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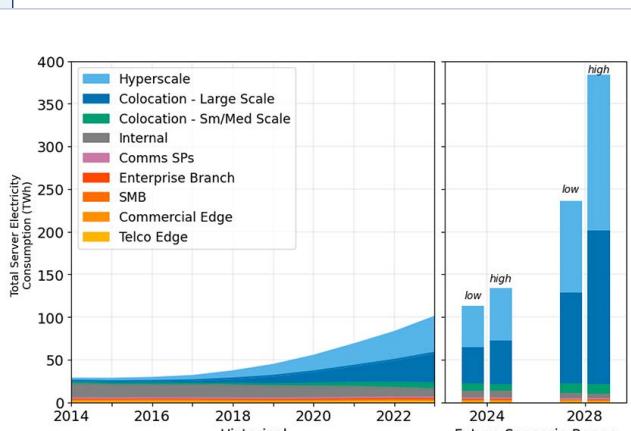
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YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKET

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

PJM CAISO/WEST ISO-NE

FERC Launches Rulemaking on Thorny Issues Involving Data Center Co-location



Lawrence Berkeley National Laboratory

FERC must resolve issues around co-located data centers, such as ensuring the facilities pay for any benefits they still derive from the grid. Broader issues include declining resource adequacy, and what effects removing cheap, nuclear power from serving other customers can have.

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FERC OKs CAISO Implementation of EDAM Access Charge Rules (p.12)

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FERC OKs Changes to PJM Capacity Market to Cushion Consumer Impacts (p.33)

FERC/FEDERAL



FERC

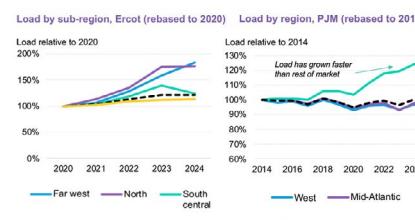
FERC's Christie Says Existing Policies Can Align with Trump Order (p.3)

President Trump ordered that "all proposed and final significant regulatory actions" be submitted to the White House for review. FERC Chair Mark Christie said he believes the order did not apply to "the bread-and-butter cases brought to FERC." The commission is seeking more detail.

Trump Claims Authority over Independent Agencies in Executive Order (p.5)

FERC/FEDERAL

ERCOT



Bloomberg NEF

The 2025 Sustainable Energy Factbook in 7 Charts (p.7)

The facts, figures and industry insights in the Sustainable Energy Factbook provide a baseline of where the U.S. clean energy sector stood at the end of 2024, which is in sharp contrast to President Donald Trump's vision of fossil fuel-powered U.S. energy dominance.

2 Companies Withdraw Texas Energy Fund Projects from Consideration (p.19)

CAISO/WEST



U.S. Army Corps of Engineers

2 Top BPA Execs to Depart; Army Corps of Engineers also Faces Massive Cutbacks (p.14)

The departure of BPA's COO and SVP of transmission illustrates how the agency stands to lose some of its most experienced staffers just as the electricity sector faces growing challenges on multiple fronts.

Ore. Senators Ask Trump to Justify 'Reckless' Job Cuts at BPA (p.15)

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FERC's Christie Says Existing Policies Can Align with Trump Order

By James Downing

FERC Chair Mark Christie ran his first open meeting Feb. 20 and addressed President Donald Trump's executive order on independent regulatory agencies.

Trump on Feb. 18 had ordered that independent agencies "submit for review all proposed and final significant regulatory actions to the Office of Information and Regulatory Affairs" before they can be published in the *Federal Register*. (See related story, [Trump Claims Authority over Independent Agencies in Executive Order](#).)

"A lot of this in the EO is basically putting in one place past practices that have been going on for years," Christie told reporters at a press conference after the meeting. "Let me just give you examples. We already submit our budget to OMB [the White House's Office of Management and Budget]. We've been doing that for years. They can approve it or not approve it. We already submit our strategic plan to OMB, and we've been doing it for years, and they can question it. So that's not new."

FERC and its predecessor agencies have been submitting major regulations with

an economic impact to the White House for a century, he added.

The commission also has complied with executive orders issued by past presidents regularly, and previous chairs have consulted with the White House. Christie noted that he already has had a meeting with the secretaries of energy and the interior, updating them on business before the commission.

"The consultation part has been going on for years, as of course, it should," Christie said. "It's fanciful to think that if a president can appoint a chair, the president is going to appoint a chair who's going to do something 180 degrees opposite of what the general policy of the administration is. I mean, it's just ludicrous to think that ... and that has never been the case."

Two of FERC's main goals under Christie are for the power grid to be reliable and to accomplish that affordably, which are in line with the president's policies, he said.

"The second point I want to make is there's a lot of detail yet to be known about the parts that aren't obviously what we've been doing," Christie said. "I want

Why This Matters

President Trump ordered that "all proposed and final significant regulatory actions" be submitted to the White House for review. FERC Chair Mark Christie said he believes the order did not apply to "the bread-and-butter cases brought to FERC." The commission is seeking more detail.

to get more detail. We're going to ask the appropriate places for more detail and see how this plays out."

Christie said he doubts the White House would want to weigh in on the bread-and-butter cases brought to FERC under the Federal Power Act and Natural Gas Act. He argued that any additional oversight from the EO probably would be aimed at larger policy cases it launches at its own discretion. But FERC does not have that clarification yet, he said.

"Why would any commission initiate a big, sweeping regulation that's contrary to what the presidential administration wants?" Christie said. "And by the way, I can't think of an example in my history of watching administrative law where that's ever happened."

Historically, FERC and other agencies have initiated substantial rulemakings that are in line with the president's policies, Christie said. He pointed to how the commission's greenhouse gas policy statement for natural gas infrastructure and Order 1920 on transmission dove-tailed with former President Joe Biden's policy, as laid out in an executive order setting a goal.

Christie clarified that FERC will hold the line and not violate *ex parte* rules on pending cases.

"We do not allow *ex parte* communications; that would violate the [Government in the] Sunshine Act," Christie said. "It



FERC Chair Mark Christie | FERC

would also violate everything I know about due process in contested proceedings going back to being a state regulator. We didn't allow it in Virginia, so we're not going to start allowing *ex parte* communications."

One worry flagged by FERC watchers, speaking to *RTO Insider* about Trump's order, was that it could open the door to more politicization of the commission's regulatory process, which eventually could affect the cost of capital in major infrastructure investments.

"We live in a democratic system, and we live in a political world in the sense of politics, with a small 'p,' Aristotelian version of politics," Christie said. When people talk about the politicization of FERC, he continued, they are referring to letting special interests get their way, regardless of the law and facts before the commission. With 2024's Order 1920, Sen. Chuck Schumer (D-N.Y.), who was majority leader at the time, submitted a letter before the original version was issued — which Christie said was likely ghost-written by lobbyists — calling for FERC to enact reforms that wound making up the bulk of the order. (See *FERC Issues Transmission Rule Without ROFR Changes, Christie's Vote.*)

"We don't live in a parallel universe in some pristine vacuum," Christie said. "And it's totally appropriate for senators ... to

write us a letter and say, 'Here's what I want to see.' The bigger danger at FERC and other regulatory agencies is the danger of regulatory capture, and it's the influence of special interests."

FERC always has been more open to listening to parties informally when it does not violate *ex parte* rules than the Virginia State Corporation Commission. During a rulemaking, lawyers and other experts for parties commenting on rulemakings can come in and talk to commissioners, and they do so regularly.

"That's been going on for decades; query whether it should," Christie said. "You know, the [Securities and Exchange Commission] has had a rule where any lobbyist or lawyer that comes and talks to you has to sign a form, and it's publicly published at the end of every month."

Christie has looked into whether FERC should adopt that practice from the SEC, he added.

"In a contested proceeding, they cannot do that because *ex parte* communications in a contested proceeding are totally inappropriate," Christie said. "And that ain't gonna happen on my watch."

Other Business at Christie's First Meeting

In addition to addressing the executive

order, Christie also announced that the next meeting of the *Federal-State Current Issues Collaborative*, which the agency runs with the National Association of Regulatory Utility Commissioners, will be at the commission's headquarters April 30.

The commission also *announced* a major technical conference covering resource adequacy issues in all of the ISOs and RTOs that will take place June 4-5 at FERC headquarters.

"For years I have been warning that rising demand forecasts and the failure to retain existing generators or build adequate new power generation is threatening resource adequacy and the reliability of our power grid," Christie said in a statement. "I look forward to addressing this important topic with my colleagues and others who can contribute important information and give their views on how we move forward on this critically important issue."

The technical conference will cover current and impending risks to resource adequacy; issues capacity markets have had ensuring reliability at an affordable cost; performance comparisons between the different capacity markets; alternative resource adequacy constructs; and states' desired roles in dealing with resource adequacy. ■

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Trump Claims Authority over Independent Agencies in Executive Order

By James Downing

President Donald Trump on Feb. 18 issued an executive order that seeks to bring independent regulatory agencies like FERC under greater White House control.

Trump said in "[Ensuring Accountability for All Agencies](#)" that "so-called" independent agencies' minimal supervision from the elected president goes against the Constitution, and they "shall submit for review all proposed and final significant regulatory actions to the Office of Information and Regulatory Affairs (OIRA)" before they can be published in the *Federal Register*.

It is unclear how much of an impact this, or any of Trump's executive orders that stretch the interpretation of existing laws, are going to have on FERC. Established in 1980, OIRA reviews the regulations from cabinet agencies like EPA or the Department of Energy, but historically, it has exempted independent agencies' decisions from substantive review, according to a [report](#) from the Congressional Research Service.

Regardless of its actual effects, the executive order in and of itself is "an unprecedented effort" to curtail the independence of regulatory agencies, Ari Peskoe, director of Harvard Law School's Electricity Law Initiative, said in an interview.

"It depends on what the administration thinks it's going to do here: whether it's going to dictate policy, which is not quite possible for FERC since it still has a majority of Democratic commission-

Why This Matters

President Trump's attempt to curtail the independence of regulatory agencies like FERC likely will face legal challenges, but experts worry it will impede the agency's important work siting infrastructure that outlasts any presidency.



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

ers; whether the administration is going to take it even further and continue firing commissioners and independent agencies, as [it already did](#) for the National Labor Relations Board, Peskoe said. "So again, it's just a lot of questions."

"My biggest fear is if the Supreme Court makes this broad determination about the separation of powers and Congress' ability to set up independent agencies, because that would last forever, or at least until a future Supreme Court changed that, which usually takes decades to happen," Grid Strategies President Rob Gramlich said. "So, unlike a lot of other changes right now that might last four years, that would do damage forever. And we really need independent regulatory agencies to have regulatory certainty and investor certainty about how to do business in electric power."

"Capital-intensive business models require a degree of certainty that independent agencies bring," former FERC and Pennsylvania Public Utility Commissioner Nora Mead Brownell said. "When I became a PUC commissioner, I realized how critical it is for those kinds of agencies to truly be independent and base their decisions on the facts."

Moving away from that kind of independence, where decisions are based on a public record that lays out the facts and follows legal precedent, will at least make infrastructure investments more expensive, she said. "Why would you want to invest in something that is so subject to the whims of a leader who does not actually have a basic understanding of the economy?"

[Project 2025](#), which was authored by Trump appointees including Office of Management and Budget Director Russell Vought and Federal Communications Commission Chair Brendan Carr, has a section on independent agencies calling them "constitutionally problematic" using the same logic in the executive order. But it focuses more on the higher-profile agencies like the FCC and Securities and Exchange Commission.

FERC is rolled into the same chapter as the Department of Energy, which was written by former Commissioner Bernard McNamee, nominated by Trump in his first term. It calls for FERC to refocus on reliability and affordability, with more specific suggestions including ensuring "sufficient dispatchable on-demand generation" and reforming RTO markets

to pay such generators "reliability pricing." (See *Plan for GOP President: Cut Climate Programs, Re-examine' RTOs.*)

While Project 2025 and Trump's executive order are based on the logic that independent agencies are not democratically accountable because of the president's limited oversight, Peskoe pointed out that they combine functions from across all three branches.

"They are somewhat legislative, somewhat executive and somewhat judicial, that they sort of combine all three aspects, and that's what kind of makes these agencies unique in our government," Peskoe said.

Congress would be well within its powers to set rates for utilities in interstate commerce, but it just lacks the bandwidth to do that, so it created FERC to handle those issues, he continued.

"These types of agencies have been around for a very long time," Peskoe said. "They don't really cite any particular problems with these agencies. It's just this sort of constitutional accountability

issue, which, again, hasn't really come up in generations. So, it's just a naked power grab by this administration."

