand the grid to ensure reliability going forward are overblown, he said.

"It seemed to me to be sort of a false front, that it was just a reason to try to get the right-of-center on board with building more transmission," Fisher said.

The Election's Impact on Resource Adequacy Issues

Reliability is likely to going to be a common theme at FERC under Trump, as it has been under Chair Phillips. There may be differences in how to get there

President Trump will terminate EPA's power plant rule, which Fisher noted drew concerned comments from some of the organized markets over its implementation. (See *RTOs Seek More Flexible Compliance in Appeal of Power Plant Rule*.)

The end of the power plant rule means that states will not be forced to shut down existing dispatchable generation too early, said Competitive Enterprise Institute Research Fellow Paige Lambert. Coal will not be making a comeback due to cheap shale gas, regardless of Trump's policy priorities, but the new administration means existing plants will run longer.

"The focus there really should be on not prematurely closing any existing capacity that we have because prematurely closing reliable capacity like the power plant rule was going to do is going to really undermine reliability in a pretty damaging way," Lambert said.

While keeping more coal and natural gas units will add more supply to the resource adequacy equation, the change in policies from the election can also have an impact there.

MISO did not want to weigh in deeply on the election, as it strives to be nonpartisan, but during a Nov. 6 Resource Adequacy Subcommittee meeting, Director of Strategic Initiatives and Assessments Jordan Bakke briefly invoked the results when discussing the upcoming Regional Resource Assessment, which attempts to project MISO's resource profile and capacity needs over the next 20 years. He said the differing policies of presidential administrations complicate a clear view of the future generation mix.

"That and a lot of other things are making [members'] resource planning more challenging," Bakke said. ■

Amanda Durish Cook contributed to this article.

FERC/Federal News

Clean Energy Sectors Brace for Impact of Trump 2.0

By John Cropley

Attempts to quantify the impact former President Donald Trump's re-election will have on the energy sector are complicated by the sheer number of moving pieces and his unpredictable leadership style.

The morning after Trump's comeback victory, many deeply knowledgeable people were sharing their opinions, often backed up with inarguable facts. However, Nov. 6 is still too early to predict what impact Trump will have on generation and transmission investment and policy.

As the day began, bond yields jumped, many clean energy stocks tanked, and the U.S. dollar's value surged on expectations of what might happen in the next few years. But many variables remain unknown:

- Trump's promised tariffs might boost the cost of development, but corporate tax cuts might ease the pressure, and increased deficit spending might boost the cost of debt.
- His America First stance could create macroeconomic trends in its own right.
- Republicans controlling both chambers of Congress could greatly empower the president, but perhaps not on every issue, as the margin of control is likely to be thin.
- Trump has pledged to gut the Inflation Reduction Act, but some of the clearest economic benefits from the landmark measure have been in Republican states whose congressional representatives likely would want to protect them.
- Trump has promised to increase and expedite domestic oil and gas production, but the U.S. already is producing more than any country ever has. And his threatened sanctions on Venezuela and Iran might alter commodity prices, as might his promised end to the Russia-Ukraine war.

Why This Matters

The president-elect has advocated for sweeping change and has the power to carry out his vision at least partially, if not completely.

To be sure, there were some clear losers from Trump's re-election.

The Wall Street Journal summed the mood up in a single headline: *"Why Trump's Victory Is So Dangerous for Clean-Energy Companies."*

Three disparate examples: NextEra Energy, Plug Power and Sunrun closed 5.3%, 21.8% and 29.6% lower, respectively, on a day when the major U.S. stock indices all catapulted to record highs.

In its first take on the results, research and strategy firm Jeffries said there were more losers than winners, with the offshore wind, electric vehicle, hydrogen, residential solar and storage sectors at greatest risk. Inflation and Federal Reserve policy would be key determinants, it said.

But not every player in the "green" sector slumped on the election results.

GE Vernova, which follows the all-of-the-above strategy that some Republicans embrace, closed 6.5% higher. EV industry leader Tesla, whose CEO campaigned hard for the soon-to-be EV skeptic-in-chief, saw its stock close 14.8% higher.

Wind power, which Trump *dismissed with an expletive* at an October campaign rally, might very well have a tough few years ahead — especially in the offshore sector, which has been struggling to build momentum in U.S. waters and relies heavily on federal financial support.

Even if it cannot find a legally defensible means to halt the projects under construction or revoke leases and approvals, the Trump administration could stop defending the many lawsuits against these projects or slow-walk the regulatory process.

Speakers at a major offshore wind energy industry conference in Atlantic City, N.J., just a week before Election Day, put a brave face on the matter, but many were clearly hoping Vice President Kamala Harris would pull out a victory and clearly worried about the prospect of her defeat. (See *WINDPOWER: Industry Puts on Game Face as Election Nears*.)

The world's leading offshore wind developer, Ørsted, and leading Western wind turbine manufacturer, Vestas, both saw their stock close 12.8% lower Nov. 6. Vestas had announced its first U.S. offshore turbine contract just eight weeks earlier.

The need for increased electrical generation and transmission capacity to support the U.S. economy and lifestyle does not change with Trump's election. There is partisan disagreement, sometimes strident, on how to meet that need but broad agreement that it must be met.

With Trump returning to power and the party united behind him, there were many long faces in the clean energy and environmental advocacy communities Nov. 6.

"Donald Trump was a disaster for climate progress during his first term, and everything he's said and done since suggests he's eager to do even more damage this time," Sierra Club Executive Director Ben Jealous said in a statement. The organization filed more than 300 lawsuits against his first administration and pledged to fight tooth and nail against any predations on the environment during the second.

Damage control was the order of the day after an election with a clear and uncontested result. While the climate and energy transition were not among the top speaking points of either candidate, there was no mistaking where they both stood.

Large industry groups spoke of moving forward.

American Clean Power Association CEO Jason Grumet congratulated Trump and reminded him that its members share his stated goals: bringing manufacturing back to U.S. communities and creating jobs.

"Domestically produced clean power is vital to meeting our nation's surging electricity demand," he said. "Our industry grew by double digits each year under the first Trump administration and has accelerated this rate of progress since. We are committed to working with the Trump-Vance administration and the new Congress to continue this great American success story."

Oceantic Network tried embracing rather than vilifying Trump. It credited his first administration with laying the groundwork for what is now a $40 billion U.S. industry that has directly invested $24 billion in 39 states and said Trump now can do more, and better. "With President Trump in office, we have the opportunity to harness even more investment and measurable economic benefits for communities across the country," CEO Liz Burdock said. "The U.S. offshore wind industry stands ready to welcome new investments in American factories and shipyards." ■

Feds Accuse Tenn. Man of Substation Attack Plot

Suspect Allegedly Planned to Fly Bomb-loaded Drone into Facility

By Holden Mann

The FBI announced it has charged a Tennessee man with attempting to destroy an energy facility and attempting to use a weapon of mass destruction as part of a plot to cause civil unrest and spark a civil war.

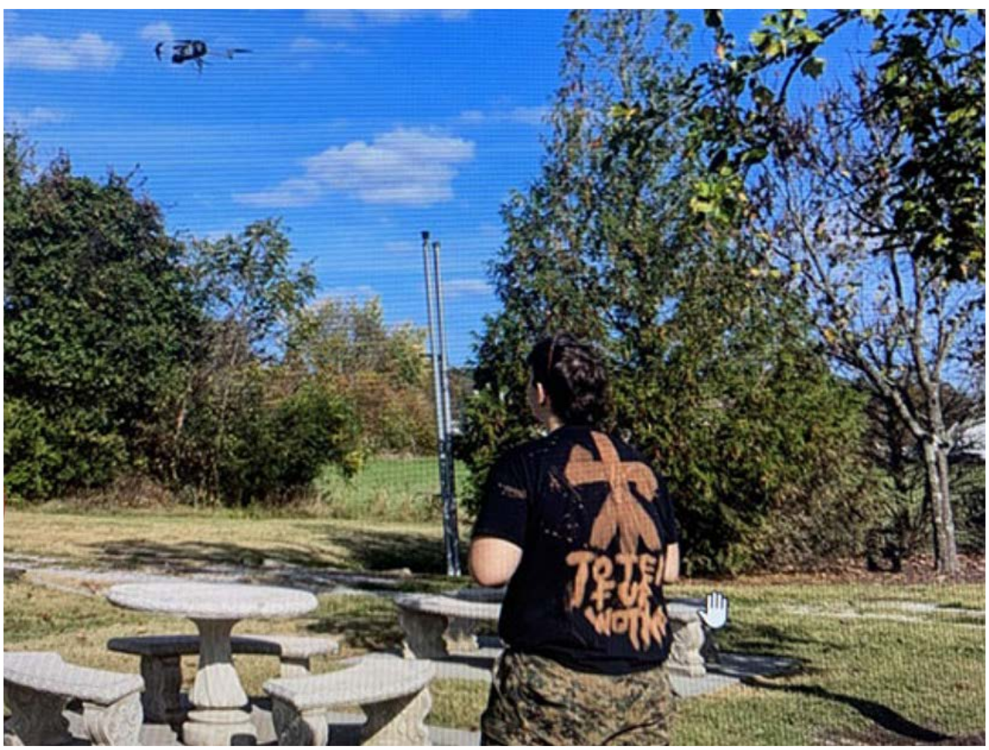
Agents arrested Skyler Philippi of Columbia, Tenn., on Nov. 2, according to the criminal complaint. The arrest was the culmination of a plot several months in the making to rig a drone with explosives and fly it into an electric substation near Nashville to disrupt power to the area.

"Skyler Philippi believed he was moments away from launching an attack on a Nashville energy facility to further his violent white supremacist ideology — but the FBI had already compromised his plot," Attorney General Merrick Garland said in a *press release*. "This case serves as yet another warning to those seeking to sow violence and chaos in the name of hatred by attacking our country's critical infrastructure: The Justice Department will find you, we will disrupt your plot, and we will hold you accountable."

Philippi first made it on the FBI's radar in June 2024, when he allegedly told a "confidential human source" (identified as CHS-1 in the complaint) that he wanted to commit a mass shooting at a YMCA facility in Columbia. CHS-1 introduced Philippi to a second source (CHS-2) who lived closer to Philippi and could meet him in person. The FBI said both sources are "reliable [and have] previously provided accurate information to the FBI in multiple investigations."

CHS-2 and Philippi continued to talk over the phone and via text for the next month about Philippi's plans and beliefs. The suspect discussed his desire to "do the most damage [by attacking] high economic, high tax, political zones" in major cities. He said he was working on a "threat report" on the best way to disrupt the electric grid, including by attacking substations. He also asked for the informant's help stealing a train de-railer to wreck a train in Tennessee.

In August, CHS-2 met Philippi in person, where he introduced the suspect to an "undercover employee" (UCE-1). Philippe told UCE-1 that he had ties to various white supremacist groups including *Atomwaffen Division*, whose founder, Brandon Russell, was arrested by the FBI in 2023 for plotting to attack electric substations in Baltimore. (See *Feds Charge Two in Alleged Conspiracy to Attack BGE Grid*.)



A photo released by the FBI shows Philippi taking the drone that he planned to use to destroy a substation for a test flight. The shirt he is wearing reads "Toten fur Wotan," a German phrase meaning "Death for Odin." | *FBI*

What's Next

The charges carry a maximum sentence of life in prison. Prosecutors with the Middle District of Tennessee and the National Security Division's Counterterrorism Section are handling the case.

Manifesto Outlines Racial Beliefs

Philippi shared portions of his "manifesto" with UCE-1, indicating his belief in "radical armed struggle [as] the only end to protecting and preserving our folk," "accelerationism [as] a means to an end" and the need to destroy "the interconnected or otherwise globalized world."

UCE-1 introduced Philippi to a second undercover employee, UCE-2, in September. Philippi told the two of his plans to cripple the power grid by attacking eight or more substations. He indicated he had studied previous attacks on the power grid in North Carolina and California with firearms. The complaint did not specify which attacks, but they may have included rifle damage to two substations in Moore County, N.C., in 2022 that knocked out power to 45,000 customers. (See *Duke Completes Power Restoration After NC Substation Attack*.)

However, Philippi told the undercover employees that he did not believe rifles could do enough damage to cause widespread outages. He said mounting explosives on a drone would be more effective. Philippi asked UCE-1 and UCE-2 to help him get the components to build the drone, which they provided to him later that month.

The three then drove to scout out substations in the Nashville area. During the drive the undercover employees introduced Philippi via phone to a third colleague, UCE-3, who Philippi asked to send him explosive materials including C-4 and black powder.

Philippi and the other agents then continued their scouting exercise, with Philippi outlining

FERC/Federal News

the plan for the others. The complaint emphasized his leadership of the plot, with Philippi suggesting the clothing the UCEs should wear to evade suspicion and telling them to wear leather gloves rather than latex and nitrile to avoid fingerprints.

Throughout October, Philippi worked on building the drone and obtaining more explosive materials. He ultimately was unable to build a working drone, so the UCEs helped him get another one at his request. He also asked the UCEs to build pipe bombs for him; the complaint said they replaced the black powder UCE-3 provided with "an inert substance" to prevent the bombs exploding.

Plot Disrupted in Final Stages

On Nov. 2, the UCEs picked Philippi up and gave him the drone, fake pipe bombs and the explosive he had ordered from UCE-3. The complaint did not specify whether UCE-3 provided actual explosive material. The UCEs drove him to a field where he conducted a test flight of the drone.

They then had lunch and drove to a hotel in Nashville where they "conducted a Nordic ritual" involving prayers to the Norse god Odin. The UCEs asked if Philippi still wanted to go ahead with the plan. He confirmed that he was "fully committed" and wanted to "do something big" that would be remembered in history. Philippi also revealed he had a handgun to shoot at police who tried to interfere with them.

FBI agents said Skyler Robert Philippi planned to use a drone to plant explosives in a substation. | *Metropolitan Nashville Police Department*

After completing their preparations at the hotel, Philippi and the UCEs left to drive to the attack site. The UCEs left the vehicle, taking Philippi's gun. Philippi went to the rear of their vehicle to prepare the drone and explosives, where law enforcement officers arrested him. The complaint said that when Philippi was arrested, he had powered up the drone, armed the explosive device and was preparing to attach the explosive to the drone.

Philippi's charges carry a maximum sentence of life in prison. Prosecutors with the Middle District of Tennessee and the National Security Division's Counterterrorism Section are handling the case, the Justice Department said.

"Dangerous threats to our critical infrastructure threaten every member of this community and will not be tolerated," acting U.S. Attorney Thomas Jaworski for the Middle District of Tennessee said. "We will always work with our law enforcement partners to identify and stop any and all efforts to wreak this kind of havoc and will not hesitate in prosecuting those involved to the fullest extent of the law." ■

FERC/Federal News

Trump 2.0: Rolling Back Regulations, IRA Funding

By K Kaufmann

In the wake of President-elect Donald Trump's victory Nov. 5, the clean energy industry is now obsessing over how far the next administration will push his own "drill, baby, drill" agenda in favor of fossil fuels and how quickly he will try to unravel programs funded by the Inflation Reduction Act at the Department of Energy and EPA.

While D.C. clean energy industry groups are reaching out to work with the incoming administration and Congress, the policy landscape ahead could be treacherous. Trump and Republicans in Congress see the election results as giving them a mandate focused on "deregulation and deglobalization," according to industry analysts ClearView Energy Partners.

What that means is major reversals of Biden administration regulations and programs aimed at cutting greenhouse gas emissions, withdrawal from the 2015 Paris Agreement on climate change and high tariffs on Chinese and other imported goods, including many components critical to clean energy manufacturing.

As detailed on his *campaign website*, Trump wants to roll back President Joe Biden's signature legislative achievements, the IRA and the Infrastructure Investment and Jobs Act. He wants to ensure the U.S. has the lowest energy costs of any developed country in the world by bringing back incandescent light bulbs and protecting Americans' access to gas stoves, promoting fossil fuel drilling on federal land and speeding up approvals of natural gas pipelines.

The Big Picture

President-elect Donald Trump has made no secret of his plans to dismantle the Biden administration's four years of clean energy programs and regulations. The question now is how far and how fast he and Congress can move on the rollbacks. But DOE is signaling it is preparing for a final sprint to the end of the Biden administration.

President-elect Donald Trump | *Shutterstock*

While providing no concrete details, Trump also pledged to "stop the wave of frivolous litigation from environmental extremists that hold up critical energy development projects."

Speaking at Bracewell's post-election webinar Nov. 6, Scott Segal, co-chair of the law firm's Policy Resolution Group, expects that, once inaugurated in January, Trump will issue "an immediate spate of executive orders," which could resurrect previously rejected fossil fuel projects and pipelines and expand offshore drilling.

Another likely Day 1 action could be a lifting of Biden's highly contentious pause on the approval of LNG exports to countries without free trade agreements with the U.S.

The re-election of Sen. Ted Cruz (R-Texas) — who will chair the Senate Commerce Committee — will open the way for more offshore drilling permits, Segal said. The committee oversees offshore permitting, and Segal expects "some connectivity there between the administration and the Cruz team [on] reduced environmental reviews, which can have impacts even for independent agencies like FERC."

ClearView's post-election analysis contains a list of IRA programs, tax credits and funding streams most likely to be targeted by Republicans in Congress:

- a clawback of IRA and IIJA funds that have not been spent, whether already obligated or not;
- cancellation of programs and incentives such as EPA's methane Waste Emissions Charge, tax credits for clean commercial vehicles (45W) and used electric vehicles (25E), and funding for DOE's Loan Programs Office; and
- tightening of IRA provisions on domestic content, not only for EVs and critical minerals, but for components used in solar and wind projects, along with narrowing the number of locations qualifying for bonus credits as energy communities.

The extent of IRA revisions will depend on whether the Republicans hold the House of Representatives, in addition to their control of the Senate, ClearView says. The *Associated Press* count as of press time shows Republicans with 214 seats and Democrats with 205.

A red sweep could allow lawmakers to dismantle the IRA via a "filibuster-proof" budget reconciliation bill — which can be passed by a simple majority — the same legislative ma-

FERC/Federal News

neuver the Democrats used to pass the IRA in 2022, ClearView says.

Keith Martin of Norton Rose Fulbright, another law firm with energy policy experts, also anticipates Republican efforts to move up the phaseout dates of some of the IRA clean energy tax credits, from the 2040s to the 2020s. Even the possibility of such changes already has developers getting steel in the ground for some projects to make sure they remain eligible for the tax credit, regardless of any accelerated phaseouts, Martin said at the recent Southeast Renewable Energy conference. (See *SE Renewable Energy Conference Hears Blunt Talk on Trump*.)

Permitting Stalemate

Analysts also see legislative uncertainty on both sides of the aisle for bipartisan action on permitting reform. Sens. Joe Manchin (I-W. Va.) and John Barrasso's (R-Wyo.) bipartisan Energy Permitting Reform Act (*S. 4735*) was approved by the Energy and Natural Resources Committee in July but could lose momentum during the lame duck session beginning Nov. 12.

A top priority will be hammering out a budget bill or another continuing resolution to keep the government operating for a few more months.

Such budget turbulence notwithstanding, ClearView argues that for Democrats, pushing forward on EPRA could be a "last, best" opportunity for any movement on accelerating permitting, while Republicans may be motivated to "close out contentious issues to clear the decks for a new president's agenda."

Still, other analysts have countered that if Republicans control both the House and Senate, they might want to hold and revise the bill to include revisions to the National Environmental Policy Act.

But ClearView warns that taking no action might kill not only the Manchin-Barrasso bill but any appetite for action on permitting. "A fractious lame duck session might not merely eliminate the negotiating space necessary for Democrats and Republicans to broker a deal, but could set a standoffish tone for the next Congress. … Indeed, the less that transpires during the lame duck, the less momentum there might be going into the next year."

Speaking at the Bracewell webinar, Ben Storrow, climate reporter at POLITICO's E&E News, said another challenge for permitting reform is that Democrats have prioritized getting permitting provisions for transmission into the bill, which has been opposed by Republicans, especially in the Southeast. With their election losses, "the Democrats have less leverage now in those negotiations," Storrow said.

A Republican Congress could also mount an all-out attack on any regulations issued by DOE or EPA during the lame duck session using the Congressional Review Act, said Joseph Brazauskas, senior counsel at Bracewell. Under the 1996 law, a new Congress can pass resolutions of disapproval on any regulations that were finalized within 60 days of the House and Senate returning to session. A CRA resolution of disapproval, signed by the president, would invalidate any final rule in its entirety.

Brazauskas said the Biden administration has factored the CRA into its release of regulations. "They did a pretty good job of isolating … and finalizing a number of key environmental and energy regulations," he said, but he also noted that Trump would have other ways of rescinding or replacing emission-reduction regulations.

The question now is what the Biden administration can do in the next two months to push forward and protect its clean energy and climate policies.

Under the Administrative Procedures Act, an incoming administration can order agencies to stop any pending rulemaking, withdraw proposed or final rules that have not been published in the *Federal Register*, or push back or put a hold on the date a published rule is scheduled to go into effect.

In the runup to the election, DOE had been making nearly daily announcements of new funding opportunities and awards but has been uncharacteristically subdued since Trump's victory. One sign of what's ahead was a LinkedIn post from Jamie Nolan, media lead at the Loan Programs Office.

"SPRINTING TO THE FINISH," she wrote. "Watch us go!" ■

National/Federal news from our other channels

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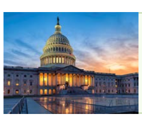

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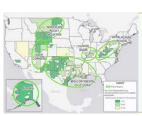

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FERC/Federal News

Chatterjee Post Leads to Worries About FERC's Independence, Staff Exodus

By James Downing

Former FERC Chair Neil Chatterjee sparked concerns about the incoming Trump administration's control of the federal bureaucracy and how that might impact the commission's independence with a post on X on Nov. 6, the day after former President Donald Trump's re-election.

"For the [Trump] transition team: [If] you want schedule F insight on who to keep and who to remove [at FERC], please DM me," Chatterjee *posted* on the social media site formerly known as Twitter. In a later post, he said Trump's transition team got back to him "seven minutes after I tweeted this," which he confirmed in an interview with *RTO Insider*.

"Schedule F" refers to a new classification for federal workers that Trump *created* via executive order late in his first term. It applied to federal career employees with jobs connected to policy and made it easier to fire. When that executive order was issued, the American Federation for Government Employees called it "the most profound undermining of the civil service in our lifetimes."

President Joe Biden quickly revoked the order upon taking office, and in April 2024, the Office of Personnel Management completed a *rulemaking* to bolster labor protections for federal employees. But Trump has promised to reinstate the order, and the OPM rule could be overridden by a Republican-controlled Congress.

FERC and other independent agencies are insulated from such White House edicts, only having to enact them if their appointed leadership decides to, Public Citizen Energy Program Director Tyson Slocum said. For example, the commission did not implement Biden's proposed guidance on the National Environmental Policy Act, Slocum said.

Why This Matters

President-elect Trump has promised to remake the federal bureaucracy, though it is an open question as to how successful that effort will be and what it means for independent agencies such as FERC.

Former FERC Chair Neil Chatterjee | © *RTO Insider LLC*

Chair James Danly, who ran FERC for the last 10 weeks of Trump's first term after the president demoted Chatterjee, had started work on implementing Schedule F.

Chatterjee expressed surprise to *RTO Insider* that his post set off criticism and argued that he was trying to help the commission's staff.

"I actually viewed it as me being helpful to commission staff; that I could speak on their behalf to the critical role they play around approving gas projects and overseeing reliability," Chatterjee said. "And I didn't intend or expect that people would view it the other way. I think it's been mischaracterized a little bit."

The reality is that Trump wants to reinstate the concept of Schedule F, Chatterjee said. While his post on X said Chatterjee could tell the incoming administration "who to keep and who to remove," he said he did not mean specific individuals.

"I wasn't talking about specific people, to be clear," Chatterjee said. "Could you make changes within the various offices? I'm on the private sector side right now, you know; I've got a ton of folks that I work with that are going through reorganizations and reshuffling. The federal government should do the same thing."

Scott Hempling, a lawyer and leading expert on regulation who recently left his job as a FERC administrative law judge, said in a statement that the commission's independence is vital to its work.

"Hundreds of millions of lives, and an entire national economy, depend on the professionalism of our regulatory workforce," Hempling said. "Regulation is effective only when ruled by three things: law, logic and facts. Infecting the workforce with anyone who doesn't live by those limits disserves investors, consumers and the public trust."

Chatterjee said that even when staff disagreed with him, like on the minimum offer price rule in PJM, they still did their job.

"I found during my tenure at the commission that even in instances where the staff disagreed with me, they still produced a very strong, legally defensible work product at the end of the day," Chatterjee said. "And that's one of the messages that I want to deliver to the incoming administration."

Slocum said that while he has had disagreements with FERC over the years, he said it is vital that the commission and its staff remain free from political meddling. Any who do feel improperly influenced by politics can reach out to Public Citizen, or other watchdog groups, he said.

FERC/Federal News

"FERC is an independent agency," Slocum said. "It is unlawful for the administration to make staff decisions at an independent agency other than nominating commissioners and designating the chair, so it would be highly inappropriate for the Trump administration or any administration to make decisions about internal staffing at an agency."

Slocum said Trump was able to use his appointment authority in his first term by getting Chatterjee to name Anthony Pugliese as FERC's chief of staff and Danly as its general counsel before the latter was nominated and confirmed as a commissioner.

The question of when Trump will get to nominate a new member is up in the air, with no guarantee that Chair Willie Phillips will step down as commissioner when one of his Republican colleagues — either Commissioner Mark Christie or Lindsay See — is named chair. Phillips' term ends June 30, 2026; the next seat to open is Christie's in June 2025. Christie himself was nominated by Trump and is the only commissioner remaining from that first term.

The fact that the commission has a full complement of five members could limit Trump's ability to influence senior staffing decisions through his nominee, Slocum said.

"Christie has established himself as being a very credible and important pro-consumer voice," Slocum said. "See hasn't [participated in] many orders, but she joined Christie for the Talen co-location order, rejecting it as being unfair to consumers," which he applauded. (See *FERC Rejects Expansion of Co-located Data Center at Susquehanna Nuclear Plant*.)

Former FERC Chair Richard Glick, who was a FERC commissioner under Trump before Biden tapped him to lead the commission in January 2021, said the discussion of bringing back Schedule F risks a brain drain at the commission. FERC staff have expertise that, especially for more senior members, is very attractive to the private sector, which can pay more than the government.

"All you are doing here by putting out tweets is increasing their anxiety, and it's going to cause them to leave sooner than they otherwise would," Glick said.

That would leave FERC less capable of tackling the important issues before it, with electricity demand surging around the country from data centers and the need to review LNG export facilities, Glick added.

A longer-term front to watch out for in terms of FERC independence could come from the legal system. A conservative theory holds that the president's limited authority to fire commissioners violates the Appointments Clause of the Constitution.

The second sentence in *Project 2025*'s chapter on independent agencies references that theory: "In general, the president can appoint people to these commissions but cannot remove them, which makes them constitutionally problematic in light of the Constitution's having vested federal executive power in the president."

The Appointments Clause was at issue in *Seila Law v. Consumer Financial Protection Bureau*, a 2020 Supreme Court decision that found that the president's inability to remove the head of an agency with a single director was unconstitutional. But in doing so, the majority opinion said the precedent held no weight for multi-member, bipartisan commissions like FERC, and even the authors of Project 2025 noted that such arrangements have generally been upheld by the courts. ■

CAISO/West News

PNM Picks CAISO's EDAM

New Mexico Utility's Decision Extends Market's Footprint Deep into the SW

By Elaine Goodman

Public Service Company of New Mexico announced Nov. 11 its intent to join CAISO's Extended-Day Ahead Market, extending EDAM's reach farther into the Desert Southwest in its latest victory over SPP's Markets+.

In a statement, PNM CEO Don Tarry cited the utility's experience with CAISO's Western Energy Imbalance Market (WEIM) as a factor in the decision. PNM has received $125 million in benefits since joining WEIM in 2021.

"Participating in EDAM is the next step in realizing the value of New Mexico's renewable energy potential for our customers, helping us ensure continued clean and reliable service at the lowest possible cost," Tarry said. "We know from our experience with the WEIM … [that] coordination with other regional utilities can continue to deliver substantial efficiencies and cost benefits for our customers."

With about 550,000 customers, PNM is New Mexico's largest electricity provider. The utility said it plans to begin EDAM participation as soon as 2027.

CAISO CEO Elliot Mainzer said the ISO was pleased by PNM's announcement.

"We look forward to building on the proven track record of the Western Energy Imbalance Market to deliver even greater economic and reliability benefits to PNM customers," Mainzer said in a statement.

Modeling Connectivity

Playing a large role in PNM's choice of EDAM was a study The Brattle Group conducted for PNM and El Paso Electric that compared projected benefits of the utilities joining either EDAM or Markets+.

The production cost study carefully modeled transmission connectivity. It modeled a scenario in which three Arizona utilities — Arizona Public Service, Salt River Project and Tucson Electric Power — join Markets+. The Arizona utilities haven't yet announced their day-ahead market choices, but they have expressed a preference for SPP's market and have participated in its development.

Even with the Arizona utilities in Markets+, projected annual benefits for PNM would be $20.5 million if it joined EDAM, compared with $8 million from participating in Markets+. (See *Brattle New Mexico Study Shows EDAM Benefits Outpacing Markets+*.)

The Brattle results gave reassurance that PNM didn't have to follow the market choice of Arizona utilities in order to realize day-ahead market benefits.

PNM is New Mexico's largest utility, serving electric customers in areas throughout the state. | *PNM Resources*

"The Brattle study reinforced that PNM has adequate transmission connectivity to reach the benefits associated with the large and resource-diverse EDAM market," the company said in an email to *RTO Insider*.

At the same time, PNM didn't have any major concerns with the Markets+ design, the company said, adding that the EDAM choice was based on customer benefits from a reliability and economic perspective.

"Much of these benefits come from having diverse loads and resources spread over a large geography," PNM said.

Guiding Principles

PNM filed a *letter* with the New Mexico Public Regulation Commission on Nov. 8 sharing its decision to go with EDAM. The brief letter references a set of guiding principles the commission issued Oct. 31 for utilities to consider in selecting a day-ahead market. (See *NM PRC Issues 'Guiding Principles' for Electricity Market Participation*.)

PNM said it made its day-ahead market decision after considering the commission's principles, "including the comparative analysis of customer benefits, the efficiency of resource dispatch and the importance of robust stakeholder processes."

The utility plans to file a more detailed response on how EDAM satisfies the PRC's guiding principles before signing implementation agreements with CAISO, the company said in an email.

PacifiCorp in April became the first Western utility to fully commit to EDAM and sign an implementation agreement with CAISO. That was followed by NV Energy's announcement in May that it plans to join EDAM.

The Balancing Authority of Northern California, Idaho Power, Los Angeles Department of Water and Power, and Portland General Electric also have made commitments to EDAM.

As for El Paso Electric, which participated in the Brattle study with PNM, the utility has said it hopes to make a day-ahead market decision by the third quarter of 2025. The study's projected benefits for EPE are $19.1 million a year for EDAM, versus $9.1 million for Markets+.

The company may ask Brattle for analysis of additional scenarios, which could include EPE and PNM choosing different markets. EPE is expected to present the results of those studies to the PRC. ■

Why This Matters

PNM's decision marks an important victory for CAISO because it extends the EDAM deep into the Southwest and further limits potential transmission connectivity for SPP's Markets+.

CAISO/West News

CAISO, WEM Boards Approve Pathways 'Step 1' Tariff Amendments

Changes Include Revising Language to Elevate WEM Governing Body's Authority

By Ayla Burnett

CAISO's Board of Governors and Western Energy Markets (WEM) Governing Body on Nov. 8 approved ISO tariff amendments needed to implement the West-Wide Governance Pathways Initiative's "Step 1" proposal, which would refine four key characteristics in the governance documents and the tariff.

The proposal seeks to elevate the power of the Governing Body by granting it "primary" authority over rule changes affecting CAISO's Western Energy Imbalance Market (WEIM) and Extended Day-Ahead Market (EDAM), compared with the "joint" authority it currently shares with the ISO board.

The tariff amendments will modify the markets' dispute resolution process to include a dual filing option and augment language considering the public interest. (See *CAISO, WEM Boards Approve Pathways 'Step 1' Plan*.)

When they approved the Step 1 proposal in August, the ISO and WEM boards directed CAISO to prepare revisions to governing documents for later approval. Implementing the changes would require amendments to three governing documents and a section of the tariff.

Changes to the charter for EDAM and WEIM governance include:

- adding refinements to the mission of the WEM Governing Body as it relates to considering the public interest and respecting state and local authority;
- revising the process for approving tariff amendments within the shared authority from the joint authority to the WEM Governing Body having primary authority, with approved amendments being placed initially on the consent agenda of the ISO board.
- revising the dispute resolution process to add a dual filing with FERC as a possible means of resolving a sustained disagreement between the two bodies.
- adding that the WEM Governing Body may initiate a review of governance if a majority of EDAM entities announce plans to leave EDAM.

| NW Energy Coalition

Why This Matters

Approving amendments to the Pathways Initiative Step 1 proposal brings the plan one step closer to implementation, which is crucial in eventually establishing a regional organization across the West.

Section 6 of the charter, which established the WEM Body of State Regulators, will be amended to clarify that the BOSR can provide opinions to FERC regarding any proposed tariff amendment within the scope of the Governing Body's authority.

Additionally, references to "joint authority" will be revised to say "primary authority" in the corporate bylaws and decisional classification guidance for the WEM Governing Body. Tariff language also will be amended to enable dual filing.

The changes won't occur until a trigger mechanism is enabled, which is achieved when utilities outside of CAISO's balancing authority area representing equal to or greater than 70% of the ISO's load have executed EDAM agreements. To avoid uncertainty about when the changes go into effect, management added a step that requires revised documents to become effective upon certification by the ISO's CEO or COO.

While the trigger isn't expected to be enabled until sometime in 2025, the ISO is seeking approval of the changes now to allow time for FERC to issue an order on a tariff amendment. ■

CAISO/West News

Proposal to Refine Bid Cost Recovery for Storage Passes Unanimously

CAISO to Modify Calculation Used to Determine Bid Cost Recovery for Storage Resources

By Ayla Burnett

CAISO headquarters in Folsom, Calif. | *© RTO Insider LLC*

The CAISO Board of Governors and Western Energy Markets Governing Body on Nov. 7 unanimously passed a proposal to modify the calculation used to determine bid cost recovery payments for storage resources.

The product of four months of intense stakeholder engagement, the proposal aims to address what ISO staff and stakeholders identified in 2022: that BCR provisions for storage resources don't align with the intent of BCR. (See *CAISO Proposal Seeks to Refine Storage Bid Cost Recovery*.)

The initiative, which kicked off in July, identified two main concerns: that storage assets are not exposed to real-time prices for deviating from day-ahead schedules, and that they may have an incentive to bid strategically to maximize their combined BCR and market payments.

Resources receive BCR payments when market revenues don't cover the resource's bid costs, such as startup, minimum load and transition costs. BCR also incentivizes resources to follow dispatch and bid efficiently by removing risk if the dispatch doesn't cover costs.

But bids for storage resources are largely driven not by the cost to produce energy in a given interval, but rather by their state-of-charge limits. The ISO noted that a combination of ancillary service awards or self-provisions for regulation-down in the real-time market, coupled with relatively high energy bids, resulted in unusually high BCR payments to storage resources.

The final proposal recommends revising the calculation of real-time BCR for storage resources by basing the bid cost on an alternative to eliminate the opportunity for strategic bidding that inflates BCR.

Why This Matters

Modifying the formula used to calculate bid cost recovery for storage resources will address what the ISO identified as a significant problem: excessive unwarranted BCR payments to storage resources and operators' ability to strategically bid.