The White House does get to influence FERC by picking commissioners and naming the chair. Brownell said President George W. Bush picked her and former Texas Public Utility Commission Chair Pat Wood, whom Bush appointed as chair of FERC, because both had pushed forward electric competition in their respective states, and the president wanted to expand its role at the wholesale level.

Gramlich was a staffer for Wood, and he recalled visiting the White House — but not to take directions.

"We'd be briefing them on what's happening so they could understand the impacts and guide legislation, but they were never telling us what to do," Gramlich said.

Former FERC Chair Rich Glick, appointed by President Joe Biden, took some flack from *The Wall Street Journal's* editorial page for meetings with the White House, but Gramlich said those were similar to

what he and Wood did 20 years earlier. (See *Glick Denies Taking Directions from Biden Admin.*)

"Even if a chairman wanted to take cues from the White House, that's always been sort of up to them," Gramlich said. "But this would be structural. I mean, you could have the White House essentially overturning and approving actions that don't reflect the votes of the commission."

If the executive order is allowed to go into effect, and the courts wind up siding with the White House, some in the utility business might think of it as a win for a while, but politics change more quickly than the lifespan of much of the infrastructure FERC oversees, Brownell said.

"You have four years of an administration with everybody and their brother tinkering in the business without understanding it, and you create an instability that is very dangerous, particularly at a time that we desperately need new infrastructure." ■



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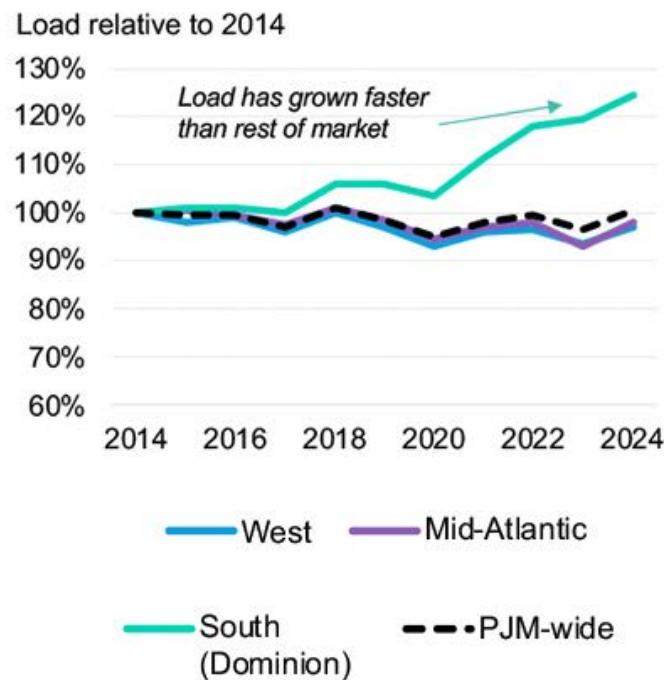
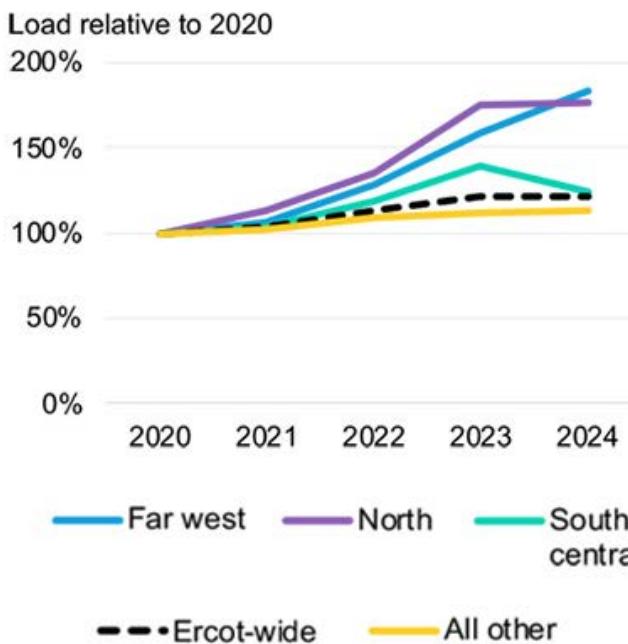
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The 2025 Sustainable Energy Factbook in 7 Charts

Facts and Figures Contrast with Trump Energy Policies and Priorities

Load by sub-region, Ercot (rebased to 2020) Load by region, PJM (rebased to 2014)



Deployment: Impact of growing load due to industrial activity | Bloomberg NEF

By K Kaufmann

Page 50 of the *2025 Sustainable Energy Factbook* absolutely nails the unevenness of electricity demand growth across the U.S. The two charts on the page show that demand growth in ERCOT is concentrated in the far west and northern parts of Texas, while in PJM, the spike is almost exclusively in Northern Virginia.

The jump in demand in Texas is due to "the electrification of the oil and gas sector in the far west predominantly; also, bitcoin mining has contributed," said Tom Rowlands-Rees, head of research for North America at BloombergNEF, which compiles the annual report. "In PJM, it's data centers."

"A lot of people's expectations of power are that it is growing ... [but] this load growth is concentrated in certain regions typically," Rowlands-Rees said, during an advance media briefing on the report, released Feb. 20 by the Business Council for Sustainable Energy. "That nuance is important. It's not everywhere."

The 13th edition of the BCSE Factbook comes, as always, packed with charts,

figures and industry insights, many of which stand in sharp contrast to President Donald Trump's focus on fossil fuels and U.S. energy dominance. Rowlands-Rees called it "a snapshot of where things were at the end of the previous administration; so that, as we talk about what's going to be happening in the future with a new administration, we actually have a benchmark against which to compare, a true picture of where things were and where they weren't."

With demand growth forming the backdrop for the U.S. clean energy industry at this point, BCSE President Lisa Jacobson stressed the need for a broad, all-of-the-above portfolio. "Energy efficiency, natural gas and renewable energy are the growth sectors of the U.S. economy, and as we move into a phase of anticipated increased energy demand, this portfolio is ready to meet this demand. We need more energy now."

The key federal policies that are needed include maintaining energy tax credits and strong funding levels for technology research, development, demonstration and deployment, Jacobson said. Congress and the Trump administration

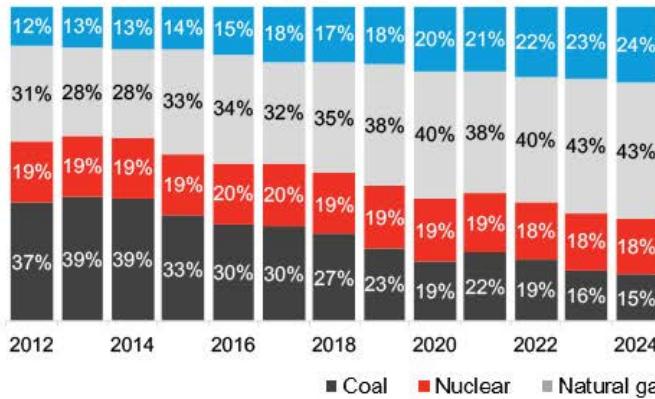
Why This Matters

The facts, figures and industry insights in the Sustainable Energy Factbook provide a baseline of where the U.S. clean energy sector stood at the end of 2024, which is in sharp contrast to President Donald Trump's vision of fossil fuel-powered U.S. energy dominance.

should also "enact federal permitting and siting reforms, and ... work with states and localities to provide the resources that they need at the community level to expand and modernize energy infrastructure," she said.

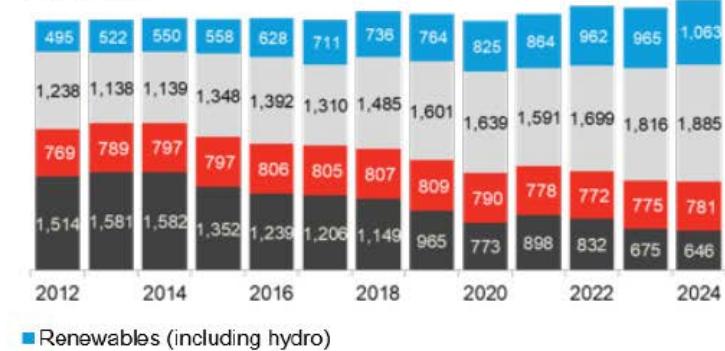
As federal energy policies and agencies remain in flux — with Trump even challenging the independence of FERC and similar regulatory commissions — *RTO Insider* dug into other major trends reflected in charts across the Factbook.

Share of US electricity generation, by fuel type



US electricity generation, by fuel type

Terawatt-hours



US energy overview: Electricity generation mix | Bloomberg NEF

Electricity Generation Mix

The U.S. already appears to be enjoying some level of energy abundance, generating a record amount of electricity in 2024 4,393 TWh — a 3.3% jump over 2023. At first glance, it looks like natural gas is the dominant source of power, accounting for 43% of generation. But with renewables growing to 24% and nuclear

holding steady at 18%, carbon-free power is neck-and-neck at 42%.

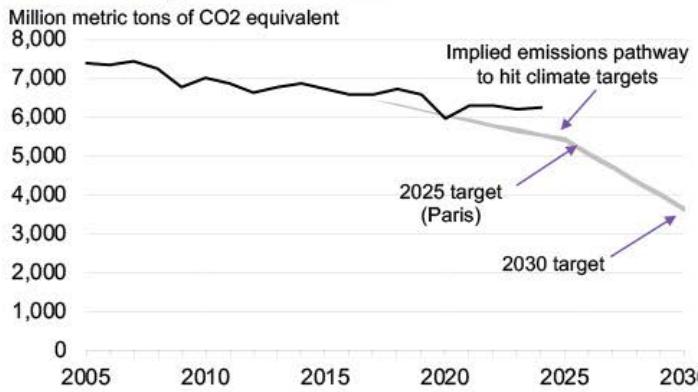
BNEF also notes that as coal plants have closed, natural gas and renewables together are filling the gaps, generating "67.1% of the generation mix by the end of 2024, compared with 41.1% just a decade ago."

Even the American Gas Association is call-

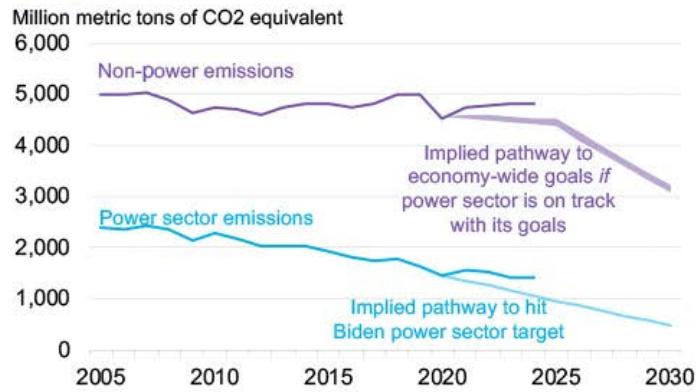
ing for all-of-the-above energy policies.

"We need a robust energy portfolio, inclusive of not just natural gas, but of all the different technologies and supply sources and demand-side management approaches," said Richard Meyer, AGA vice president for energy markets, analysis and standards. "We're going to need that to ensure affordable and reliable energy for Americans."

US economy-wide emissions



US power emissions



Policy: US progress toward emissions goals | Bloomberg NEF

US Progress Toward Emissions Goals

However, the growth in carbon-free power has not translated into major cuts in greenhouse gas emissions. Even before Trump ordered the U.S. withdrawal from the United Nations Paris Climate Accords, the U.S. had veered off course

in its efforts to cut greenhouse gas emissions 50-52% by 2030, a goal set by former President Joe Biden.

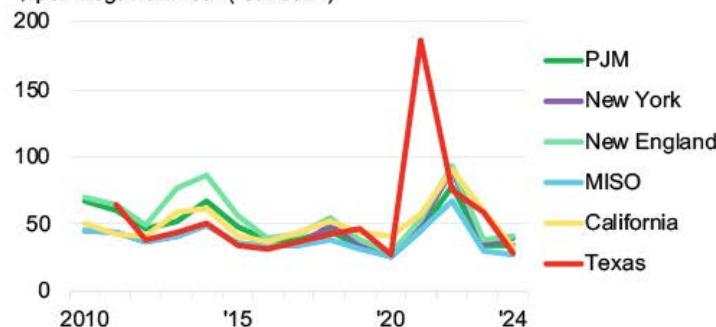
The country's modest drop in emissions overall has been driven primarily by the power industry's switch from coal to natural gas, BNEF said. Emissions from all other sectors in the economy have fallen only 4% since 2007, and non-power emis-

sions grew 0.24% in the past decade.

As Energy Secretary Chris Wright bluntly discounts Biden's target for emissions cuts, it is unlikely the U.S. could meet the 2030 goals. According to BNEF, power sector emissions would have to fall 11% per year and economy-wide emissions would have to drop 6% per year.