For resources dispatched up, the alternative would be the minimum of the bid and the maximum of three alternatives: the real-time default energy bid, the real-time market-cleared price, or the day-ahead market-cleared price. For resources dispatched down, the alternative would be the maximum of the bid and the minimum of the three alternatives.

'An Incomplete Approach'

In an *opinion* published Nov. 1, CAISO's Market Surveillance Committee (MSC) agreed with the proposal, but indicated it should represent only a first step.

"We definitely agree with the ISO and the Department of Market Monitoring that there are important incentive problems that can result in both significant financial transfers that we believe are unearned in the form of excess bid cost recovery and, very importantly, market inefficiencies in terms of insulation from incentives that real-time prices are supposed to provide," MSC Chair Ben Hobbs said in a Nov. 1 meeting.

The first goal should be to eliminate BCR "phantom losses" that result from including resource charging bids and discharge offers in the BCR calculation.

"We believe that this goal is likely to be partially but not completely accomplished by implementation of the ISO proposal," Hobbs said.

The ISO's Department of Market Monitoring (DMM) also showed cautious support of the proposal, viewing it as an interim solution that didn't fully address both concerns.

According to Adam Swadley, DMM manager of market policy and analysis, the proposal targets the bid cost component of the BCR calculation by limiting bids used in the real-time BCR calculation but does not affect the revenue portion, allowing storage operators to remain insulated from real-time prices.

"DMM does not oppose management's proposal. However, we do view it as an incomplete approach that does not address the underlying efficiency issues of the current BCR rules applied to batteries, and therefore we strongly encourage the ISO to immediately continue working with stakeholders to develop a more complete and effective solution for the fundamental problems," Swadley said.

The ISO is kicking off a new storage design and modeling initiative next month to continue addressing the first concern related to real-time prices. ■

ISO-NE Open Board Meeting Sparsely Attended Due to Labor Dispute

By Jon Lamson

An ongoing labor dispute at the hotel hosting ISO-NE's annual open board meeting Nov. 6 drove sparse attendance and harsh criticism from members of consumer and climate advocacy groups.

Banquet workers at the Seaport Hotel in Boston have called for a *boycott* of the hotel since July, saying the hotel management has refused to recognize their union and has retaliated against workers.

Activists associated with the Fix the Grid and No Coal No Gas campaigns — who have often shown up in large numbers to public meetings held by the RTO — opted not to attend, along with many NEPOOL end-user members. In lieu of participation at the meeting, a joint *letter* signed by 40 nonprofit groups criticized the RTO for a lack of transparency and accessibility to the public.

The groups urged the board "to support reforms to ISO-NE and its stakeholder process … that will facilitate the transition to a democratic, transparent and renewable electric grid that is reliable and affordable for all," adding that the "energy transition must bring everyone along through increased access and accountability, without acting at the expense of workers and impacted communities."

The letter also called on the board to add representatives of the New England states to the board, commit more resources to the Consumer Liaison Group, increase the RTO's community engagement staffing, provide consumer groups with more voting power in NEPOOL and add a focus on decarbonization to ISO-NE's mission statement.

"We remain concerned that our ISO is not governed as transparently as other ISOs and RTOs across the country," the groups wrote. "The energy system we all need and deserve requires collaboration, not division, between technical and public interests."

ISO-NE CEO Gordon van Welie speaks at the ISO-NE open board meeting on Nov. 6 | *© RTO Insider LLC*

Why This Matters

The issues with the meeting location underscored advocates' ongoing concerns about a lack of transparency and public accountability at ISO-NE.

The board's decision to hold its annual public meeting on the day after the national election also caused criticism from some advocates. The only public commenter at the meeting, New Hampshire Consumer Advocate Don Kreis, similarly took the board to task for a lack of transparency.

"I am very disappointed that the circumstances of today's meeting … have scared away most of the people who would have come here to talk to the board," Kreis said. "If you really do want to listen to the community — meaning the people who pay for and depend on the bulk power transmission system in New England — it would be a good idea to get out of these windowless hotel ballrooms and into communities."

Kreis also urged the board to support the states in their effort to reign in "unconstrained and unscrutinized" asset condition project spending and called for the establishment of a tariff-funded independent transmission monitor to scrutinize the spending of the region's transmission owners.

At the outset of the meeting, chair of ISO-NE board Cheryl LaFleur addressed the "unique circumstances surrounding today's meeting," telling attendees it would have been difficult to reschedule after ISO-NE booked the hotel in the spring.

"We understand and respect that some stakeholders felt uncomfortable with attending in person," LaFleur said.

Regarding the presidential election, LaFleur said it is "safe to say that the change in presidential administration will affect federal energy policy," but noted that state policy driving changes in the region has proven more stable.

"The work of the ISO will continue and is as important as ever," LaFleur said.

ISO-NE News

Discussion of Decarbonization Challenges

The board spent much of the meeting discussing the *final report* from ISO-NE's recent Economic Planning for the Clean Energy Transition (EPCET) study, which outlines some of the major challenges the region faces in decarbonizing its resource mix. (See *ISO-NE Study Lays Out Challenges of Deep Decarbonization* and *ISO-NE: New Mechanisms May be Needed to Ensure Future Grid Reliability*.)

The report found significant benefits of clean dispatchable resources — such as small modular reactors (SMRs) or generators running on clean fuel — but said major changes to the current market structures will likely be needed to support these resources.

"Each stage in this journey is going to become more and more difficult," said ISO-NE CEO Gordon van Welie, noting that energy market prices are likely to see a major decline in the future as resources supported by power purchase agreements (PPAs) suppress prices, putting increasing pressure on the capacity market to provide the missing revenue for resources not supported by PPAs.

"I'm not a great fan of capacity markets," van Welie said, "but nobody's come up with a better construct than that."

He emphasized that even with technological breakthroughs in technology like SMRs, the current markets are not well suited to support these new technologies.

Along with the shift in revenue from the energy market to PPAs and the capacity market, the transition will likely put significant cost pressures on ratepayers, van Welie said.

"I think we're in for a fairly costly transition," he added, noting that the buildout of clean energy resources and transmission infrastructure will likely increase prices over the next couple decades before prices eventually begin to recede.

He emphasized the "untapped potential" of retail demand response — noting that the RTO's *2050 Transmission Study* found demand response could save the region about $8 billion by 2050 — but said it largely falls on the states to unlock the savings. (See *ISO-NE Prices Transmission Upgrades Needed by 2050: up to $26B*.)

Van Welie similarly said it is up to the states to take the lead on efforts to increase transparency and accountability on asset condition investments. He stressed the need to develop trust between the states and transmission owners to enable the companies to cost-effectively right-size asset condition projects in anticipation of demand growth.

"The question that's on my mind is: How do we get the region, and in particular the states and the transmission owners, to figure out the solution?" van Welie said, adding that ISO-NE cannot take lead this effort because it is a "regulatory function" and the RTO "is not set up to be a regulator."

Responding to van Welie's comments, Kreis argued that a tariff-funded independent transmission monitor would not be "not any more regulatory" than ISO-NE's Internal Market Monitor.

"You have eyes, you have insights, you have consciences; please use them," Kreis said. ■

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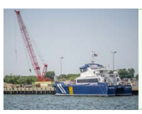
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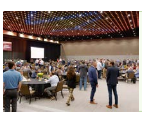
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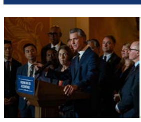
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ISO-NE News

Eversource Exit from OSW Drives Q3 Loss

By Jon Lamson

Eversource Energy's exit from the offshore wind business drove a $118 million loss in the third quarter of 2024, offsetting increased revenue from its electric and gas distribution business relative to 2023, the company announced to investors Nov. 5.

The company had been working to sell its 50% share in the South Fork and Revolution Wind projects since 2022 and finalized its sale of the projects to Global Infrastructure Partners at the end of September. But that came at a $524 million net loss, executives said. (See *Eversource Takes Another Financial Hit with OSW Exit*.)

CFO John Moreira said the loss includes "approximately $365 million related to obligations under the sale terms with GIP," encompassing "costs associated with the previously announced delay to the in-service date and higher projected construction costs with Revolution Wind."

CEO Joe Nolan emphasized that the company is pivoting to being a "pure-play, regulated pipes and wires utility" and preached caution for the company moving forward.

"We are not going to swing for the fences anymore; we're looking for the singles and the doubles in the regulated space," Nolan said. "I don't want anyone to worry that we are going to go and propose a transmission line to Canada as a merchant project.

| South Fork Wind

"We are a leader in the clean energy transition, with tremendous regulated opportunities ahead of us," he added. "As the largest utility in New England, Eversource is well positioned to meet our states' mandated clean energy goals."

Nolan emphasized the opportunities the company expects to see for distribution investments, along with transmission investments to interconnect new generation projects. He specifically praised Massachusetts' electric sector modernization plan (ESMP) process, in which utilities must submit five- and 10-year plans to meet the needs of the clean energy transition. (See *Mass. DPU Approves 1st Round of Utility Grid Modernization Plans*.)

The stakeholder engagement process for the ESMPs, which included significant discussions before the utilities filed the final plans, enabled Eversource to submit its plan with the support of key stakeholders, Nolan said.

The Massachusetts Department of Public Utilities' approval of the final plans received a more mixed reaction from climate and consumer advocates, with several groups arguing the plans should take a more systemwide approach.

Nolan said Eversource's plan will enable the company to make an incremental $600 million in distribution investments and increase electrification capacity by more than 180%.

"This plan is the roadmap for clean energy in the state, and we believe it can become the model blueprint for the nation," Nolan added.

Investors asked Nolan for his perspective on a potential deal in which Massachusetts or other New England states would purchase power from the Millstone Nuclear Power Plant, currently propped up by a contract with Connecticut.

Massachusetts officials have expressed their hope that Connecticut will join the recent multistate OSW procurement, as the state's participation may be needed for the viability of the proposed 1,200-MW Vineyard Wind 2 project, from which Massachusetts has committed to buying up to 800 MW. (See *Multistate Offshore Wind Solicitation Lands 2,878 MW for Mass., RI*.)

Nolan said he has been "involved only to the extent that I understand their objectives. … I have only been privy to the fact that everybody is trying to bring something to the table.

Why This Matters

Eversource's rocky exit from the offshore wind business serves as another sign of the industry's struggles in recent years, while the company sees significant potential in focusing on the buildout of the grid.

"There's a very strong working relationship between Rhode Island, Connecticut and Massachusetts when it comes to clean energy," Nolan added. "I am confident that they will come to a decision or a solution that is beneficial to all customers in New England."

Eversource officials continued to express concern about Connecticut's regulatory environment. Utility executives have repeatedly expressed concern about cost recovery in the state under the leadership of Connecticut Public Utilities Regulatory Authority Chair Marissa Gillett.

The state's electric utilities have particularly taken issue with PURA's approach to implementing performance-based regulation. (See *The Rocky Road to Performance-based Regulation in Connecticut*.) In May, Eversource announced its plans to remove about $500 million in investments from the state. (See *Eversource Announces $500M Cut in Connecticut Investments*.)

Nolan told investors that he would reinvest the money in the state if "they decide they want to provide timely cost recovery and follow legal standards." But he added that "there's no shortage of opportunities for investment that give us timely recovery of our costs" in New Hampshire and Massachusetts.

He also expressed some concern about capital recovery in PURA's proposal for deploying advanced metering infrastructure (AMI) in the state. "We are hopeful that the final decision will provide a clearer path to allow us to make this important investment for our customers."

In Massachusetts, Nolan said the company is planning to begin rolling out AMI technology in 2025, which he called "critical for enabling a clean energy future for our customers." ■

ISO-NE News

ISO-NE Sees Manageable Shortfall Risk for Upcoming Winter

By Jon Lamson

ISO-NE projects shortfall risks from extreme weather events to be manageable this winter and expects market mechanisms to provide relief by encouraging fuel conservation and replenishment, the RTO told the NEPOOL Participants Committee on Nov. 7.

The shortfall assessment modeled "four representative extreme 21-day events" using the RTO's recently developed probabilistic energy adequacy tool (PEAT). This winter marks the first season ISO-NE has incorporated the PEAT into its seasonal outlook. The modeled events are meant to assess the worst-case conditions for the system, "characterized by periods of extreme cold temperatures, low winds and low solar irradiance."

For each event, ISO-NE looked at how varying levels of fuel inventories, fuel prices, generator outages and imports would affect shortfall risks. The modeling showed a limited amount of shortfall associated with the extreme events on average, with a 244,353-MWh 21-day energy shortfall shown for the worst-case scenario, with a 0.000031% probability.

"ISO expects these shortfalls are manageable and that market-based incentives will provide relief in the form of market response, including the use of opportunity costs in energy offers and fuel replenishment," said Vamsi Chadalavada, ISO-NE chief operating officer.

"If necessary, the ISO would implement additional preventive operational measures such as reducing exports [and] scheduling additional imports, seeking waivers of emissions or air permit limitations, [and] conservation appeals," Chadalavada added.

A winter storm in Boston. | © *RTO Insider LLC*

According to *data* from the National Oceanic and Atmospheric Administration, New England faces a 33 to 50% chance of above-average temperatures this winter, with above-average temperatures more likely in the southern part of the region.

As carbon emissions drive higher temperatures, New England has warmed *faster* than the global average since 1900, and winter is the region's fastest-warming season. Last winter featured the warmest December-February stretch on record in the Northeast, while the prior winter featured the third-warmest December-February period.

ISO-NE projects the winter peak load to be 20,308 MW under average conditions, about 39 MW higher than the RTO projected prior to the 2023/24 winter. ISO-NE's more extreme 10th percentile forecast projects a 21,089-MW peak.

Chadalavada said there are "no significant generation or transmission outages" scheduled, adding that current fuel-oil inventories are about 48% of their maximum and the LNG tanks in St. John "are expected to be full heading into the winter."

He said the Everett Marine Terminal may be available to meet generation demand but noted ISO-NE has less insight into the availability of the facility after the Mystic Agreement expired at the end of last winter. The facility now is under contract with gas distribution companies. (See *Massachusetts DPU Approves Everett LNG Contracts*.)

"Consistent with past winter seasons, the ISO assumes that approximately 3,900 [MW] to 4,800 MW may be at risk due to constrained natural gas pipelines," Chadalavada added, noting that the RTO will "continue to monitor natural gas deliverability throughout the winter."

ISO-NE will have its *inventoried energy program* in place for the upcoming winter, which compensates generators for keeping up to 72 hours of stored fuel throughout the winter. The RTO has not indicated whether it plans to extend the program beyond the 2024/25 winter. ■

MISO News

$21.8B Long-range Tx Plan Goes to Membership Vote; MISO Resolute, IMM Protesting

By Amanda Durish Cook

Construction of the Johnson 345 kV substation in Iowa in 2021 | *ITC*

CARMEL, Ind. — MISO members are mulling an advisory vote on whether to support the RTO's $21.8 billion long-range transmission plan (LRTP) portfolio while tensions simmer between MISO and its Independent Market Monitor over the necessity of the major transmission expansion.

On Nov. 8, MISO's Planning Advisory Committee (PAC) took up whether to recommend that the 2024 Transmission Expansion Plan (MTEP 24) — which includes the second LRTP portfolio — proceed to the System Planning Committee of the Board of Directors for consideration. The PAC settled on an email ballot that will be conducted over the next two weeks. A final decision on the LRTP portfolio alongside MTEP 24 is expected from the full MISO Board of Directors in early December.

Director of Cost Allocation and Competitive Transmission Jeremiah Doner said from a reliability perspective, it's cost-effective to build the 24-project, mostly 765-kV "regional highway" and confidently avoid future risks rather than building one-off projects to handle vulnerabilities.

MISO anticipates a benefit-to-cost ratio of between 1.8:1 and 3.5:1 over the first 20 years of the LTRP projects' lives through reliability improvements, production costs, capacity that won't be built and environmental benefits.

"What is happening on the system is unprecedented with the resource transition, and we have a shared responsibility … to be proactive," Doner told stakeholders.

MISO's End-Use Customer Sector asked that this year's PAC vote on MTEP be a proportional vote, where sectors can divide their votes into a percentage to separately consider the $6.7 billion of traditional MTEP 24 local spending, the $21.8 billion LRTP and the $1.65 billion Joint Targeted Interconnection Queue transmission portfolio in partnership with SPP. MTEP 24 comprises all three. The End-Use Sector said this year's PAC vote deserves some nuance because of the sheer amount of investment involved.

What's Next

After the MISO Planning Advisory Committee's vote, the $21.8 billion LRTP portfolio's next stop is a vote before the System Planning Committee of the MISO Board of Directors later this month and finally a full board vote in early December.

MISO's Independent Market Monitor David Patton capped a campaign against the second LRTP portfolio during a late October meeting of some of MISO's board members. Patton once again argued that benefits are exaggerated and MISO is not working from a realistic set of future resource assumptions. (See *MISO IMM Makes Closing Arguments Against $21.8B Long-range Tx Plan*.)

MISO *said* it "disagrees that the benefit calculations are flawed, in error or arbitrary." The grid operator also is resolute that it will not test the value of the LRTP portfolio against a future scenario where it never develops the LRTP projects.

"The future scenarios used for LRTP are appropriate, and the development of a new resource plan without transmission would be inappropriate," MISO said. "The objective of LRTP is to understand the value of transmission based on the collective member resource plans as represented in the future. This approach is how MISO and others have performed benefit analysis for regional transmission for more than a decade."

Further, MISO formally *disagreed* with the IMM's State of the Market recommendation from 2022 to improve the LRTP process and benefit projections. The RTO said it was contradicting its Monitor after extensive evaluation and affirmed its support for the LRTP process.

MISO said the LRTP and "other transmission planning processes are not in scope for the IMM's role to evaluate and monitor the performance of the markets."

At the October Market Subcommittee meeting, Patton argued that the capacity expansion MISO envisions through the early 2040s and based the portfolio on is "extremely unrealistic" and "not reflective of what the states and utilities say they're going to do." He also said MISO continues to overinflate the benefits of the portfolio and pinned the value of LRTP II closer to a 0.3:1 benefit-to-cost ratio.