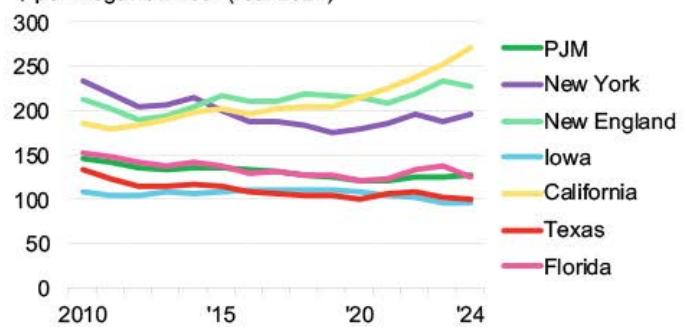
Wholesale power prices

\$ per megawatt-hour (real 2024)



Retail power prices

\$ per megawatt-hour (real 2024)



US energy overview: Retail and wholesale power prices | Bloomberg NEF

Wholesale and Retail Power Prices

Power prices have been another component in Trump's plans for U.S. energy dominance and abundance, with campaign promises to cut electricity bills in half.

The challenge here is that a sharp divide has opened between wholesale and retail electricity prices, according to BNEF. Spiking capacity auction prices in PJM notwithstanding, wholesale power prices rose only 0.1% in 2024. But "beneath this calm, regional shifts tell a more complex

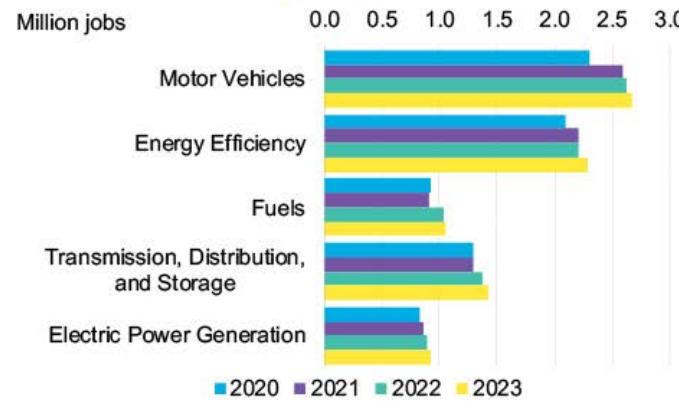
story," the Factbook says. "California and Texas saw wholesale prices plummet by 45.9% and 51.4%, thanks to high renewable output, while New York and New England experienced increases of 11.1% and 6.1%, driven by reliance on natural gas and constrained supply."

Similar regional differences were seen in retail electricity prices, which fell modestly by 0.68% on average in 2024. Retail prices dropped 2.5% and 2.4%, respectively, in Texas and New England, while California and New York saw increases of

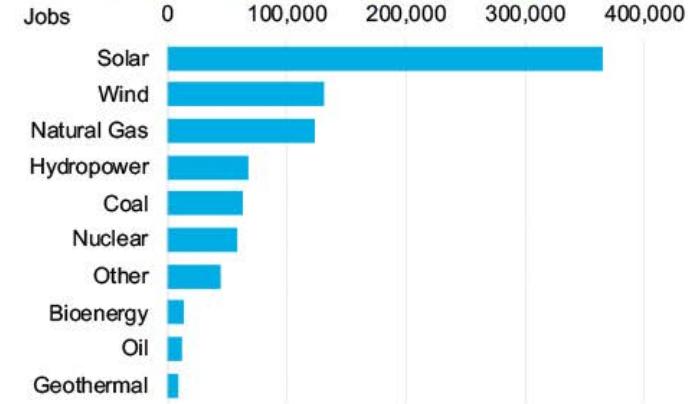
7.6% and 4.8%, reflecting higher transmission and distribution costs.

Such regional variations could, at least in part, account for the difference between BNEF's figures showing modest overall decreases in electricity prices and consumer perceptions of higher electricity bills. But BNEF found that energy accounted for only 3.82% of consumer spending in 2024, a 0.3% drop from 2023, and electricity accounted for only about a third of that total, while motor fuel made up 2%.

Jobs in select energy segments, 2020-23



Jobs by power-generating technology, 2023



US energy overview: Jobs in select segments of the energy sector | Bloomberg NEF

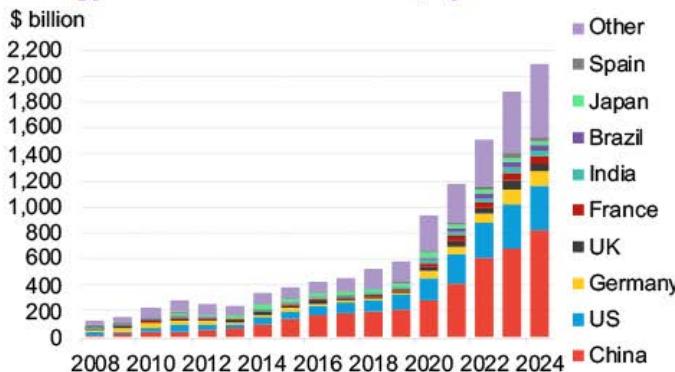
Jobs in the Energy Sector

One of the strongest arguments for continued federal support for the energy industry has been its recent record of job

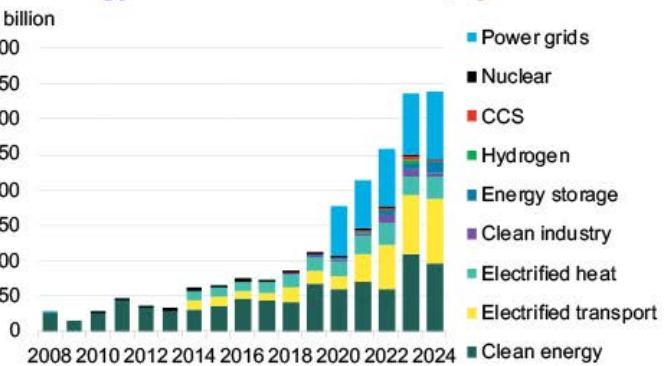
growth, with the auto industry remaining the top job generator and energy efficiency a surprising second. But the growth in jobs for transmission, distribution and storage has also been significant, rising from 1.3 million in 2020 to 1.43 million in 2023.

When it comes to the jobs breakdown by fuel type, solar remains far ahead of the pack, with 364,544 jobs.

Energy transition investment, by market



US energy transition investment, by sector



Finance: Energy transition investment | Bloomberg NEF

Energy Transition Investments

While Wright may not believe there is an energy transition, China committed \$818 billion to its transition in 2024, a significant jump from the \$684 billion it invested in 2023. By comparison, U.S. transition investments have stagnated, barely rising from \$336 billion in 2023 to \$338 billion in 2024.

Whether slapping tariffs on Chinese im-

ports will improve U.S. competitiveness in global clean energy markets remains an open question.

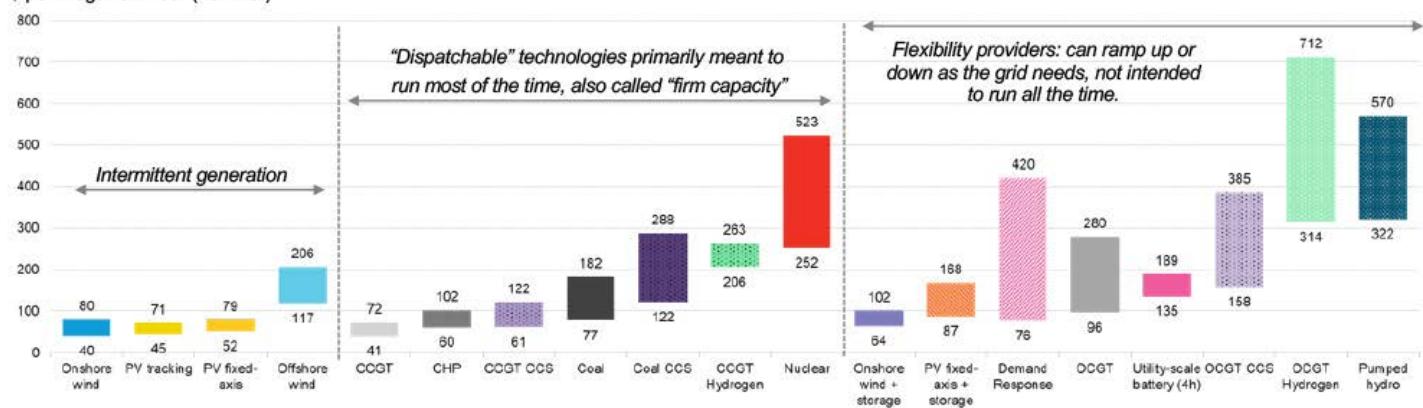
Certainly, BNEF says the election and policy uncertainty put a dent in U.S. investments in certain sectors last year, with clean energy falling from \$110 billion in 2023 to \$97 billion in 2024.

But other investments signaled growth in key sectors like building electrification and grid expansion — both of which

could cut consumer electric bills. Private dollars for electrified heat rose from \$27 billion in 2023 to \$32 billion in 2024 and investments in the power grid jumped from \$85 billion in 2023 to \$95 billion in 2024.

However, beyond investment, China is also leading the world in installations of long-duration energy storage, a key technology for grid flexibility, with 2.5 GW in 2024 versus 625 MW in the U.S.

\$ per megawatt-hour (nominal)



Economics: US levelized costs of electricity for unsubsidized new build, 2H 2023 | Bloomberg NEF

US LCOE for Unsubsidized New Energy Projects

In 2024, the levelized cost of electricity for natural gas edged below solar and wind, due largely to falling prices for natural gas. But the LCOE for new, unsubsi-

dized generation and flexibility — what could be built to meet demand growth — presents a different picture, underlining the potential costs and benefits of a broad, diversified portfolio.

Unsubsidized solar is competitive with

natural gas but will be cheaper if tax credits are maintained. Looking to new nuclear for clean, dispatchable power is going to be expensive, with a top LCOE of \$523/MWh, and demand flexibility, storage and carbon capture will all come with higher costs. ■

FERC Denies LS Power's Bid for SWIP-N Incentives

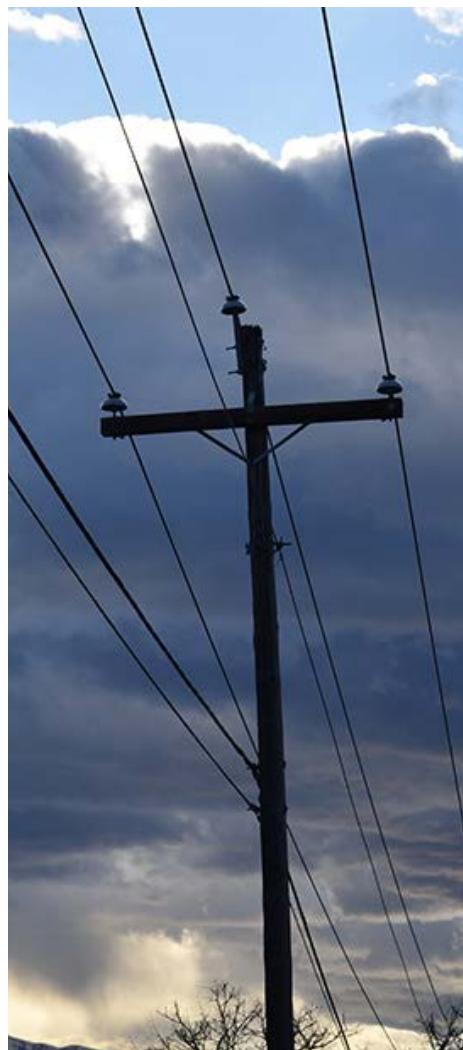
Company Failed to Demonstrate Benefits of Project, Commission Finds

By Henrik Nilsson

FERC on Feb. 20 denied without prejudice LS Power's two petitions to recover costs in case it must abandon development of a 285-mile transmission line designed to deliver Idaho wind power to California, saying the developer failed to adequately show the project's benefits.

The commission's *order covers* the Southwest Intertie Project-North (SWIP-North), a 285-mile, 500-kV line being developed by LS Power subsidiary Great Basin Transmission at an estimated cost of \$1 billion.

In July, Great Basin petitioned FERC for authorization to recover 100% of the costs if the project is abandoned due to events



FERC denied LS Power's request for incentives for the Southwest Intertie Project-North. | Shutterstock

beyond its control. The developer also asked for an order allowing it to create a regulatory asset to defer recovery of pre-commercial costs "in which it will book costs for the project, incurred to date and going forward, that cannot be capitalized and would otherwise be expensed," according to the FERC order.

However, the commission denied the request for declaratory order, finding Great Basin failed to meet the necessary criteria under FERC Order 679, which requires transmission incentive applicants to demonstrate that a project will ensure reliability or reduce costs associated with transmission congestion.

"We find that, based on the record in this proceeding, Great Basin has not demonstrated that the project qualifies for the rebuttable presumption at this time because the project cannot be said to have 'result[ed] from a fair and open regional planning process that considers and evaluates projects for reliability and/or congestion,'" the order stated.

FERC approved a development agreement for the line between CAISO and LS Power on Jan. 21. The project, which will be jointly funded by CAISO and Idaho Power, will span northern Nevada and southern Idaho and link up with NV Energy's One Nevada (ON) line to the south, providing 2,070 MW of transfer capacity southbound and 1,920 MW northbound. (See *FERC Approves CAISO's SWIP-North Development Agreement*.)

Great Basin argued in its petition that it qualifies for the incentives under Order 679 because CAISO properly evaluated the benefits of the project in the ISO's 2022/23 transmission planning process and the subsequent 2022/23 transmission plan.

FERC disagreed, saying that although CAISO discussed "potential benefits" of SWIP-North, the ISO did not "make any definitive findings and instead only recommended continuing its initial assessments," according to the order.

"[T]here is insufficient basis in the record to demonstrate that CAISO fully considered and evaluated Great Basin's Project for reliability and/or congestion relief

Why This Matters

CAISO's funding of the SWIP-North line is likely a key factor in Idaho Power's leaning in favor of the ISO's Extended Day-Ahead Market.

through a fair and open regional transmission planning process leading to any of those conditional approvals," FERC stated.

The commission denied the request without prejudice, giving Great Basin another chance to demonstrate the project fulfills FERC's requirements for transmission incentives.

CAISO has agreed to fund about 77% of the project, equal to Great Basin's ownership share, in exchange for operational control of the company's entitlements on the line, which will equate to 1,117.5 MW of southbound capacity and 1,072.5 MW of northbound capacity, with the balance in both directions being allocated to NV Energy. (See *CAISO Board Approves Moving Forward with SWIP-N Tx Line*.)

In addition to facilitating transfers into California, the line offers Idaho wind power resources access to wholesale electricity markets in the Desert Southwest through the Desert Link line connected to the southern end of the ON line.

CAISO's Board of Governors approved the development agreement during an October 2024 meeting despite opposition from some Idaho residents concerned about the path of the line.

In its filing with FERC, CAISO said it needed to pursue SWIP-North to support the California Public Utilities Commission's resource planning portfolio calling for California load-serving entities to procure 1,000 MW of wind generation from Idaho. The ISO noted the proposed line is the only active project that would help fulfill that objective, making it the most timely and cost-effective option. The project is expected to commence operation in 2028. ■

FERC OKs CAISO Implementation of EDAM Access Charge Rules

Approval of Tx Revenue Recovery Mechanism Applies Only to CAISO BAA

By Robert Mullin

FERC has approved CAISO's proposal for implementing the Extended Day-Ahead Market (EDAM) "access charge" within its own balancing authority area.

Approved by FERC in June 2024, the access charge is a market mechanism designed to allow transmission owners (TOs) to recover revenue shortfalls they incur from transitioning their assets into EDAM, such as the loss of revenues stemming from reduced sales of short-term transmission service in the West's existing bilateral electricity market. (See [FERC Approves EDAM Tx Revenue Recovery Plan](#).)

The access charge framework is available to all EDAM participants. But

because EDAM is not a full RTO, each participating entity is responsible for developing its own rules for implementing the mechanism within its BAA and filing the related tariff revisions with FERC. For that reason, the commission's Feb. 20 order covers only CAISO and the treatment of the ISO's participating transmission owners (PTOs) ([ER25-437](#)).

The EDAM access charge framework approved by commission in 2024 comprises a "three-component rate structure."

- Component 1 allows a TO to recover revenue shortfalls related to the transition from bilateral market transmission service to day-ahead market service, including EDAM transfers that displace revenues expected from sales of short-duration non-firm and firm point-to-point transmission service.

Why This Matters

CAISO's approved treatment of the EDAM access charge framework could provide a qualified model for other EDAM entities that will need to seek FERC approval of their application of the rules.

- Component 2 allows a TO recover a portion of the costs not reflected in the three-year "lookback" associated with the first component. That can include revenue shortfalls "from foregone sales of non-firm and short-term firm transmission service over certain new network upgrades and associated with the release of transmission capacity resulting from the expiration of EDAM legacy contracts," FERC's June 2024 order noted.
- Component 3 enables a TO to recoup sales losses attributable to wheeling through an EDAM BAA or the CAISO BAA in excess of the total net EDAM transfer of the BAA, with costs based on the transmission used to wheel energy completely through the TO's system.

CAISO-specific Elements

CAISO's specific application of the access charge must differ from that of other EDAM participants because the ISO already is functioning with an organized day-ahead market, so its PTOs will not be transitioning out of the bilateral market upon launch of EDAM.

The CAISO proposal contains some standard elements of the approved access charge framework, such as a provision allowing the ISO's PTOs to conduct an annual EDAM access charge "true-up" process to ensure they are compensated when other EDAM BAAs benefit from using the PTOs' systems for EDAM transfers.

The proposal also stipulates that each



PG&E transmission line | Pacific Gas and Electric

CAISO PTO will use the three-component rate structure to establish its EDAM recoverable revenue requirement within its existing high- and low-voltage transmission revenue requirement. The aggregate of those estimates will make up the "EDAM recoverable revenue" for the entire CAISO BAA, the ISO said.

But because CAISO already has a day-ahead market, application of the three recovery components will differ from other EDAM participants.

For example, in non-CAISO BAAs, Component 1 is intended to capture an "approximation" of transmission services displaced by EDAM transfers — such as firm or non-firm point-to-point transmission services. But those services don't exist in the ISO. Instead, a similar displacement will occur in CAISO when scheduling points at the ISO's border are converted into internal interties in EDAM.

As CAISO explained in its filing, the wheel access charge (WAC) revenues that ISO

PTOs historically have collected at those scheduling points no longer will accrue when those points become EDAM internal interties. To compensate for that lost revenue, CAISO proposed to allow each PTO to include within its Component 1 estimate the "appropriate portion" of historical WAC revenue for each scheduling point that corresponds with an EDAM internal intertie, subject to a true-up calculation.

"CAISO states that this is the equivalent of the limit equation established for the EDAM transmission owners under the accepted EDAM framework, but reflects the unique situation of the PTOs in CAISO," FERC noted in its order, which accepted the ISO's treatment of all three rate components with no requested changes.

"We find that CAISO's proposal is appropriately tailored to the unique circumstances of the PTOs, which differ from that of EDAM transmission owners," the commission wrote. "For instance, be-

cause the specific types of transmission service that Component 1 revenues are intended to capture do not exist in CAISO, we find reasonable CAISO's proposal to enable each PTO to include within Component 1 of its EDAM recoverable revenue requirement the appropriate portion of the historical wheeling access charge revenue forgone for each scheduling point that corresponds with an EDAM internal intertie."

The commission also approved CAISO's proposal to allocate any EDAM access charges assessed to the CAISO BAA by other EDAM entities back to CAISO scheduling coordinators based on their share of gross load in the ISO.

"We find that the proposed approach allocates costs at least roughly commensurate with estimated benefits, because it allocates EDAM transmission costs to beneficiaries within the CAISO BAA in proportion to their benefit from EDAM," the commission wrote. ■

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2 Top BPA Execs to Depart; Army Corps of Engineers also Faces Massive Cutbacks

Execs Accepted Trump Resignation Letter

By Robert Mullin

Two top Bonneville Power Administration executives — including COO Joel Cook — are among the approximately 200 agency staff who *accepted* the Trump administration's "deferred resignation" offer made to the entire federal workforce last month, BPA confirmed to *RTO Insider* Feb. 20.

The resignations of Cook and Senior Vice President of Transmission Richard Shaheen are the latest in a series of unsettling developments at the federal power agency and — now — its sister agency in Northwest hydroelectric dam operations, the U.S. Army Corps of Engineers (USACE).

BPA is responsible for operating about 75% of the transmission in the Northwest and marketing output from the region's extensive network of federally owned hydro projects, most of which are managed and maintained by USACE.

During a quarterly business review call Feb. 13, BPA Administrator John Hairston said about 200 agency employees — or 6% of the workforce — had accepted the administration's buyout offer, while 90 job offers had been rescinded following a federal hiring freeze announced Jan. 20. (See *BPA Committed to Trump's Energy Goals, Hairston Says.*)

Scott Simms, executive director of the Public Power Council, told *RTO Insider* that he estimates BPA faces a loss of about 400 staff, which includes resig-

nations and the firing of "probationary" employees. (Under federal hiring rules, "probationary" status applies to both recent hires and those who have transferred into new positions within the past year, including those receiving a promotion.)

But Simms also pointed to a parallel development at USACE, which some industry stakeholders thought might be protected from Trump's cutbacks because of its association with the military. He said "multiple informed sources" have told him the agency has about 2,000 probationary employees nationwide, including 500 to 600 workers in the Northwest who hold jobs that require extensive technical training — such as dam operator.

"We're still gathering data," Simms said.

Impact Uncertain

BPA could not confirm a timeline for the departure of the two executives or of other staffers who accepted the resignation offer. The departures come just weeks before the agency is expected to release a draft decision on whether to join SPP's Markets+ or CAISO's Extended Day-Ahead Market.

Cook was appointed COO in April 2021 after having served as BPA's senior vice president of power services since 2017. Cook previously held executive and management roles at Talen Energy, PPL EnergyPlus and Montana Power, according to his LinkedIn profile.

"As the head of power services, Joel has been on the front lines of our cost-control efforts," Hairston *said* in a statement announcing Cook's appointment in 2021. "His leadership and experience will serve the agency and our utility customers well as we explore new energy markets and look for opportunities to maximize the value of the federal power and transmission systems."

Shaheen has served in his current role since 2014, after joining BPA in 2013 as vice president of engineering and technical services. According to his LinkedIn profile, he previously worked in various



BPA's Bonneville Dam | U.S. Army Corps of Engineers

positions at Florida Power and Light for 25 years.

Shaheen has overseen BPA's increasingly overburdened transmission planning processes, with the agency now confronting more than 65 GW in transmission service requests, up from 5.9 GW in 2021. He recently told stakeholders the agency had to pause certain planning processes because they had been "crippled" by the volume of interconnection requests. (See *BPA Halts Some Tx Planning Processes Amid Surge of Service Requests.*)

Shaheen also has managed BPA's Evolving Grid Project, which the agency launched in April 2023 to address Oregon and Washington clean energy targets, renewable resource additions and the increased electrification of transportation, industry and buildings — as well as the growing need to harden the grid in the face of extreme weather events. (See *Stakeholders Seek More Details on BPA's 'Evolving Grid' Projects.*)

In a *letter* dated Feb. 14, Oregon's Democratic U.S. Sens. Jeff Merkley and Ron Wyden warned President Donald Trump that moves by his unofficial Department of Government Efficiency, led by billionaire Elon Musk, could result in the "imminent departure" of 20% of BPA's workforce. The senators said the development poses "a direct and immediate threat to the reliability of the electrical grid that serves millions of American families and businesses" in the Northwest. (See *Ore. Senators Ask Trump to Justify 'Reckless' Job Cuts at BPA.*) ■

Why This Matters

The departure of BPA's COO and SVP of transmission illustrates how the agency stands to lose some of its most experienced staffers just as the electricity sector faces growing challenges on multiple fronts.

Ore. Senators Ask Trump to Justify 'Reckless' Job Cuts at BPA

Merkley, Wyden Warn Administration's Moves Put Northwest Grid at Risk

By Robert Mullin

Oregon Sens. Jeff Merkley and Ron Wyden have demanded the Trump administration explain and justify recent actions that could drastically cut staff at the Bonneville Power Administration and compromise the federal power agency's ability to maintain grid reliability in the Pacific Northwest.

In a [letter](#) dated Feb. 14, the state's two Democratic U.S. senators warned President Donald Trump that moves by his newly created Department of Government Efficiency (DOGE) could result in the "imminent departure" of 20% of BPA's workforce and pose "a direct and immediate threat to the reliability of the electrical grid that serves millions of American families and businesses" in the region.

The 20% figure appears to have its origin in a Feb. 13 Oregon Public Broadcasting [article](#) that said BPA could see the firing of an additional 350 to 400 "probationary" employees on top of the 200 staffers who agreed to accept DOGE's "deferred resignation" buyout offer made to the entire federal workforce last month. (See [BPA Committed to Trump's Energy Goals, Hairston Says](#).)

BPA staff were offered the buyout despite the fact that its operations are self-funded through its power sales, made primarily to the Northwest's large number of publicly owned utilities that rely on the agency for low-cost power generated by the region's extensive network of federally owned hydroelectric dams.