"I think we have a major problem here on where we are on LRTP," he told stakeholders, and advocated for a pause on the process to "come up with a portfolio with benefits that truly justify the costs." At that point, Market Subcommittee Chair Tom Weeks asked the IMM to focus solely on issues germane to markets. He said the Market Subcommittee isn't the venue to discuss transmission planning. The exchange was emblematic of some members maintaining that the IMM shouldn't interfere with MISO transmission planning.

"I don't see such a clear distinction between planning and markets because of how they interact with one another," Patton responded. ■

MISO News

MISO in Agreement with IMM's State of the Market Recommendations, Work Begins on 1

By Amanda Durish Cook

CARMEL, Ind. — MISO this year said it generally agrees with the six new market recommendations brought forward in its Independent Market Monitor's annual State of the Market report and is working on one of them.

Independent Market Monitor David Patton has debuted six market recommendations. (See *MISO Monitor Spotlights Congestion Fixes, Market Mismatches in 2023*.) He said MISO should:

- Develop a means to decommit resources that were committed in the day-ahead market.
- Create procedures outlining when it's appropriate for its operators to derate transmission constraints to manage congestion.
- Require generation owners to fill out the reasons behind outages or outage extensions in the ticketing system the RTO uses to track scheduling.
- Use demand curves at the zonal level to better model demand in its local resource zones and produce more accurate local clearing requirements in capacity auctions.
- Align its definition of aggregate pricing nodes between its financial transmission rights (FTR) market and real-time and day-ahead markets.
- Enforce requirements for MISO's 30-minute reserve product so it's used instead of out-of-market actions to solve shortages.

Zhaoxia Xie, MISO | © *RTO Insider LLC*

Of all this year's new recommendations, MISO said it agrees most strongly with the suggested better guidance on when operators should derate transmission to manage congestion.

"MISO is actively working on improvements to operators' tools and procedures related to constraint management, including for out-of-market actions. Procedures will be revised as needed to offer further guidance to operators while maintaining operational flexibility," MISO Director of Market Design and Development Zhaoxia Xie said at a Nov. 7 Market Subcommittee meeting.

However, MISO said it would defer any action on creating individual downward-sloping demand curves for the 10 local resource zones in its capacity auction.

MISO said though there might be value in fashioning separate sloped zonal demand curves, it's going to do more evaluation on the IMM's proposed solution.

On the other hand, Xie said MISO is working in concert to synchronize the definitions of the aggregate pricing nodes and "minimize the gap" between the modeling for its FTR market and real-time and day-ahead markets.

MISO similarly plans to collaborate with the IMM on possibly developing a means to recommend the decommitment of resources committed in the day-ahead market. However, Xie added that MISO members currently enjoy the financial and operational assurances they get in the day-ahead market while benefiting from being able to adjust offers in the real-time market to meet "their economic and operational needs."

As for gathering more detailed descriptions of the reasons behind generation outages, Xie said MISO recently dropped the 'other' option from its dropdown menu in its outage reporting software for members. She said MISO will do more to collect explanations for outages.

"MISO plans to evaluate changes to the outage submission rules that ensure needed information is provided when tickets are submitted or updated," Xie said.

Finally, MISO said it plans to investigate how it can enforce short-term reserve requirements in load pockets. Xie said MISO shares the IMM's concerns about operators increasingly using out-of-market commitments to "satisfy voltage and local reliability requirements in key load pockets." ■

MISO News

MISO Sets Surplus Reserve Margin Requirement for LSEs Opting Out of Capacity Auction

By Amanda Durish Cook

CARMEL, Ind. — Load-serving entities that decide against participating in MISO's capacity auction must secure anywhere from 1.5 to 4.2% beyond their reserve margin requirements in the 2025/26 planning year, MISO announced.

For the upcoming planning year, MISO's Neil Shah said MISO will impose a 3.1% adder in summer, a 2.1% adder in fall, a 4.2% adder in winter and a 1.5% adder in spring for LSEs staying out of the auction. Those percentages will be in addition to the 7.9% of 2025/26 planning reserve margin in summer, the 14.9% PRM in fall, the 18.4% PRM in winter and the 25.3% PRM in spring. MISO revealed the values during a Nov. 6 meetup of the Resource Adequacy Subcommittee.

Why This Matters

MISO's 2025/26 capacity auction coming up in spring marks the first time load-serving entities that opt out of the voluntary auction must secure more capacity than what their planning reserve margin requirement dictates. MISO's new sloped demand curve in its capacity auction is the reason behind the change.

Starting next year, LSEs that decide to opt out of the auction and sloped demand curve must secure more capacity than strictly necessary to meet MISO's 1-day-in-10 years system reliability standard. The rule is a feature of MISO's new sloped demand curve design in its capacity auction. (See *FERC Approves Sloped Demand Curve in MISO Capacity Market*.)

The rule — expressed as "X% adders" beyond strictly necessary load obligations — attempts to create comparable treatment between LSEs that participate in the auction and are subject to the sloped demand curve with LSEs that opt out of the auction by assigning them similar reserve requirements.

The adder is calculated by MISO simulating the additional megawatts that would have cleared had the capacity auction used a sloped demand curve for the past three planning years. Once MISO has enough actual data to draw on, it will stop using a simulation of clearing behavior.

Shah said the adder rule makes sure LSEs "bring forward sufficient resources" based on how they would have cleared had they operated under the auction's sloped curve.

Load-serving entities and states can exercise an opt-out of the sloped demand curve and auction. For the 2025/26 planning year, those decisions are due to MISO by Jan. 15 and keep LSEs out of the auction for three years at a time.

Neil Shah, MISO | © RTO Insider LLC

MISO's auction window will open March 26 and close March 31. The grid operator plans to post auction results April 28. Load-serving entities should have submitted their seasonal peak demand forecasts to MISO at the beginning of November; they can expect their seasonal, availability-based capacity accreditation values from the RTO by mid-February.

Under the new auction setup, states in MISO are free to continue to set their own planning reserve margin that diverges from MISO's. Should that happen, MISO would isolate those LSEs' load share and multiply it by the state's chosen reserve margin. The LSEs' final load share then would be removed from MISO's planning reserve margin requirement. LSEs that still rely on MISO's PRM will share the remainder of the requirement, spread pro rata. ■

MISO Moves to Strike Emergency Demand Response

By Amanda Durish Cook

CARMEL, Ind. — MISO is poised to eliminate its emergency demand response participation option, framing it as a clunky and scarcely used source of emergency assistance.

"This is an instrument that has been little used … and doesn't have a lot of operator confidence around it, and therefore it will be retired from the MISO market systems," MISO's Mike Robinson said at a Nov. 7 Market Subcommittee meeting.

MISO established emergency DR around 2007 to better compensate emergency resources. Robinson said emergency DR is called up in the latter stages of an emergency, after load-modifying resources and just prior to involuntary load curtailment. He said emergency DRs are relatively expensive, while load-modifying resources are price-takers and adequately cover MISO's emergency needs.

"These are not capacity resources; they're not obligated to respond to capacity events," he explained of emergency DRs.

Robinson said MISO has called on emergency DR just once in its history to manage a transmission emergency from a transformer failure about a decade ago in southwestern Wisconsin.

Since then, Robinson said, MISO operators occasionally have looked for emergency DR to manage situations but have found none to be available in the moment. Complicating matters, Robinson said a master list of emergency DR resources is maintained in a spreadsheet.

"Operators have little confidence in them," he said. "It's a tool in the tool chest, you might say, but if you don't use it, why have it?"

Robinson described emergency DRs by invoking Jean-Baptiste Say's phrase that "supply creates its own demand" from his 1803 book, "A Treatise on Political Economy; or The Production, Distribution and Consumption of Wealth."

MISO hopes to eradicate emergency DRs with FERC permission sometime in the first quarter of 2025. ■

MISO News

MISO Prelim Regional Resource Assessment Calls for 343 GW by 2043

By Amanda Durish Cook

CARMEL, Ind. — MISO members will likely have to add 343 GW of installed capacity by 2043 to meet state policy goals while maintaining resource adequacy, the RTO said in preliminary results from its annual Regional Resource Assessment.

Of that 343 GW, members have already planned to add 163 GW in installed capacity. According to its early *results*, MISO said that leaves members filling in an additional 180 GW over the next 20 years.

"Achieving 343 GW of additional installed capacity by 2043 would require an average installation of 17 GW per year over the next 20 years to achieve, which is more than 3.5 times greater than the recent installation rate," MISO Director of Strategic Initiatives and Assessments Jordan Bakke told the Resource Adequacy Subcommittee on Nov. 6.

From 2020 through 2022, MISO experienced an average 4.7 GW/year worth of installed capacity additions. Between 2029 and 2043, MISO foresees 27 GW in thermal retirements and 11 GW in thermal additions based on its members' plans.

Why This Matters

MISO's preliminary Regional Resource Assessment, which attempts to project the RTO's resource profile and capacity requirements over the next 20 years, is showing a need for about 143 GW more in additional capacity than it did in 2022.

Bakke said that by 2043, MISO also estimates that wind and solar would account for 62% of installed capacity and have the potential to reach 87% of annual energy served.

"The purpose is not to speculate on the resource buildout but report back on what our members are planning," Bakke said of MISO's assessment.

MISO remains adamant that in 20 years' time, the loss-of-load risk will move away from afternoon summer hours to concentrate in early mornings in winter. MISO also said systemwide ramp-up needs will pick up, with peak ramping needs occurring outside of summer and in evening, rather than morning, hours.

The number of additional megawatts MISO is signaling a need for is up sharply from 2022, when its assessment found members likely needed to add 200 GW of new installed capacity by 2041. (See *MISO: 200 GW in New Capacity Necessary by 2041*.)

In November 2023, a condensed version of the assessment also observed that retirement announcements are trouncing stated capacity additions. The grid operator said that beyond what members are planning, the footprint likely needs an additional 13 GW of accredited (not installed) capacity by 2027, 27 GW by 2032 and 34 GW by 2042 to fulfill demand. (See *MISO Continues to Find Mounting Retirements, Inadequate New Capacity in Abridged Resource Assessment*.)

MISO will hold a dedicated stakeholder workshop Dec. 18 to go over final results of the assessment. ■

| *Shutterstock*

MISO: Wisconsin Coal Plant to Stay Online as SSR Unless Stakeholders Offer Solutions

By Amanda Durish Cook

MISO said unless stakeholders come up with an alternative it hasn't explored, it will have to renew its sole system support resource — Manitowoc Public Utilities' Lakefront 9 coal unit — for another year.

At a Nov. 5 technical study task force meeting, MISO's Huaitao Zhang said the RTO continues to find steady state thermal violations during the summer months that require mitigation.

He said MISO didn't land on any transmission reconfiguration options, operating guide substitutions or demand-side solutions that can negate the need for Lakefront 9 staying online to sustain reliability. MISO uses system support resource (SSR) agreements to keep generation operating past planned retirement dates for the sake of system reliability.

Further, Zhang said MISO has ruled out redispatch as a solution because there are limited resources in that area of Wisconsin. Local transmission owner American Transmission Co. (ATC) also discourages manual load shed as a viable mitigation, he said.

If no stakeholders come forward with an alternative that hasn't occurred to MISO, Zhang said MISO must begin a new SSR term with the municipal utility Feb. 1. Zhang asked stakeholders to offer their ideas over the next two weeks.

Lakefront 9 has been operating as an SSR since February 2023, after MISO discovered that thermal overloading could occur on several nearby constraints if the plant was permitted to suspend operations as scheduled. Manitowoc Public Utilities originally sought to idle the 63-MW Lakefront 9 until 2026 and to *convert* it to a renewable fuel source. (See *FERC Again Questions MISO Reliability Payments to Wisconsin Coal Plant*.)

MISO has said ATC's planned 138/69-kV transmission upgrades for the area, which would improve system performance and allow it to lift the SSR agreement, won't be completed until mid-2028. ■

Manitowoc Public Utilities' Lakefront coal plant in distance | *Manitowoc Public Utilities*

NYISO News

Large Consumers Vent Frustrations with NYISO's Proposed SCR Changes

By Vincent Gabrielle

| Shutterstock

Tensions flared at the NYISO Installed Capacity Working Group meeting Nov. 4 over the ISO's *proposed changes* to the special case resource (SCR) demand response program, which large energy consumers said will cause a mass exodus of participants.

"I think NYISO should know that part of the extreme frustration with this project is that we thought there was going to be actual engagement with the demand side; that there would be engagement with SCR participants," said Mike Mager, speaking for Multiple Intervenors, a group of large industrial customers.

Mager said he believed the vast majority of the changes proposed to the SCRs would be viewed unfavorably by the participants.

SCRs are typically large industrial consumers that have loads that can be reduced or turned off. In a report to FERC, NYISO said that from November 2023 to April 2024, the SCR market reduced load by about 1,300 MW *statewide*. Local behind-the-meter generators participating in the SCR program contributed an additional 100 MW. NYISO allows customers who qualify to participate in the Installed Capacity Market to be SCRs, receiving revenue for reducing their load at the ISO's direction.

The ISO is proposing to change how SCR performance and compensation are calculated. Currently they are based on the average coincident load (ACL), which is the average of the SCR's highest 20 one-hour peak loads from the previous capability year. NYISO wants to change this to the "customer baseline load" (CBL), which uses data from the prior 30 calendar days and is based on the highest five consumption days of the last 10 prior to an SCR event.

NYISO's market design report from 2023 *estimated* that this would reduce the megawatt value of an SCR by 6 to 26% depending on the zone; in New York City, this would be about 26%. Michael Ferrari, a market design specialist for NYISO, said the changes would more accurately capture the performance of SCRs.

"The whole ACL/CBL change was not part of any type of engagement," Mager said. "The testing proposal we're going to get to is also new by the NYISO. The four-hour notices was also new by the NYISO. There was some discussion about the notice period during the engagement phase, but the feedback provided by the SCR participants was largely ignored."

NYISO also wants to increase the duration of the performance test of an SCR to six hours, up from one. In prior *meetings* ISO staff also expressed a desire to increase the duration requirement of an SCR to six hours and shorten the notice window from 21 hours to four hours. (See *Large Consumers Miffed at NYISO Proposal to Shorten SCR Notice Period*.)

"This deal just kind of seems to be getting worse and worse," said Aaron Breidenbaugh, senior director of regulatory and government affairs for CPower. "For a project that's supposed to be coming out of 'Engaging the Demand Side,' I think a word besides 'engaging' is more appropriate."

Mager said the changes were moving in the wrong direction, disincentivizing participation at a time when the state's reliance on intermittent generation was increasing. Shutting down manufacturing for longer SCR testing, or on shorter notice for less compensation, was an overall bad deal for manufacturers, he said.

"The last time we talked about this, I used the *Titanic* analogy," Breidenbaugh said. "Now we've just punched a hole in two more compartments."

Breidenbaugh said that if he was working at NYISO and had been given the job of eliminating the SCR program, he would do exactly what the ISO was proposing to do.

"If you're trying to get rid of it, you're doing a really good job, but I don't think that's what you're trying to do," he said. "I think everyone can believe that this could make a better program with more flexible megawatts. You'll have more flexible resources; they will just be a tiny fraction of what you have."

"I've not been given the request to kill the SCR program. That is not the intent of this series of proposals," Ferrari said.

After some additional discussion, Breidenbaugh said he didn't think New York state's regulatory authorities would allow the amount of DR that is dependent on participating in the SCR program to go away. He said that if the changes caused participants to jettison from the program, the state might work with utilities to get its own program in place.

"I certainly don't think it's the best way for NYISO and its operators to lose control of those levers," he said. "I'm not sure the utilities necessarily want to take on that responsibility, but they oftentimes get tasked with doing things they don't want to do." ■

PJM News

FERC Approves PJM Capacity Auction Delay

By Devin Leith-Yessian

FERC on Nov. 8 approved a PJM waiver request to offset the RTO's capacity auction schedule by six months starting with the 2026/27 Base Residual Auction (BRA).

PJM sought the waiver in anticipation of its Federal Power Act (FPA) Section 205 filing to make several changes to its capacity market (*ER25-118*). (See "OPSI Speakers Discuss Future Auction Design," *Panels Debate PJM Capacity Market Design at OPSI Annual Meeting*.)

The order shifts the 2026/27 auction from December 2024 to June 2025 and schedules the three subsequent three auctions for December 2025, May 2026 and December 2026. It also cancels the second Incremental Auction (IA) for the 2027/28 delivery year and first IA for the 2029/30 delivery year.

The commission said the delay would allow PJM to address a complaint filed by several environmental and public interest organizations regarding how generators operating on reliability must-run (RMR) agreements are reflected in PJM's capacity market.

Filed by the Sierra Club, NRDC, Public Citizen, Sustainable FERC Project and Union of Concerned Scientists, the complaint argues those units should be required to offer into the capacity market or should be administratively counted in the supply stack by PJM. They contend the status quo requires consumers to repeatedly pay for the same reliability contribution in the form of the RMR agreement, transmission upgrades to mitigate violations caused by the generator's deactivation, and higher capacity prices when a unit leaves the market to operate on the RMR agreement (*EL24-148*).

The Brandon Shores coal-fired power plant | *Talen Energy*

"PJM explains that the complaint has generated significant market uncertainty and that, to address this uncertainty, it plans to file a FPA section 205 filing that will propose several capacity market rule changes. PJM's waiver will provide the time to address potential consequential changes in the market rules by delaying the 2026/2027 BRA and compressing the timelines for subsequent auctions to facilitate the return to a three-year forward schedule," the order states.

Insight into Upcoming Filing

PJM *presented* an overview of its expected filing during a Nov. 7 special Markets and Reliability Committee meeting, in which Vice President of Market Design and Economics Adam Keech said the filing will likely include changing the reference resource back to a combustion turbine (CT) and setting criteria for counting the expected output of the Brandon Shores and Wagner units operating on RMR agreements toward meeting RTO and locational deliverability area (LDA) reliability requirements.