BPA also has rescinded 90 job offers following the federal hiring freeze Trump imposed after his inauguration Jan. 20.

"Employees on the ground are already warning that these actions will make it nearly impossible to strengthen and expand the grid as needed," Merkley and Wyden wrote. "Instead, BPA will be forced into 'damage control' mode, struggling just to 'keep the lights on.' This is not speculation; it is the reality voiced by those who operate our energy infrastructure every day."

The senators called the cuts "reckless" and "financially ludicrous," particularly in light of BPA's status as a self-funding entity.

"If the administration's goal is truly to ensure reliable, secure, and affordable energy, then why are you actively dismantling the most effective and self-sustaining power system in the country?" they wrote.

The senators' letter also demanded Trump answer a series of "critical" questions by Feb. 28, including:

- How the administration can justify the cuts given BPA's self-funding status.
- How it plans to address operational and safety risks "posed by the loss of experienced linemen, engineers, and dispatchers" and avoid grid failures in the face of the expected growth in electricity demand stemming from new data centers.
- Whether the administration will commit to lifting the hiring freeze on "mission-critical" positions at BPA that would prevent "de-stabilization" of the Northwest grid.

Why This Matters

A rapid loss of staff could significantly disrupt operations at BPA, which manages one of the largest balancing authority areas in the West and controls 75% of the Northwest's transmission grid.

The letter also asks Trump to explain the role of DOGE in BPA's staffing decisions and describe its "qualifications in managing complex energy infrastructure."

Some of senators' questions overlap with those *RTO Insider* asked the U.S. Department of Energy last month upon learning that BPA staff had been among the federal workers offered buyouts. DOE has not responded to or acknowledged those questions. (See [BPA Employees Confront Trump's 'Fork in the Road'](#).) ■



BPA's Bonneville Dam | © RTO Insider LLC

California PUC Approves Portfolio Incorporating Clean Energy, Storage

Model Indicates 99% Clean Energy Serving Retail Load by 2035

By Elaine Goodman

A California electric resource portfolio that incorporates 63 GW of clean energy and new storage by 2035 has received approval from state regulators and will be sent to CAISO for use in its 2025/26 transmission planning process.

The California Public Utilities Commission voted 4-0 on Feb. 20 to approve the portfolio, which as modeled reaches 99% clean energy serving retail load by 2035. The portfolio projects a decrease in natural gas generation in the CAISO system, with a 71% drop from 2026 to 2035 and an 80% reduction by 2040.

"This is an extremely promising glimpse of a possible future," Commissioner John Reynolds said before the vote.

The electric resource portfolio is an annual exercise for the CPUC, which described it as a "key input" into CAISO's transmission planning. In addition to a "base case" portfolio, the commission approved a "sensitivity portfolio" that incorporates a larger amount of long-lead time resources, such as geothermal energy, offshore wind and long-duration energy storage.

Wind Study

The commission's *decision* also asks CAISO to study "but not yet trigger the investment in new transmission to support some out-of-state wind and Northern California wind" outside of the CAISO balancing authority area.

The decision noted that the amount of out-of-state wind on new transmission in the 2025/26 portfolio has increased to 9

Why This Matters

Even with a bright future for the development of clean energy resources in California, building out the necessary transmission remains a challenge.



New resource buildout in 2025/26 TPP cases. | CPUC

GW in 2035, up from 6 GW in 2034 in last year's portfolio. Sources of out-of-state wind include New Mexico and Wyoming.

"The new amounts, if fully developed, will require additional transmission beyond those projects that are already approved and in development, including SunZia, SWIP-North and TransWest," the CPUC said in its decision.

The additional transmission could be "complex to accomplish" and "require regional cooperation," the decision said.

Another issue discussed in the decision is the deliverability of energy from offshore wind (OSW) along the Northern California coast. Most deliverability on existing Northern California transmission has been allocated to resources now in the interconnection queue, the CPUC said, pointing to battery storage projects in particular.

"If ... CAISO does not reserve some deliverability for OSW and ensure there is adequate transmission available for that deliverability, it will all be used by the storage in the queue," the CPUC said. But adding transmission for OSW runs the risk of overbuilding "at considerable cost," if all the resources are not developed.

The decision directs CPUC staff to work

with CAISO to identify storage projects with transmission plan deliverability that could have the biggest impact on OSW in the area.

Building the Portfolio

The CPUC built its electric resource portfolio using information from 2022 integrated resource plans filed by utilities under its jurisdiction, plus additional identified resources.

The base case is "reliability- and policy-driven," according to the CPUC. For example, it factors in a greenhouse gas emissions target for the electricity sector of 25 million metric tons by 2035.

And the two study years for the base case portfolio, 2035 and 2040, satisfy the 0.1 loss of load expectation standard. The process also includes busbar mapping, which identifies locations of electricity generation and storage.

Along with its base case portfolio, the CPUC also typically develops a sensitivity portfolio as a "reasonable alternative" for CAISO to evaluate.

Last year's sensitivity case was a high natural gas retirement scenario, which the CPUC said was "designed to assist in planning for the potential future retirement of fossil-fueled resources." ■

Pathways 'Step 2' Bill Sets Conditions for EDAM Governance

Legislation Requires Proposed 'RO' to Meet Several Requirements

By Henrik Nilsson

The language for the proposed California bill to implement "Step 2" of the West-Wide Governance Pathways Initiative became public late Feb. 20, revealing the conditions under which CAISO and Golden State utilities can participate in energy markets governed by an independent regional organization (RO) if lawmakers vote to approve the legislation.

Introduced by Sens. Josh Becker and Henry Stern, [SB 540](#) — or the Pathways bill — seeks to amend sections of the California Public Utilities Code to enable California entities to join an energy marketplace governed by an independent RO. Ultimately, the RO would take over governance of CAISO's Western energy markets to make CAISO markets more attractive for entities outside of California and allow stakeholders to tap into a broader market of electricity resources.

Before CAISO can hand over the reins, the bill requires the RO to fulfill 12 requirements. The bill's text focuses on ensuring the RO's independence and maintaining the authority of each state with a power entity in the market "to set its own procurement, environmental, reliability and other public interest policies."

For example, the RO must engage with states, local power authorities and federal power marketing administrations



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

The Big Picture

Some sources have told *RTO Insider* that SB 540 is more prescriptive than they expected, but a certain level of detail might be necessary to move the bill through the legislature and avoid the fate of previous failed attempts to "regionalize" CAISO.

before filing tariff changes with FERC. The RO's governing board must also seek input from a body of state regulators "to receive the views of state regulators," according to the bill.

The legislation also requires the RO to ensure public interest protections, including making funding available for a consumer advocate organization and maintaining an office of public participation.

The bill is the result of the Pathways Initiative, which aims to expand CAISO's Western Energy Imbalance Market (WEIM) and the soon-to-be-implemented Extended Day-Ahead Market (EDAM) by shifting governance of the markets from the ISO to the proposed independent RO.

Previous efforts to expand markets in the West have failed, partly due to non-Californian entities expressing concerns about a market governed by CAISO, whose Board of Governors is appointed by the California governor. The Pathways bill strives to [solve this issue](#).

Lincoln Davies, professor of law and executive director of energy, resource and environment programs at the University of Utah S.J. Quinney College of Law, told *RTO Insider* the bill "marks a monumental moment for California and all of the West."

"It is an important departure from prior efforts, each of which failed," Davies

said. "Rather than islanding California from other states, the bill advances core Western values that were absent in past efforts — collaboration among stakeholders, respect for each state's right to self-govern, and imagination and innovation. This new market would look different from any other market in the U.S., and that's exactly how it should be. The West is unique. Its markets should be, too."

The Northwest Energy Coalition (NWEC) said a West-wide energy market is the most efficient way to meet energy needs, ensure affordability and tackle extreme weather events.

"That is why we have committed so many resources to the Pathways Initiative to help create an independent regional organization to run the combined Extended Day-Ahead and Western Energy Imbalance Market," NWEC stated. "This bill would pave the way for shared governance across all Western states in this region-wide energy market. We hope this bill passes quickly so that all utilities in the West join the EDAM energy market."

The effort comes as the region prepares for the launch of EDAM and some entities have already committed to the market. But SPP's Markets+ has also gained [significant traction](#) by positioning itself as offering independent governance from the get-go.

A study by The Brattle Group suggests California [ratepayers could save \\$790 million](#) a year under an EDAM that includes nearly every Western balancing authority except for Western Area Power Administration entities already engaged with SPP markets, Public Service Co. of Colorado (PSCo) and the Imperial Irrigation District.

But California likely would see significantly lower benefits than the top end — \$182 million — in what will be the most likely outcome in the West — the "Split Market" case, where Markets+ consists of Powerex, the Bonneville Power Administration and most Washington utilities, NorthWestern Energy, PSCo, Arizona's utilities and El Paso Electric, according to the Brattle study. ■

BPA Close to Issuing New Long-term Power Contract

Agency Approaches End of 'Provider of Choice' Process

By Henrik Nilsson

The Bonneville Power Administration on Feb. 18 kicked off the last public contract development workshop series under its "Provider of Choice" initiative, allowing stakeholders to provide input on the agency's long-term power contracts that it will issue later in 2025.

BPA held three workshops last week, with the last one on Feb. 20. The final workshops indicate BPA is wrapping up development of the draft long-term contract that will go into effect in 2028 and set the conditions under which the agency sells federal power to customers. Following a public comment period, the goal is to have final templates ready by

June 18 and signed contracts by December 2025, according to BPA presentation material.

Michelle Lichtenfels, program manager of the Provider of Choice initiative, noted that BPA has hosted dozens of workshops on the issue, saying "this feels like a big week."

Lichtenfels thanked the participants, adding, "This is really a momentous time for being our last contract workshop series, but also the last chance we get to engage before we get into that public comment period."

The Feb. 18 meeting focused on ironing out details on several topics related to the contracts, including day-ahead

markets, planning reserve margins and charges related to the Western Resource Adequacy Program, among other issues.

Bonneville delivers power to regional public power customers under contracts executed in 2008. The agreements provided approximately 76% of BPA's power services' revenue requirement in 2022, according to a *Provider of Choice* concept paper.

The long-term contracts by statute cannot exceed a 20-year term, and BPA launched the provider of choice initiative to begin contract discussions with stakeholders before the current agreements expire in 2028, according to the paper. ■



BPA transmission line | © RTO Insider LLC

2 Companies Withdraw Texas Energy Fund Projects from Consideration

By Tom Kleckner

Two energy companies, citing equipment procurement constraints, have withdrawn projects from the Texas Energy Fund's (TEF) In-ERCOT Load Program. The withdrawals leave 16 projects that have advanced to a due diligence phase (56896).

ENGIE Flexible Generation NA [filed](#) Feb. 17 at the PUC to withdraw its Perseus project, a 930-MW peaking facility, from consideration. The company said it has "become evident" supply chain issues would delay the project's schedule, making it impossible to meet a December 2025 deadline for statutorily mandated initial loan disbursements.

ENGIE also withdrew its Spenser project from further consideration. The project, a 483-MW peaker, did not advance to the due diligence phase.

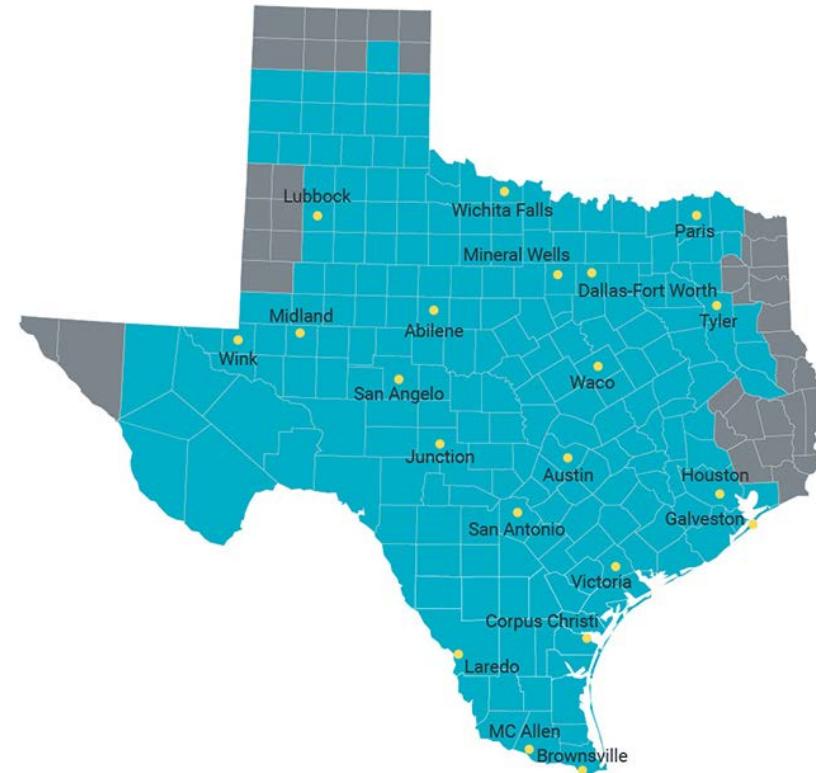
In January, Howard Energy Partners [withdrew](#) its co-generation facility at its Javelina processing plant in Corpus Christi, attributing it to similar "equipment procurement constraints." The company said the delays would prevent it from meeting the same December timelines as ENGIE.

The Javelina facility, consisting of a 134-MW combined cycle facility and a 192-MW simple cycle unit, would make 271 MW available for dispatch.

PUC spokesperson Ellie Breed said the PUC anticipates proposing an additional project or projects for advancement to due diligence to replace the ENGIE project.

Why This Matters

Supply chain issues continue to plague power generation projects in Texas and elsewhere. The most recent withdrawals leave at least 16 projects in the state's portfolio.



ERCOT's service territory covers 75% of Texas. | [ERCOT](#)

The withdrawals leave at least 16 projects in the TEF portfolio, accounting for about 8.5 GW of capacity. Loan information is confidential.

PUC Approves Non-ERCOT Program

The PUC established another TEF program when it approved a rule during its Feb. 13 open meeting that creates a program for grants to utilities and power generators outside the ERCOT region.

The rule sets up the Outside of ERCOT Grant Program as one of four programs under the TEF, which Texans approved by constitutional amendment in 2023. The grants can be used to finance modernization, weatherization, reliability and resiliency improvements, and vegetation management (57004).

"Every corner of our state faces unique weather threats and challenges," PUC Chair Thomas Gleeson said in a statement. "The rule approved today will ensure that the TEF improves electric reliability for all Texans, whether inside or outside the ERCOT region."

The ERCOT region covers about 75% of

Texas, except for portions of East Texas, West Texas and El Paso.

ADER Project Moved to ERCOT

The commission endorsed staff's recommendation to move the aggregated distributed energy resources (ADER) pilot project into ERCOT's stakeholder process to determine the best way to move the initiative forward (53911).

The action will dissolve the ADER Task Force, which was created in July 2022. Its work has resulted in [three virtual power plants](#), or ADERs, participating in the wholesale energy market and providing certain ancillary services. The ADERs can provide 25.5 MW of energy, 111 MW of non-spin reserve service, and 8.7 MW of ERCOT contingency reserve service.

"The pilot can only benefit from the larger stakeholder group at ERCOT, and that will facilitate its coordinated growth, along with other projects within the ERCOT market system," PUC staffer Ramya Ramaswamy told the commission. She also recommended the grid operator file progress reports every six months. ■

Texas Supremes Hear Arguments in Last Uri Case

By Tom Kleckner

The Texas Supreme Court heard oral arguments Feb. 19 from distribution utilities seeking to dismiss what may be the final lawsuit stemming from the deadly February 2021 winter storm, also known as Winter Storm Uri.

At issue is whether another Texas court should have dismissed the plaintiffs' claims of gross negligence and intentional nuisance on the part of the utilities, Oncor, CenterPoint Energy and AEP Texas (24-0424).

More than 1,000 plaintiffs from across Texas alleged various claims against the companies that included negligence, gross negligence and nuisance following the storm, which is thought to have killed more than 200 people. Their cases were consolidated into a multidistrict litigation court, meaning they can be heard at once.

The utilities contend the claims are barred by ERCOT's protocols governing their operations. A Texas trial court dismissed some claims but refused to dismiss those of negligence, gross negligence and nuisance. The 14th Court of Appeals in April 2024 granted mandamus relief in part, ordering dismissal of the negligence and strict-liability nuisance claims. However, it allowed the more severe gross negligence and intentional nuisance claims to proceed.

The plaintiffs' attorney, Ann Saucer with the Nachawati Law Group, argued that the utilities failed to roll the outages



Attorney Michael Heidler lays out the distribution utilities' case. | Supreme Court of Texas

during Uri, when ERCOT was desperately trying to stabilize the grid after it lost much of its gas generation. Instead, some customers were left without power for up to 80 hours.

Vinson & Elkins' Michael Heidler, representing the utilities, said the plaintiffs "misunderstand" how ERCOT's load-shed protocols work. He said utilities were told to avoid shedding load on lines equipped with underfrequency load-shedding circuits, which trip off if the frequency drops.

"When we get into load shedding or manual load shed, and the load shed obligation is sufficiently large, it becomes difficult, if not impossible, to rotate out the remaining load in a way that's safe to the grid and complies with ERCOT's load-shed protocol," he told the court. "One of the things complainants say ... is when we left certain neighborhoods on for the entirety of the load-shed event where, while others were subjected to load shedding, that's exactly what ERCOT protocols require. We do have duties. We have regulatory duties."

Heidler noted that the protocols require utilities to maintain power to hospitals and other critical infrastructure, law enforcement and nuclear plants.

The justices appeared skeptical of the plaintiffs' arguments that the utilities intentionally kept the lights on in some neighborhoods at the expense of others.

"They did that because they were consciously indifferent to people freezing to death," Saucer alleged. "The only way that I've heard that these defendants are defending this is to just simply deny the truth of the petitions. I haven't heard them actually say, 'We thought everyone was going to be OK if we left them in this cold without power for two days.'"

"I think what they're saying is, 'We didn't have a choice,'" said Justice Brett Busby, who directed most of the questions to the legal counsels.

"There is no proof of that," Saucer countered.

"That does seem to be what they're saying," Busby responded. "Maybe on summary judgment, if we get that far, both sides would have some evidence of that. But it doesn't sound like they're saying, 'We don't have any excuse for this.' ... They're saying, 'We're required by the Nodal [Protocols].'"

The Supreme Court last year overruled an appeals court in saying ERCOT and the Public Utility Commission were within the law when they raised wholesale prices to more than 300 times above normal during Uri. (See [Texas Supreme Court Rules for ERCOT, PUC During Uri](#).)

A decision is not expected to be rendered for several months, but the high court normally issues judgments on all proceedings it takes up. Its current term ends in late June. ■

Why This Matters

This appears to be the last case stemming from 2021's Winter Storm Uri, which nearly collapsed the ERCOT grid and led to high market prices and dayslong outages that killed more than 200 Texans. None of those cases have resulted in damages awarded to market participants or customers.

ERCOT Plans on Mobile Generators in San Antonio

Resources Seen as Alternative to RMRs Until Tx Projects Built

By Tom Kleckner

ERCOT staff Feb. 20 said they plan to gain permission from their Board of Directors to use 15 mobile generators as an alternative to relying on two 1960s-era gas units to resolve reliability needs in the San Antonio area.

Nathan Bigbee, ERCOT's chief regulatory counsel, told the Texas Public Utility Commission that the generators, which are capable of a combined 480 MW of capacity, are more "cost effective" than extending reliability-must-run contracts with Braunig Units 1 and 2, owned by San Antonio's municipal utility, CPS Energy. The aging units together have a maximum summer rating of 392 MW.

"Our calculation suggests there's a 15% greater cost-benefit [ratio for] the [mobile] units over the Braunig units based on the fact that they have a shorter start-up time, a slightly better shift factor, and shorter up and down times. We see those as being a net reliability benefit for the grid," Bigbee told commissioners.

The generators in question, along with several smaller ones, were leased from LifeCycle Power in 2021 by Houston's CenterPoint Energy for \$800 million. However, the larger units have sat unused, despite outages after Hurricane Beryl that lasted more than a week.

The board is holding a special meeting Feb. 25 to consider the mobile generators' use and a preliminary exit strategy. (See "Staff Still Looking at Braunig," *ERCOT Board of Directors Briefs: Feb. 3-4, 2025*.)

Bigbee said CenterPoint has agreed to make the generators available for ERCOT's use. The grid operator will not compensate CenterPoint but will cover LifeCycle's costs to move the generators to San Antonio.

LifeCycle has estimated it will cost \$26 million to move the generators, while CPS has projected costs of \$27 million to connect them to substations. ERCOT says the cost estimates are subject to change.

The latest estimate from CPS to prepare Braunig Units 1 and 2 for continued operation is \$54 million. It projects all-in costs,

Why This Matters

The mobile generators would be used until transmission projects in the San Antonio region are completed.

which include an incentive factor and fuel expenses, will run \$60 million.

Bigbee said the generators are a "lower-risk solution" compared to extending RMRs for Units 1 and 2. The units would need to go through an inspection before continuing operations. That could reveal additional repairs that need to be made, he said.

"There's a lot of cost upside risk there that we would have to deal with and potential outage delay risk that could further exacerbate the reliability issues, and so, we see the LifeCycle option as being a win-win in that respect," Bigbee said.

The municipality told the grid operator last year that it planned to retire the

Braunig units this March. However, ERCOT said the plant's units were needed to address transmission constraints and congestion in the San Antonio area until several transmission projects can be completed. (See *ERCOT Evaluating RMR, MRA Options for CPS Plant*.)

ERCOT has already extended an RMR contract through 2027 to CPS for Braunig Unit 3, which has a 412-MW summer rating.

The grid operator is also working with CPS, AEP Texas and South Texas Electric Cooperative on accelerating the transmission projects south of San Antonio intended to resolve the region's congestion issues. A rebuild of a second 345-kV circuit is scheduled to be completed in May 2029, but Bigbee said preliminary discussions have indicated the work could be pushed up to January 2027.

"That could resolve some significant reliability issues in the future," he said. "The earlier we can get those lines in service, the better we believe that the cost-benefit analysis will show that that's easily a cost-beneficial move." ■



ERCOT counsel Nathan Bigbee explains the grid operator's plans to use mobile generators in San Antonio. | Admin Monitor

Batteries, Solar Help ERCOT Meet Record Winter Peak

By Tom Kleckner

ERCOT set a new winter demand peak Feb. 20 with its first-ever mark above 80 GW, a number once reserved for summer months.

Demand peaked at 80.63 GW at 7:25 a.m. Feb. 20 as a late-winter Arctic blast sent temperatures plunging below freezing in much of the state and as far south as Houston. ERCOT had projected demand to reach 83.7 GW but overshot the mark. The grid operator had a healthy margin of nearly 7 GW of operating reserves during the peak.

The new mark broke an instantaneous peak of 79 set at 11:25 a.m. Feb. 19. Demand averaged 78.72 GW during the hour interval ending at noon.

The peaks are not official until ERCOT completes the settlement process for

the operating days. The current winter demand mark is 78.35 GW, set in January 2024. The grid operator set an all-time peak demand record of 85.46 GW in August 2023.

Renewable energy, particularly solar and batteries, has played a key role in meeting that demand. Renewables provided 35% of the need during the Feb. 19 peak, and energy storage set a record (4,587 MW) during the Feb. 20 record. Solar resources produced 22.92 GW of energy Feb. 20, second only to the record 24.31 GW set Feb. 16.

During a Feb. 18 press conference, ERCOT CEO Pablo Vegas said there was enough supply to meet demand. He pointed out that the ISO has added more than 13 GW of new supply since last winter.

"That supply is going to continue to be helpful in these cold events. A lot of it

is solar and batteries, both of which are going to help us when the sun comes up on a cold day," Vegas said. "The batteries help us as a bridge in the morning. That's what helps us keep the reliability high as we get through this event."

With the exception of five, 15-minute intervals that exceeded \$1,000 in the Lower Colorado River Authority load zone, real-time prices have been relatively stable, briefly reaching a high of \$457 Feb. 19-20.

ERCOT declared a weather watch Feb. 17 for Feb. 19-21 because of the forecast extreme cold weather, higher demand and potential for lower reserves. It expected grid conditions to be normal.

Temperatures in Houston, which is near the Gulf of Mexico, still have highs forecast in the 40s through Feb. 22, before the normal warmth returns. ■



ERCOT's new high for winter demand came at 7:25 a.m. | ERCOT

New England Generators Remain in Limbo on Interconnection Reform

By Jon Lamson

More than six months after the proposed August 2024 effective date for ISO-NE's compliance with FERC Order 2023, generators seeking to interconnect in the region remain in limbo, and some stakeholders are concerned further delays could have detrimental effects on upcoming capacity auctions.

While FERC's delayed response to the proposal already has affected certain aspects of ISO-NE's compliance timeline, some stakeholders specifically pointed to an "inflection point" at the end of March and have expressed concern about increased complications if the delay extends beyond this date — especially if the order requires another substantial compliance filing.