The change would include sunset provisions with the aim of being applicable to only those two units while broader changes to the RMR rules are worked out through the stakeholder process.

Those stipulations mandate that units be reasonably expected to operate throughout the delivery year, have a minimum number of available run hours to be available for transmission support, be available to PJM for all emergencies unless on outage and have deliverable capacity interconnection rights (CIRs).

Keech said PJM has determined that Wagner Unit 3 meets those requirements and it is working to determine whether Unit 4 would as well. Due to an agreement between the Sierra Club and Talen Energy to cease coal combustion at Brandon Shores by the end of 2025, it is not clear that generator could be relied upon.

While not addressed in the complaint regarding RMR resources, PJM is also seeking to revert the reference resource to a CT, undoing a change made in the 2022 Quadrennial Review to shift to a combined cycle generator. Due to the higher energy and ancillary service (EAS) revenues, the net cost of new entry (CONE) value fell to $0/MWh in some LDAs, resulting in a capacity performance penalty rate of zero as well. That could occur in situations where generators face no non-performance charges during emergencies but could still receive overperformance bonuses. The diminished net CONE values also produce a significantly steeper variable resource rate (VRR) curve, creating price volatility in the capacity market.

Why This Matters

The auction delay allows PJM to seek capacity market changes to reflect the output of generators operating on reliability must-run agreements and to shift the reference resource to a combustion turbine unit.

The commission's order says the harms of changing the auction schedule are outweighed by the benefits of addressing the possible consequences of the market rules and allowing market participants to react to any rule changes.

"Although the auction delay will have an effect on other BRAs through the 2029/2030 delivery year and will require canceling several Incremental Auctions, on balance we find that granting the waiver request provides the opportunity to address potential consequential changes in the market rules and provides the opportunity for market participants to respond to any changed rules by having additional time to prepare and submit requests and elections in advance of the next auction," the order says.

FERC disagreed with American Municipal Power's protest arguing that the waiver request was deficient without a stronger outline of what would be included in the 205 filing, countering that it is reasonable to request a delay to allow for consideration of changes still being drafted.

The commission dismissed as moot a parallel request to delay the auction that PJM made in its comments on the RMR complaint, saying the approval of the waiver request does not prejudice its consideration of that complaint. ■

PJM OC Briefs

Stakeholders Endorse Quick Fix Solution on Day Ahead Scheduling Reserve Calculation

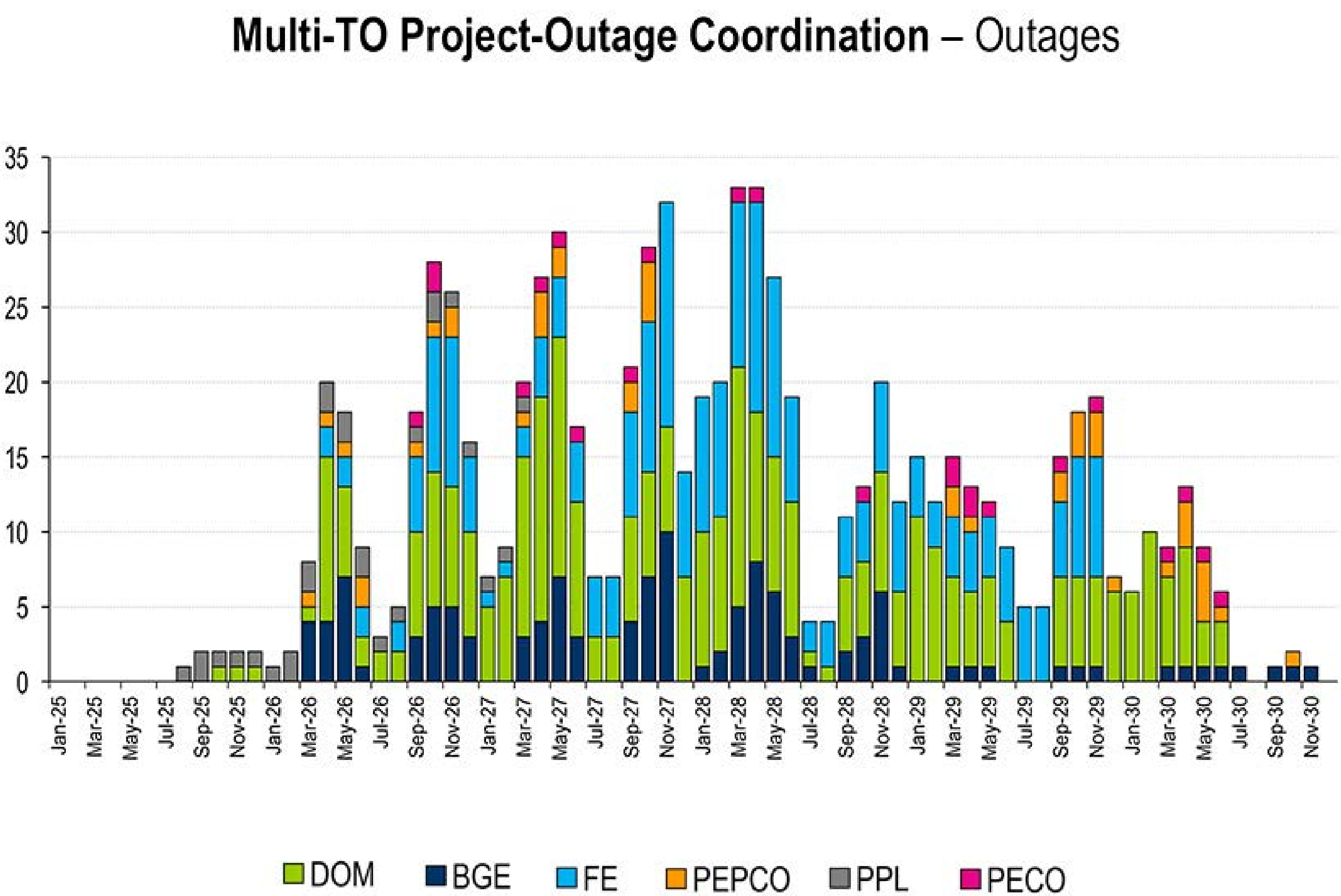
The Operating Committee endorsed a quick fix *proposal* to revise Manual 13: Emergency Operations to add transparency to the Day Ahead Scheduling Reserve (DASR), a figure that is calculated annually to determine when the 30-minute reserve requirement may be insufficient and emergency procedures necessary.

The quick fix process allows for an *issue charge* to be voted on concurrent with a proposed solution. (See "Quick Fix Proposal on Day Ahead Schedule Reserve Calculation," *PJM OC Briefs: Oct. 10, 2024*.)

The 30-minute reserve requirement is set at the greater of the primary reserve requirement, active gas contingency or a flat 3,000 MW, which PJM has argued is not flexible and does not account for operational risks. An earlier proposal to shift to a requirement based on load forecast error and forced outage rates was rejected by stakeholders in July. (See "Stakeholders Endorse Reserve Rework, Reject Procurement Flexibility," *PJM MRC Briefs: July 24, 2024*.)

The DASR is the sum of the three-year average underforecast load forecast error (LFE) and generator forced outage rates (FOR), which currently results in a 74,257-MW peak load threshold after which 30-minute reserves are considered inadequate.

The manual revisions are intended to clarify how operators use DASR. No change is proposed to the functioning of 30-minute reserves. They are set to go for a first read at the Markets and Reliability Committee (MRC) on Nov. 21, followed by a vote Dec. 18.



A PJM graphic details the schedule of transmission outages planned while upgrades are made under the third window of the 2023 Regional Transmission Expansion Plan (RTEP). | *PJM*

PJM News

PJM Presents Revisions to Manual 1 Addressing Hybrid Resource Rules, Loss of EMS Real Time Assessment

PJM presented a quick fix *proposal* to revise Manual 1: Control Center and Data Exchange Requirements to clarify its communication processes and data collection protections. The language is scheduled to be voted on at the Dec. 5 OC meeting and, if endorsed, at the Jan. 23 MRC meeting.

The changes would add more detail to its backup communication methods to be used in the event of widespread SCADA software outages, as well as alternatives ways of conveying data to PJM during a SCADA outage, such as a cyberattack. The package also includes clarifications around PJM's view-only mode to protect Inter-Control Center Communications Protocol (ICCP) data from potential errors during planned maintenance.

The RTO also first read a set of *revisions* to Manual 1 identified through its periodic review, which would update several definitions to be more precise and consistent with other manuals. The language also includes requiring that the state of charge be conveyed by SCADA for open-loop hybrid resources, a requirement that already stands for close-loop hybrids.

PJM Seeks Advance Notice of Expected Maintenance Outage as RTEP Upgrades are Scheduled

PJM is *requesting* that generation and transmission owners increase coordination around planned outages while a significant number of transmission assets are taken offline to build upgrades under the RTO's 2023 Regional Transmission Expansion Plan Window 3. The work ramps up in 2026 and continues through 2030, with the number of outages exceeding 30 in some months.

Transmission owners are asked to review planned outages for conflicts with the scheduled upgrades, provide PJM with a preferred timeline for their outages and fill out the RTO's Prioritization Scoring Matrix. Quarterly meetings are being held with transmission owners and developers within the six zones affected by the RTEP projects to bolster the coordination efforts.

On the generation side, any units in the BGE, PEPCO, Dominion and surrounding regions with outages expected over the next two to three years are asked to provide advanced notice as early as those outages can be foreseen. PJM's Joe Rushing noted that generation outages require only a 30-day notice. The extent of the transmission work that will be conducted will limit the number of generators that can be taken offline at a given time.

Congestion and increased use of emergency procedures, such as post contingency local load relief warnings (PCLLRWs), are likely throughout the duration of the RTEP work.

October Operating Metrics

Presenting the October operating *metrics*, PJM's Marcus Smith said October saw both hourly and peak load forecast error fall below the 25-month averages, with an hourly rate of 1.32% and peak forecasts off by 1.46% across the month. Underforecasts exceeding PJM's 3% error rate benchmark were seen Oct. 3 and 6, while overforecasting was seen Oct. 22 and 31.

The month saw one spin event Oct. 22 that lasted 6 minutes and 11 seconds and a generation response rate of 95% and demand response (DR) deployment at 151% of dispatch. One shared reserve event, two high system voltage actions and 16 PCLLRWs were implemented in October as well.

Security Briefing

PJM Director of Enterprise Information Security Jim Gluck said the FBI is warning that renewable generation increasingly is being targeted by attacks to steal technology, render systems inoperable for ransom and disrupt generation operations.

The Infrastructure Information Sharing and Analysis Center (ISAC) has *published* a research paper detailing several threats to infrastructure in the leadup to the November 2024 elections, including "hacktivist" attacks and state-sponsored actors. As a precaution, PJM implemented a conservative operations procedure the night of Nov. 5 through midnight the following day.

"While PJM has received no indication of credible threats to the power grid at this time, our government partners have encouraged the industry to remain alert to an elevated risk environment. Out of an abundance of caution, ... PJM ... will establish a more conservative posture," the alert stated.

The RTO also is monitoring the possible impact of a breach at Schneider Electric, where about 40 GB of records were compromised and could be released to the public if a ransom is not paid.

Gluck recommended that members ensure employees use multifactor authentication and default passwords are not used.

PJM Presents 2024 Winter Study

PJM's Mark Dettrey *presented* the 2024/25 Winter Study prepared by the Operations Assessment Task Force (OATF) to evaluate the risk landscape for the season. While some switching, phase angle regulator (PAR) adjustments and re-dispatch may be required to address transmission violations, no reliability issues were identified under the 50/50 or 90/10 load forecast studies. (See *PJM OC Briefs: Oct. 10, 2024*.)

The report expects 177.6 GW of cleared capacity and fixed resource requirement (FRR) resources will be available, as well as 2.2 GW of resources that historically have been available under the study conditions. It assumes 5.5 GW will be exported under the scenario analyses, 18 GW of generator outages and 7.1 GW of load management being deployed.

The RTO is projected to maintain an 8.7-GW reserve margin under the low wind and no solar scenario, which reduces available generation by 3.1 GW. That margin shrinks to 7.1 GW under the largest gas/electric contingency, which would take 4.7 GW of generation offline.

The report also included a scenario developed on experiences during December 2022 Winter Storm Elliott, increasing forced outages to 46 GW, which would lead to a reserve margin deficiency of 13.8 GW. The scenario is not included in the reliability analysis but was developed as a numbers game to be informative.

Other Committee Business:

PJM's Pete Langbein *presented* the 2023/24 Load Management Event Summary, which showed that emergency and pre-emergency DR performance was "very good, well north of 100%" across the delivery year. While there were no events requiring load management deployment, testing showed a 122% response rate reflecting 1,614 MW in overcompliance.

Stakeholders endorsed revisions to Manuals 3 and 10 drafted through the documents' periodic review. The *changes* to Manual 3: Transmission Operations include language to reflect existing practices on facility ratings, shifting which section details Automatic Remediation Action Scheme (RAS) operating criteria, and updating several notes and links.

The Manual 10 *language* clarifies how the quantity of energy offline during an outage should be reported for inverter-based resources in eDART and more explicitly states that forced outages must be completed before work can begin on a planned outage. ■

— Devin Leith-Yessian

PJM MIC Briefs

PJM Presents Issue Charge on Black Start Compensation

PJM's Glen Boyle presented an *issue charge* focused on the potential for compensation for generators providing black start service to fall to zero in net cost of new entry (CONE) values in the 2025/26 Base Residual Auction (BRA).

The problem statement says the drop in black start compensation would be an unintended consequence of a drop in net CONE that is likely to continue, or continue to go lower, in the following delivery year. Compensation is determined by multiplying net CONE, the amount of black start service provided and a 0.01 modifier for hydroelectric generators or 0.02 for combustion turbines and fuel-assured black start units.

"This significant drop in revenues for resources on the Base Formula Rate may lead to black start units withdrawing from providing Black Start Service. This could result in reliability concerns or use of the reliability backstop if black start requirements can't be met," the problem statement says.

Since black start is a voluntary service, Boyle said PJM is concerned that without proper compensation, generation may exit the market and leave PJM unable to procure resources for all zones.

Stakeholders Endorse Expansion of Lost Opportunity Cost Credits for Renewables

The Market Implementation Committee endorsed *revisions* to Manual 28: Operating Agreement Accounting to include solar, hybrid and energy storage resources in the lost opportunity cost (LOC) credit calculation. The formula was developed for wind generation and is being expanded in accordance with FERC's approval of PJM's second phase of its hybrid resource rules (*ER23-2484*). (See "PJM Presents Conforming Revisions to Manual 28," *PJM MIC Briefs: Oct. 9, 2024*.)

The calculation multiplies the LOC deviation by real-time locational marginal prices, minus the total LOC offer, all of which is then divided into 12 months. The deviation is based on actual forecast output.

PJM's Skyler Marzewksi | © *RTO Insider LLC*

PJM Drafting Second Cluster of CIFP Manual Revisions

PJM's Skyler Marzewski *presented* the RTO's timeline for seeking revisions to several manuals to implement aspects of its capacity market changes drafted through the Critical Issue Fast Path (CIFP) process last year and approved by FERC in January. (See *FERC Approves 1st PJM Proposal out of CIFP*.)

The changes include summer and winter capability testing, which would be codified in Manual 18: generation operational testing. That would require revisions to manuals 14D, 18 and 28, and attestation requirements for dual-fuel units, which would come with changes to Manual 11.

The manual revisions are set to go for first reads and endorsement votes at the MIC and Operating Committee in the first quarter of 2025, with an endorsement vote possible at the Markets and Reliability Committee at its April meeting. The changes are intended to go into effect at the start of the 2025/26 delivery year.

PJM Details Path Forward on Reactive Power

PJM Assistant General Counsel Thomas DeVita *outlined* PJM's plan to remove the reactive power compensation component of the energy and ancillary service (EAS) offset in accordance with FERC's order that RTOs cannot charge transmission customers for receiving reactive power within a standard range (*RM22-2*).

PJM was one of three RTOs granted a longer compliance filing timeline to allow for a transition mechanism for eliminating those revenues from its markets. But the commission specified that removing the reactive component from the EAS offset would need to be done in a separate docket apart from the compliance filing.

DeVita said PJM plans to seek that change as part of a Federal Power Act Section 205 filing being written to revise the reference resource and treatment of reliability-must-run units in the capacity market. (See "OPSI Speakers Discuss Future Auction Design," *Panels Debate PJM Capacity Market Design at OPSI Annual Meeting*.)

Changes to the Tariff and Consolidated Transmission Owners Agreement would be required and are expected to be effective for the 2026/27 delivery year. ■

— Devin Leith-Yessian

PJM PC/TEAC Briefs

Planning Committee

Stakeholders Endorse LS Power Issue Charge on CETL

PJM's Planning Committee voted by acclamation to endorse an *issue charge* from LS Power to examine a "disconnect" between risk modeling that has shifted loss of load risk from summer peaks to the winter and the calculation of zonal capacity emergency transfer limits (CETLs), which continues to be based on summer peaks.

The issue charge argues that the CETL calculation continues to focus on summer risk in a holdover from the capacity accreditation model in place before FERC approved PJM's shift in accreditation and risk modeling in January. The difference could lead to incorrect capacity prices between locational deliverability areas (LDAs), the company wrote. (See *FERC Approves 1st PJM Proposal out of CIFP*.)

The issue charge considers as out of scope any changes to accreditation outside of the marginal effective load carrying capability (ELCC) accreditation model and consideration of a sub-annual capacity market.

The issue charge is one in a series of changes to the capacity market LS Power is seeking to make in the first quarter of 2025. The Markets and Reliability Committee (MRC) also endorsed two issue charges focused on the transparency and functionality of PJM's marginal ELCC paradigm, which was also implemented through PJM's critical issues fast path (CIFP) filing approved in January. (See "Stakeholders Endorse Issue Charges on ELCC," *PJM MRC Briefs: Oct. 30, 2024*.)