FERC Orders 2023 and 2023-A require grid operators to adopt procedures for studying interconnection requests in coordinated cluster studies, instead of ISO-NE's current process of studying projects sequentially. ISO-NE filed its compliance with the orders in May 2024 with unanimous support from the NEPOOL Participants Committee, after an extensive process of stakeholder feedback and amendments ([ER24-2007](#), [ER24-2009](#)).

"Throughout this process and right up to the final vote, there was extremely robust stakeholder engagement in the compliance proceeding," wrote a coalition of clean energy advocacy groups in

Why This Matters

Some stakeholders are concerned that additional delays to Order 2023 implementation for ISO-NE could cause significant affordability and reliability issues for upcoming capacity commitment periods.

comments to FERC supporting the filing. "ISO-NE's Order No. 2023 reforms will mark an important first step in improving existing processes."

However, FERC's delay has compromised ISO-NE's proposed timelines for the transitional cluster study and transitional Capacity Network Resource (CNR) group study. (See [New England Clean Energy Developers Struggle with Order 2023 Uncertainty](#).)

The cluster study is open to projects with valid interconnection requests, while the CNR study would include projects that have completed system impact studies but need capacity interconnection rights or capacity network resource capability (CNRC).

For the subset of projects that just need CNRC, the delayed response is complicated by ISO-NE's multiyear delay of its upcoming capacity auction, which is

intended to facilitate a series of major reforms to the format and timing of the RTO's capacity auctions.

Under existing rules, resources achieve CNRC by receiving a capacity supply obligation in the forward capacity auction (FCA), or in a reconfiguration auction for a previously held FCA. However, under ISO-NE's Order 2023 compliance proposal, resources will receive CNRC through the cluster study process instead of the FCA qualification process.

The transitional CNR group study, which would begin before the transitional cluster study and take about six months, would enable eligible projects to receive CNRC without having to go through the full cluster study, which is proposed to last for about a year.

While the delayed response has prevented ISO-NE from aligning the CNR group study with the 2024 reconfiguration auction (RA) qualification process, ISO-NE has expressed interest in aligning the CNR study with the 2025 RA qualification, which is set to begin in April.

This would mean that "the entire transition schedule in the compliance proposal would need to shift by roughly one year," ISO-NE [noted](#) in December.

In a FERC filing submitted Feb. 5, Flatiron Energy Development urged the commission to rule on ISO-NE's compliance proposal "in no event later than March 2025," arguing that a ruling after this date



"greatly complicates the path to aligning the transitional CNR group study with the 2025 interim reconfiguration auction qualification process."

Flatiron, which develops energy storage resources, expressed concern that delaying the CNR group study past the qualification for the 2025 RA could jeopardize the ability of participating resources to come online in time for the 2028/29 capacity commitment period (CCP 19). Delays to the transitional cluster study would mean an even tighter window for projects that are waiting on the results of this study to reach financial close and begin construction.

The company wrote that its storage projects in ISO-NE take about 18-30 months to come online after receiving final interconnection approval. Under this timeline, starting the transitional CNR study in April would enable resources to come online between 2027 and early 2028, just in time for CCP 19, which starts in June 2028.

"Each additional month of delay adds risk for projects planning to participate in ISO-NE's proposed transition processes and decreases the likelihood that they will be able to offer capacity into [CCP 19]," Flatiron wrote. "Q1 of 2025 is an inflection point, where if a decision is not issued by then, the risk that many projects will not be able to complete the necessary processes in time to deliver their capacity through this auction substantially increases."

The company estimated that up to 3 GW of capacity is eligible to participate in the CNR group study. It stressed that preventing a substantial amount of capacity in the interconnection queue from participating in CCP 19 could lead to more expensive capacity prices, reliability risks

and higher emissions.

Alex Lawton of Advanced Energy United agreed the region appears to be "approaching a juncture" for its Order 2023 timeline.

"It seems pretty clear now that the [transitional cluster study] and CNR group study are linked to the interim RA [qualification] process, which begins with a SOI [show of interest] window mid-April, so I think it's a legitimate concern about whether the one-year implementation delay approach will still work if FERC misses the SOI," Lawton noted.

ISO-NE spokesperson Randall Burlingame said the RTO's ability to align the CNR group study with RA qualification "would be difficult if we don't receive an order this quarter," adding that the substance of the order, and the extent to which additional compliance work will be needed, also will affect the RTO's ability to align its compliance with external processes.

Delays to the interconnection process in New England would almost entirely affect renewable and storage resources; of the more than 39 GW of potential new generation tracked by ISO-NE, wind and battery storage each make up about 43% and solar accounts for about 13%. Natural gas, oil, and fuel cell generation account for less than 1%.

The states also have expressed concern about an extended delay to Order 2023 implementation. In a *letter* to FERC in late November, the New England States Committee on Electricity (NESCOE) wrote that the delay "has resulted in ambiguity for generators as to when and by which process their projects will be interconnected and has left ISO-NE unsure as to how best to posture ISO-NE staffing and

other internal resources."

NESCOE noted that the uncertainty also affects distribution-level affected system operator studies, which will need to coordinate with ISO-NE cluster studies.

"This uncertainty undermines one of the principal tenets of Order 2023 around which there is general agreement — the efficient and timely interconnection of new resources," NESCOE added.

In a filing submitted Feb. 19, the New Hampshire Office of the Consumer Advocate wrote that it agrees with Flatiron's concern that a delay beyond the first quarter of 2025 could lead to a "very significant difference" in capacity prices for upcoming auctions.

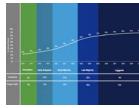
"Should cost-competitive capacity not be able to efficiently interconnect, there will likely be both cost and reliability impacts to the region, including to the residential utility customers of New Hampshire," the office wrote.

In the meantime, ISO-NE continues to process interconnection requests under the existing sequential rules, which may help some projects in the late stages of their interconnection studies avoid needing to participate in the transitional cluster study.

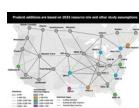
The RTO's interconnection queue remains closed to new interconnection requests and would not reopen to new requests until fall 2026 if the entire process is simply pushed back by one year.

"Depending on the content of an order on the Compliance Proposal, the ISO is open to evaluating whether it is possible to shift the Order No. 2023 established eligibility date to allow for a limited reopening of the ISO Interconnection Queue," ISO-NE said in December. ■

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'Build, Build': MISO, SPP Stance on Resource Additions Clear at GCPA Conference

By Amanda Durish Cook

NEW ORLEANS — Speaking at an annual conference, MISO and SPP executives promised to open their queues' flood-gates.

Generation developers, however, laid out why generation construction remains tricky. And data center developers kept up calls for quick additions.

At the Gulf Coast Power Association's MISO-SPP conference Feb. 19-20, SPP Vice President of Engineering Casey Cathey likened interconnection queue improvements to family reunions, where everyone agrees it needs to happen, but no one knows "the timing, where to go, who to pay and who has the power."

During a panel on queue improvements dubbed "It's a Cluster," Cathey said SPP first must clear its queue backlog, where it has squeezed seven years of project cycles into three years of processing. SPP then hopes to introduce a consolidated planning process that would marry transmission planning with generator interconnection.

Cathey said SPP wants interconnection customers to know their total costs at the beginning of the queue, though he said it's incumbent on developers to arrive having done substantial legwork on their projects.

SPP has more than 100 GW in its interconnection queue. Cathey estimates just 40% of the projects are viable, with

Why This Matters

Interconnection queues are clogged, data center demand is booming, and generation developers are facing soaring costs and supply chain restraints. These issues remain unresolved as a potential resource adequacy crisis looms on the horizon.



A state regulator panel underway during the MISO-SPP GCPA conference | © RTO Insider LLC

only a quarter of those projects' installed capacities ultimately being accredited.

Vice President of System Planning Aubrey Johnson said MISO has "been in some form of generator interconnection reform" over his seven years there. He said MISO believes its planned, backbone transmission projects will pare down network upgrade costs.

MISO's queue contains 313 GW across 1,710 generation projects. The grid operator awaits about 57 GW of approved generation to come online. Johnson said about 27 GW of the delayed projects are more than two years behind stated commercial operation dates.

Johnson said in the 2025/26 capacity auction, MISO could be 2.7 GW short of meeting its planning reserve margin. He said risk is "knocking at" MISO's door while construction timetables stretch out.

"We have a clear and present question today of how we're going to meet the

calls of our load-serving entities who have all this load coming on," Johnson said. He said MISO's plan to introduce a fast lane for certain projects that have regulator support and its efforts to automate studies with tech startup Pearl Street should help.

EDP Renewables' David Mindham asked how the RTOs plan to handle the issue that load-serving entities likely will be favored in their respective expedited lanes over independent power producers.

Johnson stressed that the fast lane will be limited to a few queue cycles and then discontinued.

"This is in a box. This is not how we see life going on," Johnson said. He added that he and his team are caught between the immediate reliability danger that necessitates MISO's accelerated — albeit temporary — queue processing for select projects and achieving an automated study process that produces speedy study results for all interconnection cus-

tomers.

Johnson said it would be beneficial if the U.S. Department of Energy would invoke the Defense Production Act to speed up the manufacture of transformers.

When asked what advice he had for interconnection customers, Johnson didn't mince words.

"The first is: Build. Build," he emphasized. "The second is: We're getting faster. Get ready."

SPP CFO David Kelley said if he could snap his fingers and fix anything in SPP, he'd be able to "press a button" to get instant study results on the precise level of transmission and generation development needed while those projects overcome challenges of permitting and siting and "getting hands on equipment."

"Technology is moving so fast around us," Kelley said, presenting a challenge for an industry "not known for" keeping up with technology.

Kelley said MISO and SPP alike are making concerted efforts to partner with technology companies and recruit those with skillsets in automation and AI for their operations.

Kelley borrowed a line from SPP CEO Barbara Sugg, who was unable to attend the conference, to sum up the zeitgeist. "What got us here won't get us there," he said.

Delayed, Delayed, Delayed'

"I think we have an energy scarcity five to 10 years out, and we have no path to build energy resources, it seems like. All the renewables we thought were going to come online are delayed, delayed, delayed," said Colton Kennedy, Omaha Public Power District director of energy portfolio planning. He added that the firm supply from small modular reactors isn't on the horizon at least until 2035, if one is optimistic.

Kennedy said resource planning has become knottier because developers aren't sure what the future accreditation of their resources will be, since the overall energy mix influences those values. He said RTOs might consider levying the costs for ramping on those responsible for the needs, whether that be wind generation that dips or load that ratchets up suddenly.



Aubrey Johnson, MISO | © RTO Insider LLC

Pattern Energy Vice President of Origination Holly Adams said RTOs' current five- to six-year wait time in the queue isn't "palatable" to generation developers. She also said the now-unstable status of tax credits, permitting reform and tariffs under the new presidential administration makes development an increasingly riskier proposition.

Adams added that severe weather episodes are causing insurance rates to skyrocket, with developers confronted with spending more to insure their projects.

More Expensive RA

Julien Dumoulin-Smith, a managing director at Jefferies, said it's a reality that the price point of resource adequacy will continue to rise with inflation. He said many in the industry failed to appreciate the "writing on the wall" a few years ago as labor costs and the capital costs of equipment began to rise.

"That's the reality on the ground," Dumoulin-Smith said. He estimated that the industry is at the beginning of an inflationary cycle and equipment will trend higher.

Electric Power Research Institute's Justin Sharp said the industry needs more multidisciplinary expertise to understand how extreme weather conditions set off interconnected consequences in a shifting energy mix. He said it's concerning the industry doesn't fully grasp its evolving resource adequacy risk.

"I've got a presentation that I've given many places that basically says, 'We're flying blind,'" Sharp said, calling for "high-quality ground truth data" from generation owners.

Adams said that because no one really knows what technology will be developed over the next 20 years, generation should be judged by objective measurements like ramp rates instead of lumping generation types like natural gas together.

"It is not inconceivable, but it's inevitable that we're going to have eight- to 10-hour batteries," Dumoulin-Smith added.

Dumoulin-Smith added that there's a "serious discrepancy" between the energy delivery that data centers want and what utilities tell them is possible. He said that tension should create opportunities for independent power producers, arguing that's what they were made for.

Dumoulin-Smith predicted that data center developers will push the envelope of what's possible through innovation. He asked the audience rhetorically what's going to happen when utilities cannot announce another coal plant extension or when they hit their limit on adding gas plants.

Organization of MISO States Executive Director Tricia DeBleeckere said while natural gas is helpful, there's a limit to how many new gas plants can be built. She said utilities must be creative to source new capacity.

Adams said data centers require a 99.9% capacity factor that's possible only with access to a wholesale market, possibly through future HVDC lines.