PJM Floats Fast Track Proposal on Site Control Modifications for Queue Projects

PJM's Jonathan Thompson *presented* a fast track proposal to add more detail to Manual 14H: New Service Requests Cycle Process around how developers can modify their site control requirements for projects in the interconnection queue. The fast track process allows for an *issue charge* to be voted on concurrent with a proposal.

At Decision Point 1, the footprint of a project can be reduced so long as it continues to meet the minimum acreage and energy output listed in the application. The land requirements are scaled down if the project output is correspondingly reduced. Additional parcels can be added to a project as long as they are adjacent to the land included in the application. If they do not abut the original outline, then easements must be provided showing how the additions will be connected to the project.

Parcels can continue to be removed from a project at Decision Point 2, and land can be added similarly to Decision Point 1. No additions are permitted at Decision Point 3; however, reductions in size can be submitted.

The revisions would also rework Exhibit 10 in the manual, which is meant to detail how a generator interconnects to existing transmission substations but incorrectly uses a diagram from a different exhibit.

Transmission Expansion Advisory Committee

PJM Presents Shortlist of Projects for 2024 RTEP Window 1

Eight packages of projects have been *shortlisted* to expand west-to-east power flows across the PJM region under the first window of the 2024 Regional Transmission Expansion Plan (RTEP). The need is largely driven by data center load growth in Dominion drawing increasing power from the west, which is expected to see growth in generation.

Developers submitted 88 individual projects, along with six joint proposals packaging multiple components together. All the proposals would include expanding west-to-east flows by expanding the 765-kV network, either through a Joshua Falls to Axton-Morrisville corridor or a corridor from the John Amos substation to northern Virginia.

The 765-kV upgrades Dominion, FirstEnergy and Transource jointly proposed to develop to the south of the Dominion region would offer higher initial transfer capability, while upgrades to the north would have greater possible transfers once complete. Variants of the northern reinforcements were proposed by LS Power, NextEra and a joint Transource, FirstEnergy and Dominion package.

The projects will be ranked on their effectiveness in meeting system needs in 2029 and providing long-lead reinforcement for 2032, as well as on how they maximize use of existing rights of way, cost evaluation and containment provisions, development experience and operating 765-kV assets and scalability to address future load growth.

In Other Action

- *PJM Floats Fast Track Proposal on Site Control Modifications for Queue Projects*
- *PJM Presents Shortlist of Projects for 2024 RTEP Window 1*
- *Supplemental Projects*

PJM Director of Transmission Planning Sami Abdulsalam said there has been a significant intake in load growth since the RTEP project submission window was opened, leading the RTO to widen the lens it views projects through to include needs being identified in the upcoming 2025 load forecast.

Several stakeholders objected to PJM including an unreleased load forecast in its consideration of the projects, arguing that doing so would be unfair to transmission developers who were unable to include that data when designing their submissions. It could also provide an advantage to incumbent transmission owners, who would have insights into load growth that is not yet public and could design their project submissions to address both the inputs available when the RTEP window opened and future load forecast being supplied to PJM.

Virginia ratepayers also spoke against the possible impacts the projects could have on residents along the proposed corridors, saying that routes could require eminent domain of homes and arguing that PJM is misclassifying expansions of right of way as upgrades rather than greenfield development. Abdulsalam responded to the latter point saying PJM is trying to avoid having several different definitions of greenfield, brownfield and upgrades.

Supplemental Projects

AEP *presented* a $169.1 million project to serve a data center customer in New Haven, Ind., with an initial load of 480 MW coming online in November 2026, which is set to grow to 1,200 MW by July 2029. The project is in the scoping phase with a projected in-service date of July 1, 2029.

The load would be served by five 138-kV double circuit lines to customer-owned substations, which would be fed by a new Zodiac 138-kV substation in a breaker-and-a-half

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configuration. Zodiac would be cut into the Allen-Lincoln double circuit 138-kV line, and the Allen- Wayne Trace and Allen-Magley 138-kV lines. Two additional 345/138-kV transformers would be installed at the Allen substation, along with three additional 138-kV breakers and three 345-kV breakers.

PPL *presented* a $117.8 million project to serve a 138-kV customer in Lancaster, Pa., increasing its load by 350 MW in 2028. The project is in the conceptual phase with a projected in-service date of June 1, 2028.

A new 138-kV switchyard, to be named Pitney, would be constructed in a breaker-and-a-half configuration with five 138-kV breakers to feed into the customer substation. The facility would cut into the South Akron-Prince 138-kV line with 0.2 miles of new line.

A second new 230/138-kV substation, named Lampeter, would be built with two transformers and two breakers for each voltage. The facility would be cut into the Millwood-South Akron 230-kV line and the 69-kV double circuit tap line terminating at the Strasburg substation would be reconstructed to 138-kV to loop into Lampeter and terminate at Pitney. Both the Greenland and Strasburg substations would be upgraded from 69/12-kV to 138/12-kV.

An additional load increase in Lancaster to serve an additional 350 MW of load at the same customer substation by 2029 would be served by a $67.5 million project to build a new 138-kV switchyard named North Lancaster. The project is in the conceptual phase with a projected in-service date of June 1, 2028.

The facility would cut into the West Hempfield-Prince and South Akron-Dillerville 138-kV lines and serve the load with three 138-kV lines running 0.1 miles. Around eight miles of the West Hempfield-Prince line would need to be rebuilt as part of the project.

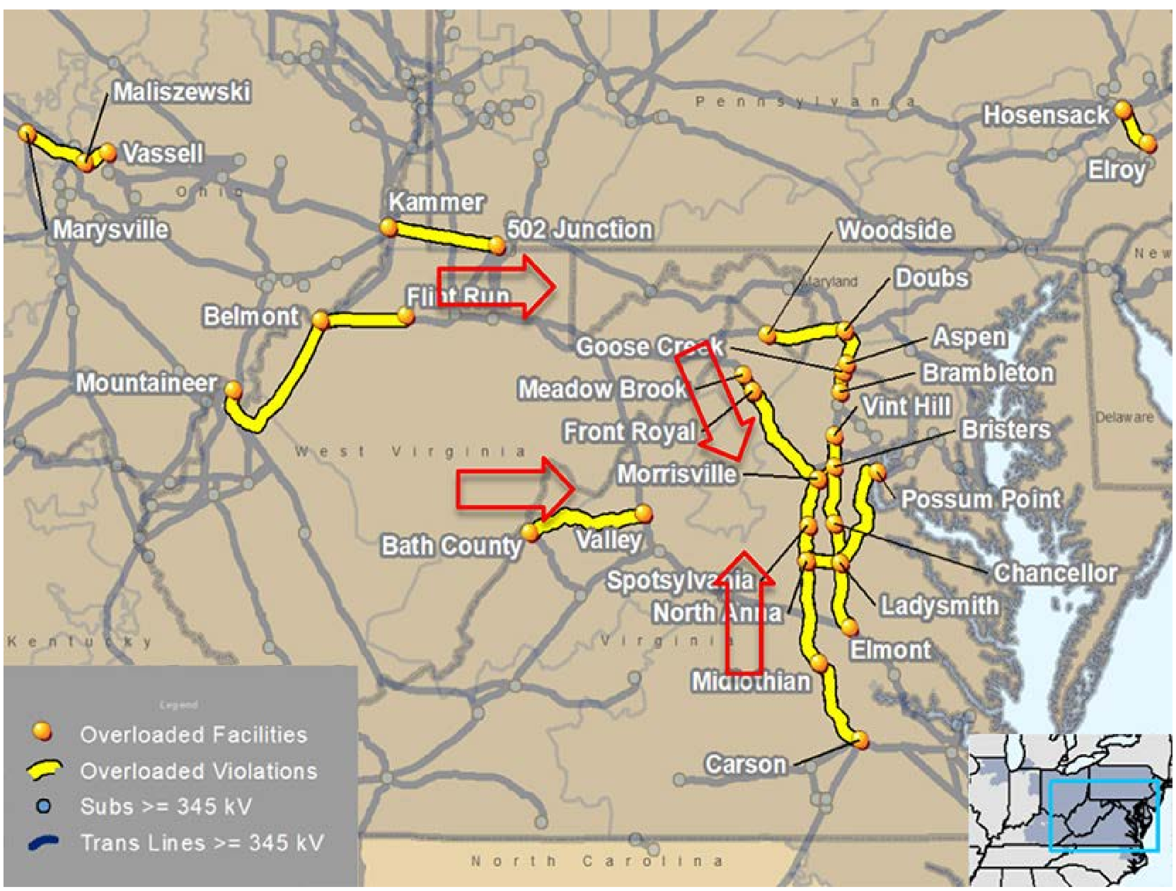
PPL presented a third project to serve a new customer in Hazleton with an initial load of 250 MW in 2027 growing to 1,000 MW by 2030. The $73.3 million project is in the conceptual phase with a projected in-service date of May 30, 2028.

The customer would be fed by a new 230-kV breaker and a half switchyard named Slykerville, which would be equipped with a 125-MVAR capacitor bank. The Harwood-Tresckow 230-kV line would be looped into the Slykerville facility with 0.2 miles of new line.

Around 2.7 miles of the Susquehanna T10-Susquehanna 230-kV lines would be reconductored and 15-ohm series reactors installed at the Susquehanna switchyard on the 230-kV line to Harwood.

Dominion *presented* a $13 million project to construct a new 230-kV substation, named Towerview, to serve a new customer in Fairfax County, Va., with an initial load of 56 MW in 2027 growing to 300 MW in 2029. The new facility would be cut into the Reston-Park Center 230-kV line. The project is in the engineering phase with a projected in-service date of Nov. 30, 2027.

FirstEnergy *presented* a $15.4 million project in the JCPL zone to address a possible load drop under N-1-1 contingency on the Gilbert-Martins Creek 230-kV and Gilbert-Pequest River 115-kV lines and replace a 115/34.5-kV transformer at the Morris Park substation. The project is in the conceptual phase with a projected in-service date of Jan. 29, 2027.



A map shows transmission violations identified in the first window of PJM's 2024 Regional Transmission Expansion Plan (RTEP). | PJM

The project would reconfigure the Morris Park 230-kV substation into a four-breaker ring bus and cut the facility into the Martins Creek-Gilbert line. A second 230/34.5-kV transformer would be installed at Morris Park and all 115-kV equipment, including the 115/34.5-kV transformer, would be removed.

The utility also *presented* a $16.3 million project in the Met-Ed zone to mitigate a stuck breaker and fault contingencies at the North Hershey substation. The project is in the conceptual phase with a projected in-service date on Dec. 17, 2027.

The project would convert the 69-kV bus into a four-breaker ring bus and install a second 230/69-kV transformer, one 230-kV circuit breaker, four 69-kV breakers and associated breaker equipment. ■

— Devin Leith-Yessian

Southeast

SE Renewable Energy Conference: Will the Southeast Rise Again?

States in MISO South May Have Edge in Attracting Data Centers, Developer Says

By K Kaufmann

CHARLOTTE, N.C. — The Southeast's traditionally risk-averse vertically integrated utilities are now embracing the clean energy transition, driven by economic development in the form of new industry and data centers.

Their regulatory and legislative policies vary, but the states are united in their focus on meeting new corporate demand for clean electrons with "all of the above" mixes of power, in which new renewables are backed up with natural gas and nuclear.

Mississippi, for example, now boasts the tallest onshore wind turbines in the U.S.: AES' 184.5-MW Delta wind project, with blades that reach 692 feet at their highest point, Jaxon Tolbert, senior program associate for the Southeastern Wind Coalition, said at the Infocast Southeast Renewable Energy conference in October.

A long-running narrative has maintained that the Southeast does not have enough wind for onshore development, but Tolbert said, "It just depends on how tall your turbine is, and so we're really excited to see this new commercially available tall-wind technology …

"MISO-based wind is here, and MISO South is a new market, and I think the big issue is awareness."

MISO's interconnection queue now includes about 20 onshore wind projects located across Arkansas, Mississippi, Louisiana and Kentucky, he said.

Under North Carolina's new carbon plan, which the state's Utilities Commission approved Nov. 1, Duke Energy will procure up to 3,460 MW of new solar generation and 1,100 MW of battery storage, including 475 MW of standalone storage and 625 MW paired with solar, all by 2031.

However, the new solar will be counterbalanced by 3,620 MW of new natural gas turbines that the commission approved to go online in 2030 and 2031. (See *NCUC Approves Latest Duke 'Carbon Plan' to Expand Renewable, Nuclear and Gas Generation*.)

The Louisiana Energy Users Group, an industry group with heavy participation from fossil fuel companies, has floated *a proposal* to allow companies locating new facilities in the state to procure their own electricity from combined heat and power plants or from MISO's wholesale market, at their own expense.

Debating the difference between organized and vertically integrated retail markets at the Southeast Renewable Energy conference were (from left) moderator Daniel Nugent, Norton Rose Fulbright; Jaxon Tolbert, Southeastern Wind Coalition; Juliano Freitas, Invenergy; Monika Gerhart, Gulf States Renewable Energy Industries Association; and David Mindham, EDP Renewables. | *© RTO Insider LLC*

The Big Picture

The Southeastern states are embracing renewable energy development because they want to draw in the high-tech data centers.

Whether a state participates in an organized wholesale power market could be a critical differentiator for renewable project developers and their corporate customers, said David Mindham, director of regulatory and market affairs for EDP Renewables.

Organized markets have "all the structures you need to power and contract for power outside of a regulated utility," Mindham said. "And so that drives a massive amount of demand that isn't seen in the rest of the South, and that demand can be data center load; it can be other manufacturers."

At the same time, he sees the Southeast's response to economic development and the resulting growth in power demand as "driving good and intelligent development of projects and renewables" across its investor-owned, municipal and cooperative utilities.

But interconnection remains a pain point for renewable developers in MISO South, reflecting uncertainty, rather than speculation, Mindham said.

"The queue today is a reflection of the uncertainty we have in the markets we're approaching right now … where the transmission, where the number of data centers or new industrial loads, or whatever, where they are going to site, how many they are going to be," he said. "We're trying to anticipate the needs of a system that is full of uncertainties 10 years out."

The Virginia Update

The growth of renewables across the South over the past four years has been significant, with many states doubling their megawatts of utility-scale solar.

Southeast

According to figures from the Solar Energy Industries Association, cited at the conference, demand from the high concentration of data centers in Virginia's Loudoun County has more than doubled solar in the state, from 2,629 MW in 2020 to 5,799 MW in 2024. Georgia has gone from 3,249 MW to 6,147 MW, and Alabama has grown its utility-scale solar from 283 MW to 823 MW.

But demand growth projections are also increasing exponentially. With data centers still crowding into Virginia, Dominion Energy has *predicted* its electricity demand will grow 5.5% per year for the next decade, ultimately doubling by 2039.

Speaking at the conference's opening panel, focusing on Virginia, Scott Gaskill, Dominion vice president of regulatory affairs, said it took the utility "about 100 years to get to 20,000 MW [of demand], and we're going to double that in about 15 years."

The Virginia Clean Economy Act of 2020 requires Dominion to provide its customers with 100% clean power by 2045, setting up a major challenge for state lawmakers, regulators and other industry groups on how to meet growing demand and maintain reliability and affordability while meeting the VCEA goals.

Session moderator Cliona Mary Robb, board chair of the Virginia Renewable Energy Alliance, ran down a series of reports and hearings that will be looking at the thorny issues surrounding data center growth in the state.

The General Assembly in 2023 mandated the Joint Legislative Audit and Review Commission to study the particular challenges raised by data centers and issue a report by Dec. 10. The state Commission on Electric Utility Regulation has also been holding a series of hearings on data centers, with the next one scheduled for Nov. 26.

One of the ideas being discussed by commission staff is a shift "from having utilities file an integrated resource plan to instead filing an integrated system plan," Robb said. "The integrated system plan would include transmission planning as well as generation resource planning, and specifically … it would address the use of grid-enhancing technologies."

Finally, the State Corporation Commission has announced it will hold a technical conference Dec. 16, looking at the impact of hyperscale data centers in the state, with a main focus on cost allocation.

The SCC has yet to accept Dominion's 2024 IRP, filed Oct. 15, telling the utility to come back by Nov. 15 with updated modeling "to address load growth with and without data centers' price impacts [and] reflecting … updated capacity forecasts coming out of PJM," Robb said. (See *Dominion Releases 'All of the Above' Integrated Resource Plan for 2024*.)

Gaskill noted that the VCEA does allow the SCC to delay the retirement of fossil fuel generation to ensure reliability on the system.

But Kim Jemaine, managing director of Counterspark, a clean energy advocacy group, countered that while demand growth is largely seen as inevitable, meeting the clean energy goals of the VCEA is now being talked about as optional, as opposed to finding clean energy options.

"In our view, meeting the VCEA should be treated with the same seriousness and vigor as demand growth," she said. ■

SPP News

Rising Tensions Evident at BPA Day-ahead Markets Workshop

Agency Leaning in Favor of Qualitative over Quantitative Factors in Market Decision

By Robert Mullin

PORTLAND, Ore. — A largely polite discussion at the Bonneville Power Administration's Nov. 4 day-ahead market participation workshop ended on a testy note as critics of a BPA staff recommendation that the agency join SPP's Markets+ urged staff to rethink their position and consider once again delaying a decision beyond May 2025.

The workshop was the first BPA has held since announcing in August that it would postpone its final decision — originally scheduled for this month — into next year, with a draft decision targeted for March.

It was also the first such meeting since the executive leading the day-ahead markets effort, former Director of Market Initiatives Russ Mantifel, resigned on short notice in October. (See *BPA Markets+ Support Intact Despite Exec's Resignation, Agency Says*.)

The discussion covered BPA's intention to spend $25 million to fund Phase 2 of Markets+, the agency's thoughts on the West-Wide Governance Pathways Initiative's "Step 2" proposal and its reasons for delaying its decision.

But the key focus of the workshop was the recently released results of a production cost model study that Energy and Environmental Economics (E3) performed for BPA to estimate the comparative benefits of joining either Markets+ or CAISO's Extended Day-Ahead Market (EDAM) under various market footprint scenarios and tested under different sensitivities, such as conditions of low hydro or stressed load.

The study, which supplements the Western Markets Exploratory Group (WMEG) study that E3 produced for BPA last year, found the agency would gain significantly more financial

From left: BPA's Andy Meyers, Nita Zimmerman, Doug Marker, Matt Hayes, Todd Kochheiser, Mai Truong, Michelle Manary and Libby Kirby. | © *RTO Insider LLC*

benefits from participating in EDAM rather than Markets+, with the largest projected take in a single, West-wide market: $251 million in savings in 2026 — compared with a "Business as Usual" (BAU) case — declining to $147 million in 2035.

But in an Oct. 31 press release announcing the study results, BPA made clear the findings would not shift its leaning in favor of the SPP market, although they would still factor into its final decision. (See *BPA Sticks to Markets+ Leaning Despite Study Showing EDAM Benefits*.)

BPA officials reemphasized that view during the Nov. 4 workshop, at which two of the study's authors, E3's Jack Moore and Yuchi Sun, detailed the study's structure, methodology and results.

Moore reiterated a point that E3's Arne Olson made a year ago with the *release* of BPA's original WMEG study: that the supplemental study, with its focus on production costs, was not designed to capture potential savings from lower capacity needs based on resource and load diversity, the ability to procure resources over a wider geographic area and coordinated regional transmission planning.

"It is useful to note that those investment savings [and] investment impacts can be significant and sometimes larger even than production cost impact in the long run," Moore said.

EDAM supporters in the Northwest — and elsewhere — have repeatedly argued that point when urging BPA to join a single Western market based on EDAM rather than on Markets+, the latter of which will inevitably split the region into two markets given the unlikelihood that California utilities would choose the SPP-run market and the number of utilities already lining up for CAISO's platform.

But BPA officials at the workshop pointed to the importance of other factors not captured in the E3 study, some of which are qualitative and difficult to measure in dollars, such as the benefit of participating in a market with independent governance from the get-go.

Others are more quantitative, but still difficult to estimate in a study, such as the absence of scarcity pricing in the EDAM, market power mitigation practices, the impact of energy bid caps and the potential for CAISO — as both market operator and balancing authority participating in its own market — to "bias" operations in its own favor during stress events.

Sara Eaton, a BPA senior policy specialist, said the agency even questioned whether the supplemental study accurately reflects the financial impact from stressed grid events.

"We don't see the pricing levels for scarcity events near the impact that we see them in in today's world," Eaton said. "That's an impact that we're not seeing reflected in the studies. Our exposure to those sorts of pricing levels don't get incorporated into the cost" represented in the study.

Quantitative vs. Qualitative

Representatives of the large number of Northwestern publicly owned utilities that have advocated for BPA to join Markets+ backed the agency's approach of giving the supplemental study limited weighting in its decision.

Why This Matters

Sources tell RTO Insider BPA's decision between CAISO's EDAM and SPP's Markets+ is the most contentious issue in the competition between the two markets.

SPP News

"How certain are we that the analysis actually accurately represents what would happen?" Nicolas Garcia, policy director with the Washington Public Utility Districts Association (WPUDA), asked, noting the wide range of benefit estimates included in the study. "I do think we need to take [the findings] with a little bit of a grain of salt, and I would recommend perhaps using a few more zeros and a little less ones and fives, just because I think that even though that may be what the analysis came up with, the fact of the matter is that these things are a little bit uncertain."

Michael Linn, director of market analytics at the Portland-based Public Power Council (PPC), said his group supported "broadening the conversation beyond the production cost studies."

Linn said the E3 study is "clearly very valuable" and that E3's work "shows directional benefits" of BPA's participation in a day-ahead market. "But we also see that there's considerable variability across those modeled outcomes."

Both Linn and Garcia emphasized the importance of market factors that are "harder to quantify."

Linn also reemphasized Eaton's point about the unquantified cost of resource scarcity events.

"Every year there's some sort of issue that is a $100 [million] to $200 million issue for everybody [and] involves reliability, and the market framework where Bonneville has an equitable say in the resolution of those policy choices needs to be highly prioritized, from PPC's perspective," Linn said.

Garcia said the issue of governance should carry greater weight than a study showing EDAM would provide more economic benefits for BPA.

"I will say that my members, which represent about 20% of Washington's load, very much want independent governance, even if it doesn't come up with anything different in terms of value. We like democracy. We like independence," he said.


Rachel Dibble, BPA | © RTO Insider LLC

Rachel Dibble, BPA vice president of bulk power marketing, said governance determines market design, which in turn determines who gains and loses under stressed grid conditions.

"When you have a governance model that has a particular responsibility to one market participant, that's reflected in the market design, and it's reflected in the way that benefits and costs are allocated," Dibble said, pointing to CAISO's policy of curtailing wheel-throughs of "low-priority" energy transfers through its balancing area during emergency conditions, which sparked the ire of Arizona utilities during stressed grid events in the summer of 2020.


E3's Jack Moore and Yuchi Sun | © RTO Insider LLC

Sidney Villanueva, an attorney representing Avangrid Renewables, asked for more specificity on how governance affects market design.

Dibble explained how all Markets+ participants have voting rights and are responsible for designing the market and writing its protocols, which "really encourages collaboration."

"So, we have differently situated entities that then can come to the table, and there is a lot of time spent in the work groups hashing through all of these issues and trying to get to consensus and through a collaborative process to find a solution that works for everyone," she said.

'Head-scratcher'

Henry Tilghman, a consultant representing the Northwest & Intermountain Power Producers Coalition — an EDAM supporter — said BPA will have to contend with CAISO's market design regardless of whether it joins the EDAM and asked how joining Markets+ will "have any impact" on the issues the agency is concerned about.

"It's not that we're thinking that the Markets+ governance structure is going to resolve systemic issues in California, but why would we export that governance structure to a bigger footprint when we've seen these issues not get resolved historically?" Eaton asked.

Villanueva questioned whether the Markets+ process could guarantee an "equitable result" for all market participants, prompting BPA's Libby Kirby to reply, "Democracy doesn't make everybody happy all the time. We know that."

Tilghman said it was a "head-scratcher" that BPA would not provide funding for the Pathways Initiative, given the size of BPA loads that will end up in EDAM.


Fred Heutte, NW Energy Coalition | © RTO Insider LLC

Fred Heutte, a senior policy adviser at the NW Energy Coalition (another EDAM supporter), called out Dibble's comment about CAISO's policy of curtailing wheel-throughs.

"The question is: Has CAISO ever curtailed a high-priority wheel-through? The answer is 'no,'" Heutte said, adding that the ISO has curtailed low-priority wheel-throughs "because that's the structure that they are supposed to follow." (See *FERC Upholds CAISO Wheel-through Rules*.)

"If they didn't handle the high-priority wheel-throughs the way they have, then FERC would be on them in a minute," he said. "And I'm really unhappy that Bonneville continues to allege that CAISO has not behaved properly with regard to priority wheel-throughs."

Megan Capper, energy resources manager at Eugene Water & Electric Board, said her utility agrees with BPA about the importance of independent market governance but doesn't believe it's the only factor, citing transmission connectivity and footprint size as other critical elements to consider.

"It just feels like, with this [E3] analysis, that independent governance, if you're going to put a price tag on it, is very expensive," Capper said, recommending that BPA take an additional six-month delay to see how the Pathways Initiative plays out.

"We'll take the feedback," responded Nita Zimmerman, acting CIO at BPA. "At this time, as we've stated, we're staying on our timeline. We're looking forward to seeing where Pathways has gotten when we get to the point of releasing our draft decision in March and again in May."

Just as the workshop was both heating up and winding down, Stefanie Johnson, strategic adviser at Seattle City Light (another EDAM supporter), joked that the last 45 minutes of the workshop seemed to cover two days' worth of material. She said she would send BPA a list of questions "because I felt like I wasn't supposed to ask them."

"It's very contentious these days. That's why we're here on a Monday," Johnson said.

BPA is seeking comments on the workshop by Dec. 6 and plans to hold another two-day workshop in January. ■

SPP News

BPA Execs Lay out Markets+ Benefits, Risks, Reasons

Agency Continues to Point to Importance of Governance over Economics in Market Decision

By Robert Mullin

PORTLAND, Ore. — The Bonneville Power Administration's biggest risks in joining SPP's Markets+ come down to footprint size and the limited transmission connectivity between the Northwest and Southwest entities most inclined to join the market, agency executives said during a Nov. 4 press briefing.

BPA held the briefing immediately after a sometimes-contentious meeting where agency officials updated stakeholders on the day-ahead market decision process and discussed results from a new production cost model study estimating the agency's potential economic benefits from participating in either Markets+ or CAISO's Extended Day-Ahead Market (EDAM). (See related story, *Rising Tensions Evident at BPA Day-ahead Markets Workshop*.)

The study, prepared by Energy and Environmental Economics (E3), found that BPA stands to realize the greatest savings in a single West-wide day-ahead market and would earn significantly more financial benefits from EDAM than from Markets+ under the most likely scenario reflecting the commitments a handful of key utilities have already made to joining the CAISO-run market.

Despite those findings, BPA has said it plans to hold fast to its staff recommendation that the agency choose Markets+ for more qualitative reasons, such as its independent governance from the get-go and the market design established under that governance. (See *BPA Sticks to Markets+ Leaning Despite Study Showing EDAM Benefits*.)

"I think footprint is a fair issue [for risk in Markets+], especially when you look at production cost model studies," Rachel Dibble, BPA vice president of bulk power marketing, said during the briefing. "That's really where those [economic benefits] numbers come from ... the size of the footprint."

Why This Matters

BPA officials offered more clarity into the thinking behind the agency's 'leaning' in favor of SPP's Markets+ over CAISO's EDAM.

Rachel Dibble, BPA | *© RTO Insider LLC*

Dibble and acting BPA CIO Nita Zimmerman agreed that transmission connectivity between the two prospective Markets+ areas was another key point of risk for potential participants.

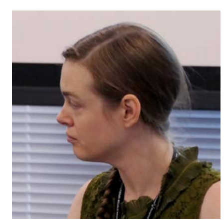
"It really impacts the ability for power to flow across the region," Dibble said.

Dibble noted there is some connectivity between the Northwest and Southwest, but it's "not particularly robust," especially if NV Energy joins EDAM, a near certainty after the utility in May announced its intention to do so. (See *NV Energy to Join CAISO's Extended Day-Ahead Market*.)

"More connectivity would be better, because it does give the chance to do more optimization across the two [regions], but there is some transmission" between them, she said.

"Flow will also go through California on California transmission as well," Dibble added. "That's still part of the market, because that transmission ... also links the Northwest to the Southwest."

Libby Kirby, BPA's market initiatives policy lead, said the agency has few concerns about passing FERC market power screens under a scenario in which the two major parts of Markets+ are held together by limited transmission.



Libby Kirby, BPA | *© RTO Insider LLC*

"One piece of the market design in Markets+ includes a 'conduct and impact' test," Kirby said. "So it's not just, 'Is there the potential for market power?' It's like, 'Are you actually impacting the price?' So there's kind of some additional steps that they check before they actually assess you for market power."

During the workshop, some stakeholders pointed to the financial risk of BPA paying its $25 million share to fund the Phase 2 implementation phase of Markets+ if it later decides not to join the market, given that the funding is expected to be paid through future transactions in the market. Agency officials said the expense is worth ensuring the West has two viable day-ahead market options.

During the briefing, Dibble said she didn't yet know when the $25 million would come due if BPA declined to join Markets+ and that such

SPP News

details would be worked out in the Phase 2 contract.

'A Real Option'

Some workshop participants also expressed concern about BPA's timeline for issuing a decision on its market choice, urging the agency to push back its May 2025 target to allow more time for legislative developments to play out around the West-Wide Governance Pathways Initiative.

Asked about the impact on the BPA decision timeline of FERC potentially issuing a second deficient letter on the Markets+ tariff, Dibble said: "It's something we would have to play by ear. It depends on what's in it, [and] how quickly it could be answered. But I think ultimately, until we have a FERC-approved market, we don't have a market to join."

Dibble pointed out that other Western entities aren't waiting on BPA to make their market decisions. "And what concerns us is that Bonneville just gets pulled into whatever everyone else chooses, instead of it being a proactive choice that we are making based on what's best for our customers," she said.

Nita Zimmerman, BPA | © *RTO Insider LLC*

"I don't believe that creating a West-wide market is something that is Bonneville's responsibility," she added, reiterating a point BPA representatives have made throughout the agency's decision process.

BPA recognizes the impact of its decision and wishes "no harm" to others in the Western Interconnection, Dibble said, "but our obligation and our fiduciary responsibility is to the people of the Pacific Northwest, and our decision will be what is best for the people of the Pacific Northwest and the subset of our preference customers that we have special obligations to."

The most telling comments about BPA's firmness on its Markets+ leaning came in response to a question about whether the agency will be looking for signals from the California legislature next year around Pathways' "Step 2" proposal to implement a more independent governance framework for CAISO's Western markets.

Dibble said that after a decade of waiting for California to grant CAISO more independence, BPA "decided to go out and work with the region and another market operator to create what we wanted."

"So to now say, 'OK, we know what option you have out there that satisfies your needs, but now tell us what your bare minimum is that California could do' — we're not going negotiate against ourselves that way," she said. "We have an option that's no longer hypothetical. It is a real option that has a real independent market governance structure that satisfies us, and that's what we're measuring everything else against." ■

Former ERCOT Market Monitor Joins SPP's MMU

By Tom Kleckner

Former ERCOT Independent Market Monitor Carrie Bivens has been named vice president of SPP's Market Monitoring Unit, replacing her predecessor after he took an executive position with the Texas grid operator.

SPP said it selected Bivens after a national search, saying her "extensive" experience as a market monitor and 14 years in leadership positions at ERCOT "set her apart among many highly qualified applicants." Her tenure begins Dec. 2.

Bivens replaces Keith Collins, who left the MMU in May to take a position as ERCOT's vice president of commercial operations. (See *SPP Monitor Collins Joins ERCOT as VP of Market Ops*.)

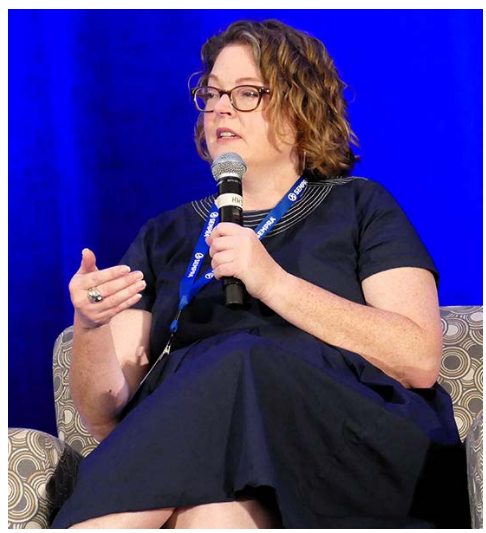
"I'm thrilled with the opportunity to work for such a great organization in such a meaningful role," Bivens told *RTO Insider*. "I look forward to building upon the solid foundation that Keith has laid at the MMU. With Keith, ERCOT is in good hands, and I now have big shoes to fill at SPP."

Director Ray Hepper — chair of SPP's Oversight Committee, which ensures the MMU's independence — said the organization is "incredibly excited" about Bivens' arrival.

"Her experience speaks for itself," Hepper said in a *statement*. "She has detailed knowledge of electricity markets, especially as they impact RTOs. She's carved a progressive career path, demonstrating leadership skills throughout. The SPP MMU will continue to provide an invaluable service to the region and grow under her guidance."

Bivens previously served as the ERCOT IMM for more than three years before resigning in 2023. Among her last actions was defending an IMM report that said the grid operator's newest ancillary service "likely" raised the real-time market's energy value by at least $8 billion. (See *Bivens Resigns as ERCOT's Market Monitor*.)

After leaving the IMM, Bivens joined NextEra Energy Resources as its executive director for regulatory and political affairs. She was responsible for oversight of policy and advocacy in ERCOT and at the Texas Public Utility Commission.



Former ERCOT IMM Carrie Bivens is joining SPP to lead its Market Monitoring Unit. | © *RTO Insider LLC*

Bivens has a bachelor's degree in business administration from the University of Houston. ■

SPP State Commissioners Win Re-election Bids

Fiegen, Christmann Among Regulatory Victors on Election Night

By Tom Kleckner

Kristie Fiegen and Randy Christmann, Republican regulatory commissioners from the Dakotas who sit on SPP's Regional State Committee, both won re-election to six-year terms Nov. 5.

Fiegen, chair of the South Dakota Public Utilities Commission and SPP's Resource Energy and Adequacy Leadership (REAL) Team, *bested Democratic and Libertarian challengers*, taking 67.8% of the vote with more than 95% of the vote in.

Christmann, chair of the North Dakota Public Service Commission, defeated Democratic challenger Tracey Wilkie, garnering 70% of the vote with 95% of the ballots counted. He advocates for transmission projects that strengthen the grid, which *he has said* is "on the verge of collapsing."

Fiegen was appointed to the commission in 2011 and won her first election in 2012. Christmann was also first elected in 2012. Both have served as the RSC's president since then.

"I am grateful that South Dakota voters continue to trust my judgment as their public utilities commissioner," Fiegen told *RTO Insider*.

For Fiegen, the election came with a new perspective. She left the campaign trail and stepped away from her SPP duties in September after her husband, Tim, *suffered a major heart attack*, his second, while they were in the Black Hills.

She immediately conducted CPR as her brother guided her over telephone. Fortunately, a group of firefighters was in a cabin less than a mile away. They arrived within minutes with a defibrillator and took over CPR, eventually resuscitating Tim.

The survival rate for sudden cardiac arrest is less than 10%, Fiegen said.

"We are blessed to have our South Dakota family pray for us" for more than five weeks, she said. "We are grateful and blessed."

In other SPP and ERCOT regulatory elections:

- *Brian Bingman* (R) won the open seat on the three-person Oklahoma Corporation Commission, receiving nearly 64% of the vote against two challengers. He replaces Bob Anthony, who left the OCC after serving six consecutive six-year terms; he was first elected in 1988 and, six years later, became the first Republican incumbent in the state's history to win statewide re-election to a state office.
- *Jean-Paul Coussan* (R) won a tight race for an open seat in District 2 of the Louisiana Public Service Commission, securing 54% of the ballots against a fellow Republican and a Democrat. He replaces Craig Greene, who stepped down after one term and was the five-person PSC's swing vote. Coussan gives the commission a 3-2 Republican majority.
- *Christi Craddick* (R) won re-election to the Texas Railroad Commission, which regulates the state's oil and gas industry. She took 55.4% of the vote with 96.07% of the ballots counted, fending off three other candidates. Craddick chairs the RRC and was first elected in 2012. ■

South Dakota's Kristie Fiegen chairs an SPP REAL Team meeting alongside Nebraska's Chuck Hutchison. | *© RTO Insider LLC*

FERC Approves SPP's Winter RA Requirement

By Tom Kleckner

FERC on Nov. 4 accepted SPP's tariff revisions that add a winter season resource adequacy requirement for load-responsible entities, effective Jan. 1 (*ER24-2397*).

The commission said the requirement and its associated deficiency payment provide an incentive that will help ensure LREs proactively procure and maintain sufficient capacity during the winter season. SPP's proposal extends its summer season resource adequacy (RA) requirement into the winter, replacing the existing winter obligation.

FERC said SPP's tariff revision addressed its November 2023 rejection of the grid operator's first filing. The RTO added language clarifying that a resource can only be used to meet the RA requirement if the LRE "expects [it] will be available for the duration of the [season]" and has "no knowledge [that the resource] will become unavailable."

SPP's new language included an exception for authorized outages, as long as the outage or outages do not exceed 30 days of either season.

Protesters argued that the first revision didn't include a requirement that resources in an LRE's workbook are expected to be available. LREs could purposefully include generators they knew would be offline during the season, undermining resource adequacy, the protesters said.

The commission disagreed with the SPP Market Monitoring Unit's contention that the lack of a definition for "forced outage" renders authorized outage's definition ambiguous and the filing unjust and unreasonable. It pointed to SPP's argument that forced outages, though not explicitly defined in the tariff, are not studied and therefore cannot fall within the definition of authorized outages.

"The definition states that authorized outages will be studied by SPP as the balancing authority," FERC said. "The definition of authorized outages also only encompasses those outages that have received authorization from SPP and provides that the balancing authority does not authorize forced outages."

The commission noted that SPP extended the expectation of availability that previously applied only to the summer RA requirement, which it previously accepted. The RTO also imposed additional requirements, FERC said, in rejecting the MMU's argument that the tariff must include further detail to ensure that SPP and its stakeholders know which situations disqualify a resource from the expectation of availability.

Why This Matters

FERC's acceptance of SPP tariff revisions that add a winter season resource adequacy requirement for LREs extends the same requirement they face during the summer season.

"Having found SPP's proposal just and reasonable," FERC said, it didn't need to "consider alternative proposals" in the proceeding.

SPP added the winter resource adequacy requirement after increasing its planning reserve margin, saying the obligation was the culmination of a large amount of work by several stakeholder groups. (See "Board, RSC Endorse Winter Obligation," *SPP Board/Members Committee Briefs: July 24-25, 2023*.) ■

FERC has accepted SPP tariff revisions that add a winter season resource adequacy requirement for load-responsible entities. | *Shutterstock*

Company News

Duke Reports on Hurricanes' Impact, SMR Plans in Q3 Earnings

By James Downing

Duke Energy CEO Lynn Good | *Duke Energy*

Duke Energy on Nov. 7 reported third-quarter earnings of $1.226 billion ($1.60/share), a dip of about 15% from the same period in 2023, as results were impacted by one of the biggest hurricane seasons to hit its territory in memory.

"I am proud of the remarkable response from our employees and utility partners to a historic storm season, including three consecutive hurricanes," Duke CEO Lynn Good said in a statement. "Our team's commitment to our customers was unwavering as they worked around the clock to restore 5.5 million outages as quickly and safely as possible and rebuilt large portions of our system in a matter of days."

Duke's multiple utility territories were hit by hurricanes Debby, Helene and Milton this season, and it is expected to spend $2.4 billion to $2.9 billion on restoration in the Carolinas and Florida.

The costs impacted third-quarter earnings, but the work continues in the fourth quarter. Most of those costs will be deferred for future recovery in regulatory assets on the condensed, consolidated balance sheets or related to capital projects, the company said.

"My heart goes out to all of those who are directly impacted by these catastrophic storms, especially those who lost loved ones, homes or businesses," Good said on a quarterly call with analysts.

The firm's workforce had to repair its system while, in many cases, dealing with the impacts from the storms in their personal lives, she added.

"Our field teams rose to the challenge, working around the clock to restore outages as safely and quickly as possible," Good said. "And our customer care representatives, corporate responders, community relations managers and state president offices worked tirelessly to keep customers and policymakers informed."

Helene's impact on Asheville, N.C., was unlike anything Duke has dealt with before, company President Harry Sideris said on the call.

"Over the three hurricanes, we assembled more than 20,000 resources from across the U.S. and Canada and restored approximately 5.5 million outages in some of the harshest conditions," Sideris said.

Debby hit in August, knocking out power to 700,000 customers in Florida and North Carolina, though most were restored within a day, he added.

Helene hit both states a month later and impacted every one of the company's territories, with the hardest hit areas in western North Carolina, upstate South Carolina and Florida's barrier islands, Sideris said.

"The storm brought record-breaking rainfall and flooding, created landslides, and washed out roads and towns," he added. In total, Helene led to approximately 3.5 million outages.

Then, as work to repair from Helene was continuing, a week later, Milton hit Florida and knocked out power to an additional 1 million customers there.

"Our success in responding to storms of this magnitude is due to our strategic preparation ahead of the storms, near constant communication with customers and stakeholders, and most importantly, the tireless work of our employees and utility partners," Sideris said.

Meanwhile, Duke has been in the early planning stages of considering small modular reactors (SMRs), with Sideris saying some of its large customers are interested in using the technology to provide clean power for their operations.

"But any decision as we move forward, we'll have to address three key items," Sideris said. "The first one is the first-of-its-kind risk that exists, really, around the maturity of the technology [and] the supply chain. The second item is cost overrun protection, to protect our investors and our customers. And then our third is to make sure that we can protect our balance sheet [when] making these investments."

Good also commented on the biggest story of the week when she congratulated President-elect Donald Trump for his victory.

"I think the U.S. economy will be a focus and a priority of his, and our industry plays an incredibly important role," Good said. "So, as we look at what we're doing here in the Carolinas and also Indiana and Florida, we are putting infrastructure in place in order to serve economic development and believe there are lots of opportunities to work together." ■

Company News

AEP CEO: Transmission Provides Foundation for Growth

By Tom Kleckner

AEP CEO Bill Fehrman | *AEP*

AEP is banking on its 765-kV expertise to produce future dividends. | *Matt Weldon*

Newly minted American Electric Power CEO Bill Fehrman held his first earnings call with financial analysts Nov. 6, promising to "embrace large load opportunities," use expertise in 765-kV transmission and deliver more positive regulatory outcomes.

"I'm honored to join a leader like AEP at a pivotal time for both the organization and our industry," Fehrman said during the call. "I need to establish a record of delivering on promises to you while demonstrating goodwill to our regulators and customers."

Since replacing Julie Sloat as CEO in August, Fehrman said he has met with staff and stakeholders — including four governors and more than 30 regulators and legislators — across AEP's 11-state footprint for "robust" discussions about critical initiatives. (See *AEP Selects Industry Veteran as Next CEO*.)

He said those exchanges have helped shape AEP's vision for the future.

"AEP has built a strong foundation for growth," Fehrman said, alluding to a transmission system that represents 55% of the company's total revenue stream. "However, we can improve reliability, streamline costs, use technology better and put power in the hands of local leaders to build financially strong utilities in our communities."

That will include what he called an "optimization exercise" as the company "retools personnel and processes" over the coming months.

"The bottom line here is we have made progress transforming a business over the past three months, but we have significantly more wood to chop," Fehrman said.

Still, AEP has increased its five-year capital plan to $54 billion, all allocated to its regulated businesses for reliability purposes and to meet demand growth. It has allocated 63% of that capital to wires functions and 26% to new generation, including renewables. The company said it expects rates to go up less than 3% annually through 2029.

The Columbus, Ohio-based company is part of a joint venture with FirstEnergy and Dominion Energy that is pursuing several multistate extra-high-voltage transmission projects in PJM. AEP is also eyeing potential 765-kV projects in ERCOT, PJM and SPP.

"We have a big opportunity in ERCOT around 765[-kV] down there in the event that they decide to go that way. ... [There is] a significant opportunity on the various backbone growth areas for Texas that just alone is a good $4 [billion] or $5 billion of opportunity potential on the 765[-kV] front," Fehrman said. "The fact that AEP is essentially the only U.S. company that knows how to build and operate 765[-kV] gives us a strong competitive advantage."

AEP also recently filed a settlement agreement with the Public Utilities Commission of Ohio to help insulate customers from the cost risk of building infrastructure to connect data centers. It has filed similar large-load modifications in three other states and a complaint with FERC related to co-located load arrangements. (See *AEP Ohio Proposes Revised Data Center Tariff*.)

"Load growth from data center demand has the potential to benefit all stakeholders, including investors, customers and local communities, but only with fair and proper cost allocation," Fehrman said. "We don't have an issue with data centers looking to use nuclear power plants as an energy source. But we do have an issue when they use the transmission system and try not to pay for it. That's a problem for us because that cost gets shifted to other customers."

Fehrman did not comment on AEP's discussions with the U.S. Securities and Exchange Commission over the Ohio nuclear bribery scandal, in which FirstEnergy was found to have paid state legislators to subsidize its plants. The SEC has twice subpoenaed AEP since 2021, but the company and its officials have not been criminally charged. Although the company has steadfastly said it does not believe it was involved in any "wrongful conduct," it has set aside $19 million as a contingency. (See *Feds: FE Paid $61M in Bribes to Win Nuke Subsidy*.)

AEP reported third-quarter earnings of $959.6 million ($1.80/share). That was a slight improvement from the same period a year ago, when earnings came in at $953.7 million ($1.83/share).

The company's share price fell to $96.25 on Nov. 6 on a down day for the S&P 500 Utilities index, dropping just over 4% from its $100.40 close Nov. 5. AEP's stock rebounded slightly Nov. 7 and closed up 8 cents. ■

Company Briefs

CenterPoint Working on Improving Hurricane Response

PA Consulting Group, the independent third party responsible for reviewing CenterPoint Energy's response to Hurricane Beryl, made 77 recommendations aimed at improving the company's readiness, response and communication during future storms and/or emergency situations.

So far, CenterPoint said it has already completed 18 of the recommendations and is in the process of completing 33 more. The company said it would evaluate the remaining 26 as it continues to formulate its long-term resiliency efforts that will be announced next year.

CenterPoint has also hired Don Daigler to oversee a revamp of its emergency preparedness and response. Daigler, founder and CEO of Resilience Advisory Services, a consulting firm specializing in resiliency across critical infrastructure sectors, will join the company as its senior vice president for emergency preparedness and response in mid-November.

More: *Houston Public Media*, *Houston Chronicle*

Acciona Energia Acquires 2 Texas Wind Farms

Spain's Acciona Energia last week announced the acquisition of two wind farms in Texas totaling 300 MW.

The company paid $202.5 million to buy the Green Pastures I and II wind farms from various private asset management entities.

More: *Renewables Now*

Enlight Signs PPA with APS

Enlight Renewable Energy's U.S. subsidiary, Clenera, last week announced it has signed a 20-year power purchase agreement with Arizona Public Service for its Snowflake A Project.

The project, which will provide 600 MW of solar and 1,900 MWh of storage availability, is expected to be operational in 2027.

More: *Solar Industry Magazine*

Federal Briefs

TVA Approves PPA for Memphis Supercomputer Site

The Tennessee Valley Authority last week approved a power purchase agreement with Elon Musk's xAI supercomputer facility in Memphis.

The facility is expected to use up to 150 MW at peak. Any company using more than 100 MW requires TVA approval.

The facility is currently online and using temporary gas turbines for power.

More: *Memphis Commercial Appeal*

BOEM Publishes Final EIS for SouthCoast Wind Project

The Bureau of Ocean Energy Management published its final environmental impact statement for the 2.4-GW SouthCoast Wind Project off the coast of Massachusetts.

The proposal outlines the installation of up to 147 wind turbine generators, up to five offshore substation platforms and as many as eight offshore export cables.

More: *Power Technology*

FERC Allows Gas to Start Flowing to Plaquemines LNG Plant

FERC last week approved Venture Global LNG's plans to introduce natural gas into its Plaquemines export plant in Louisiana.

The company can commission and introduce natural gas into its "fuel gas and warm flare" systems, FERC wrote in its order. It is allowed to introduce gas to other parts of the facility once the company complies with the conditions of the order.

The 20 million metric tons per annum Plaquemines LNG plant will be the second-largest U.S. export facility when fully operational.

More: *Reuters*

State Briefs

CALIFORNIA

Southern California Edison Enacts PSPS

Southern California Edison last week enacted public safety power shutoffs and cut off power to tens of thousands of customers due to heightened wildfire risk.

The extreme wind event generating 70-to-80-mph winds ignited two fires around Santa Ana.

Shutoffs, which had affected Los Angeles, San Bernardino, Riverside, Ventura, Orange and Santa Barbara counties, were extended into parts of Kern and Tulare counties.

More: *Los Angeles Times*

Voters Approve $10B Climate, Environmental Bond

Voters last week approved $10 billion in bonds for climate and environmental projects.

Proposition 4 will fund projects to safeguard drinking water, combat wildfires, protect natural lands, and improve resilience against floods and extreme heat. Water projects will get about $3.8 billion. Half of that portion, $1.9 billion, will be spent on improving water quality, while the rest will be spent on protecting the state from floods and droughts and restoring rivers and lakes.

More: *CalMatters*

COLORADO

Weld County Approves Solar Project

The Board of Weld County Commissioners voted 4-1 to approve a solar farm.

The project, which is being developed by Balanced Rock Power and Taelor Solar, will sit on 4,300 acres in Weld County and 4,100 acres in Morgan County.

The project had gained approval from Morgan County and the Weld County Planning Commission.

More: *KUNC*

Xcel Ordered to Remove Investor Relations, Exec Salaries from Rates

The Public Utilities Commission ordered Xcel Energy to remove all investor relations costs — including a portion of executive salaries — from its calculations of costs passed on to customers.

Following the 2022-23 winter, the legislature convened a special committee to investigate rates. The result was Senate Bill 291, which took aim at 15 types of expenses that should not be paid by customers, such as a portion of board of directors' compensation, travel and entertainment expenses. In a current gas rate case, more than $775,000 in such costs were disallowed.

More: *The Colorado Sun*

CONNECTICUT

Siting Council Approves Solar Facility Plan

The Siting Council has approved a $3.75 million solar facility in Enfield.

Lodestar Energy will develop the 1.93-MW solar facility on 12.1 acres of unused farmland.

Construction is expected to take between six to nine months.

More: *Stamford Advocate*

INDIANA

Regulators Approve AES Natural Gas Conversion

The Utility Regulatory Commission last week cleared the way for AES Indiana to transition two units at its Petersburg Generating Station from coal to gas.

The repowering of Petersburg Units 3 and 4 will be staggered so that only one unit is offline at a time. Unit 3's conversion is expected to start in February 2026 and be completed in May 2026. Once completed, it will take about one month for startup, commissioning and testing to reach a commercial operation date in June 2026. Unit 4's outage would start in June 2026 and be completed in October 2026.

The move is expected to save $281 million over 20 years.

More: *Indiana Capital Chronicle*

MASSACHUSETTS

OSW Contracts Delayed Until February

The evaluation team that includes the Department of Energy Resources, National Grid, Eversource and Unitil last week informed the Department of Public Utilities that it will not meet the targets for finishing contract talks or contract filings for the latest round of the state's offshore wind projects.

"The contracting parties have not yet completed their contract negotiations and are now targeting the completion of negotiations and execution of contracts with all three counterparties on or before Jan. 15, 2025. Accordingly, the evaluation team is now targeting the filing of contracts with the department on or before Feb. 25, 2025," the letter said.

The latest delay means contracts would almost certainly be filed after Donald Trump returns to the White House.

More: *CommonWealth Beacon*

MICHIGAN

PSC Approves DTE Gas Rate Increase

The Public Service Commission last week approved a rate increase for DTE Gas but is requiring the company to take steps toward reducing emissions and costs.

Residential customers can expect about a $2 increase on their monthly bills. It is the second rate increase for DTE Gas in four years.

Plans to reduce emissions and costs include incorporating the state's emissions and electrification goals and planning for a decrease in the use of natural gas.

More: *Michigan Public Radio*

MISSISSIPPI

PSC Announces Hearing for Holly Springs Services

The Public Service Commission last week announced it will open an investigation into the services provided by the Holly Springs Utility District.

The city of Holly Springs has been summoned to appear before the commission Jan. 7, 2025.

The PSC said the decision follows months of complaints from the utility's customers.

More: *WJTV*

VIRGINIA

Balico Withdraws Application for Pittsylvania Power Plant, Data Center

Balico announced it was withdrawing its application to bring a power plant and data center to Pittsylvania County but said the project was not dead.

The plans called for a 3,500-MW natural gas power plant to tap into the Mountain Valley Pipeline. The plant would have provided energy for a data center complex composed of 84 two-story structures.

More: *Danville Register & Bee*

WISCONSIN

PSC Approves Rate Hikes for We Energies, WPS

The Public Service Commission last week approved rate increases for We Energies and Wisconsin Public Service.

We Energies received an 8.79% increase over the next two years that will equate to a $7.62 increase in 2025 and a $9.73 increase in 2026.

Wisconsin Public Service was approved for a 7.33% increase over two years. It will raise customers' bills $7.11 in 2025 and $5.04 in 2026.

More: *Wisconsin Public Radio*