Louisiana Public Service Commissioner Mike Francis said he remains confident that natural gas buildout is the best bet for his state. He said that's evidenced by Meta selecting Louisiana for a campus and striking a deal for a trio of gas plants with Entergy. (See [Entergy La. Confirms Meta Data Center Behind 3 Proposed Gas Plants.](#))

"We have a lot of gas in the ground, it's God-given, and we need to use it," he said. "Let's go back and open the doors on that fuel supply."

"Data center, data center, data center — and crypto mining. That's all we're talking about in Oklahoma," Oklahoma Corporation Commission Chair Kim David said.

David said though some data center developers are weighing building gas plants behind the meter, Oklahoma needs to make sure the data boom is regulated and doesn't become the

"Wild West."

She said even if data center developers are successful in building their own plants behind the grid, they inevitably will want to interconnect to sell excess power. She said it's a challenge to quell an attitude of manifest destiny from her legislature, governor's office and data center developers.

"We're all dealing with that type of mentality. But they don't realize that we're all connected. They're not on an island just by themselves. If they want to be, great. ... But that's not how it's going to happen," she said, predicting that data centers will want backup wholesale power when their own plants inevitably experience outages.

David said in the meantime, her state is seeking the most reliable and cheapest mix of energy. She told the audience not to count out coal yet, noting that SPP on Feb. 19 likely met an all-time peak winter demand with coal's help.

David said she hopes federal environmental regulations around natural gas "loosen up" so more plants can be built. But she said to get accredited capacity built to meet resource adequacy targets, grid operators' interconnection queues must be efficient in getting resources connected.

'Fits and Starts'

While many panelists said the past is no indication for the future grid, Grid United CEO Michael Skelly argued the industry can look back on the power industry's trajectory of the past 140 years to get a general picture of how the grid stands to evolve now.



David Kelley, SPP | © RTO Insider LLC

He said it's "worth remembering" that it took John F. Kennedy's presidential leadership to accomplish the Pacific DC Intertie. He also said the public has Jimmy Carter to thank for wind, hydropower and gas turbine advancements through the Public Utility Regulatory Policies Act.

Skelly said the demand for low-carbon resources won't recede despite President Trump's second administration. He said carbon-cutting measures remain priorities across polls.

"Progress in this area, I'll remind my younger colleagues, is not always linear," Skelly told the audience.

Skelly took a longer view of the data center issue and asked attendees to consider what happens if the power needs fade after a few decades and utilities are left needing to recoup the cost of expensive assets.

"We need to ask a lot of hard questions about this. I think people are still a little shy on this topic," he said. Skelly said the "argument isn't tight as in years past" that consumers should be willing to bear some risk as it was during and after World War II, for instance.

"In any event, we know we're going to need a lot more grid," Skelly said. He said the grid of tomorrow will be built in "fits and starts" and spring up organically as it has for decades, not from any centralized plans.

Finally, Skelly appealed to companies to consider hiring recently purged Department of Energy employees.

"There really is a great pool of talent in the Grid Deployment Office, so keep an eye out for them on LinkedIn," he said.

Others treated data center load growth as more concrete and lasting.

"It's a staggering amount of power being asked from the grid," said Phillip Sandino, a senior vice president at Tract Capital Management, a firm specializing in master planning data center locations.

Sandino said complicating matters, local governments and regulators are becoming more antagonistic to ever-larger data center campuses.

"You all know that, because it's not like they're throwing rose petals in front of you to develop," Sandino addressed the generation and transmission developers

in the crowd.

"The growth we're seeing is beyond anything I've seen in my career... I can't overstate how big a deal this is," Entergy Louisiana CEO Phillip May said. He likened today's levels of load growth to the 1940s and 1950s when the U.S. economy swapped war production with post-war consumerism and housing. However, May said he and his team are careful not to accept new customers that ultimately will burden ratepayers.

Silicon Ranch Vice President of Interconnection and Policy Myra Sinnott said hyperscalers, regulators, utilities and grid operators should "open the channels of communication" where they can so everyone has a better understanding of what's to come.

"A lot of these large load developers are desperate for power," Sinnott said. She said grid operators and utilities should find creative ways to work faster within the confines of existing rules.

Meta Energy Manager Paul Kelly said when Meta is looking for a site, it's looking for a utility that conveys confidence and can move fast to serve new load.

Amazon Manager of Energy Policy Ray Fakhoury said siting data facilities has shifted recently from tech companies selecting locations to letting power providers direct them to appropriate locations. He said Amazon has a preference to be in front of the meter.

Chris Matos, of Google's energy market development division, conceded that data centers need non-interruptible sources, a challenge as the industry struggles to add accredited capacity.

"The buzzword is AI, but these data centers are cloud computing for the most part," Matos said, adding that when data centers are interrupted, essential services like hospital records and financial markets are endangered.

MISO Executive Director of Markets Innovation and Strategy Zak Joudi said exploding data center demand doesn't change MISO's playbook for handling the energy transition. But, he said, it does have MISO doubling down on some of its recent projects, including a new availability-based generation accreditation, an expedited lane in its interconnection queue and more visibility into its risk profile. He said MISO already was

modeling and preparing for a complex system with the energy transition before large loads began lining up to connect.

"You have a velocity aspect, you have a magnitude aspect added to the equation," Joudi said. "But there is no indication we have big gaps."

SPP Director of System and Resource Planning Natasha Henderson said SPP's planned expedited queue lane and its provisional load study process — where the RTO forecasts future demand to plan grid upgrades — should help SPP better respond to load growth.

"We need to continue to add tools, add processes," she said of the path ahead.

Henderson also said there's no question SPP will need long-duration storage to navigate windless and cloudy periods.

"You can look at CAISO and where they're going and where they've been," she said.

Interregional Tx as Insurance

Liz Salerno, a principal at consulting firm GQS New Energy Strategies, said the time is right for FERC to make an interregional planning rule. She said expanded transfer capability is an insurance policy



Grid United CEO Michael Skelly | © RTO Insider LLC

against system collapse, though she acknowledged that cost allocation between regions will be a rocky endeavor at best.

Salerno said the good planning FERC's Order 1920 prescribes will prevent the industry from playing "Whac-A-Mole" with reliability issues, and FERC should do the same on an interregional scale.

"One storm. One storm pays for itself," she said. "All the dominos are lined up for FERC to act on this."

MISO's Laura Rauch agreed on the insurance characterization of interregional projects but said it's a challenge to get separate regions to agree on a risk tolerance for interregional projects "without resorting to the bare minimum." She said MISO's interregional planning strives to land on "shared truths" between geographies even though "everyone's crystal ball is cracked and cloudy."

Karen Onaran, CEO of industrial trade association ELCON, said when FERC staff drafted Order 1920, they likely didn't realize load growth was set to surge. She said the commission's emphasis on 20-year planning makes even more sense as load additions pile up.

"We can no longer rely on historical numbers to plan the grid of the future," Onaran said.

Onaran urged stakeholders to "lower their temperature" on cost allocation and not get so hung up on whether every last mile of line benefits their territories. She said interregional transmission planning doesn't further one state's sustainability goals at the expense of ratepayers in another state. ■



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Con Edison Planning Significant Infrastructure Investment

Solid 2024 Financials Include 51st Straight Year of Dividend Increases

By John Cropley

Consolidated Edison claimed solid progress and reported solid results as it [released its 2024 financials](#) Feb. 20. It also said it's gearing up for \$38 billion in capital investments through 2029.

Clean energy progress was noted for 2024, with more than 352,000 customers assisted via energy-efficiency programs; 27,237 customers enrolled in the residential management EV charging program; and 14,868 heat pump installations supported.

Reliability in a system that largely is underground was outstanding, with the average number of service interruptions per customer in 2024 almost 90% lower than the state and national averages.

And Con Edison said it maintained a lower-than-average cost for its electric customers as compared with its peer average, both in total cost and percentage of median household income.

Con Edison serves New York City and adjoining Westchester County. Its subsidiary Orange & Rockland Utilities serves parts of two nearby counties in New York and a small area in northern New Jersey.

For 2024, Con Edison reported GAAP net income of \$1.82 billion, or \$5.26/share. This compares with \$2.52 billion and \$7.25 in 2023.

But 2023 earnings were inflated by the \$6.8 billion sale of Con Edison Clean Energy Businesses.

Adjusted (non-GAAP) earnings were \$1.87 billion or \$5.40/share in 2024, compared with \$1.76 billion and \$5.07 in 2023.

The company expects adjusted earnings per share of \$5.50 to \$5.70/share in 2025.

Con Edison declared itself a "Dividend Aristocrat and King" in its [earnings presentation](#), noting that 2024 was its 51st consecutive year of dividend increases, with a compound annual growth rate of 5.59% thanks to its focus on long-term shareholder value.

Why This Matters

One of the nation's largest utilities is continuing infrastructure investments needed to support decarbonization.

Statements and numbers such as these seem likely to increase friction between the utility and the public officials and advocates representing ratepayers.

Con Edison on Jan. 31 proposed a rate case to the New York Public Service Commission that would entail average bill increases of 11.4% for electric customers and 13.3% for gas customers.

Gov. Kathy Hochul (D) on Feb. 11 called for the PSC to reject the proposed rate hikes and directed it to perform an audit of management compensation at Con Edison and other utilities statewide.

In another PSC filing, Con Edison reported that it ended 2024 with 496,007 residential customers in arrears more than 60

days for a total of \$948.4 million, plus \$539.1 million for 68,513 non-residential customers.

The 2024 presentation indicates that 466,000 customers of Con Edison and its subsidiary Orange & Rockland — about 14% of the total customer base — receive public assistance and about 14% of Con Edison's customers are enrolled in the Energy Affordability Program.

CEO Tim Cawley said in a news release:

"We are optimistic about growth and are well positioned to continue to meet demand to power the electrification of buildings and transportation throughout our service territory with increased capital investments in grid infrastructure. This was underpinned by big wins last year, such as breaking ground and progressing construction of key substations and advancing a pair of new transmission lines under our Reliable Clean City program. We anticipate demand for electrification to grow steadily in 2025, driven by an increase in new construction downstate combined with policymakers' requirements for clean heat in new commercial and residential buildings." ■



Con Edison's East River Generating Station is shown in Manhattan. | Shutterstock

Report: Trump Executive Orders Put 43 GW of Wind Projects at Risk

By Vincent Gabrielle

A [report](#) released in February by Aurora Energy Research has found that President Donald Trump's executive orders have put 43 GW of East Coast offshore wind projects at risk of permitting delay.

The report found most of the orders, issued on Trump's first day back in office, would not have an immediate impact on the offshore wind industry, though it contains a summary of each, as well as of other actions by the president, and potential long-term impacts.

Of more immediate concern to the industry is Trump's halt on onshore and offshore wind power leasing and permitting, and his directing agencies to review existing ones. (See [Critics Slam Trump's Freeze on New OSW Leases](#).)

"Our biggest concern with the executive orders in particular is not necessarily in the long term, but the potential for permitting risks for the projects that are already under development or already have leases downstate," said Julia Hoos, head of USA East for Aurora.

The report examined the status of more than two dozen projects and compared their risk profiles under the moratorium. It ranked projects by development phase, with those under construction deemed the lowest risk. Projects that had approved construction and operations plans were deemed medium risk. Low- and medium-risk projects include 5.1 GW and 5.9 GW of nameplate capacity, respectively.

Projects that were still going through the permitting process were deemed high risk. This is the bulk of the current projects both numerically and in capacity, with 32 GW at risk.

"For projects that are more advanced, it would be pretty unprecedented for those projects to run into additional challenges," Hoos said. "But the language of the executive order is so aggressive on revisiting the legitimacy of the leases and permitting that it's not out of the question."

Hoos said the executive order had

caused "real nervousness" for projects that are currently working on their permits because a full blockage right now could lead to a cancellation. For projects not fully blocked, developer costs would almost surely escalate.

Dan Shawhan, a fellow at Resources for the Future and adjunct assistant professor at Cornell University, said Aurora's analysis "seemed reasonable" to him.

"Based on comments Trump has made, it seems like he's interested in stopping offshore wind for as long as you can," Shawhan said.

He advised developers and states trying to build offshore wind to "pick their battles to live to build another day. They should challenge the parts of this that they think they might be able to overturn or overcome by court challenge. They should take advantage of this time to prepare to build after the Trump

administration."

New York Reliability Risks

The report includes a section on New York's energy future, citing 7.5 GW of at-risk projects against a backdrop of downstate fossil fuel plant retirements.

It found that delaying key offshore wind projects could push the state back toward combined cycle gas turbine plants downstate by causing increased energy prices and reliance on imports from PJM. The analysis assumes a "strong enforcement of the peaker rule," meaning that old peaker plants would be retired.

"Demand is expected to grow in the winter with more heating electrification," Hoos said. "Assuming the state doesn't allow for that generation to be replaced by gas, which feels very likely given the last several years of policy, then reliability downstate is dependent on bringing in batteries and bringing in new generation."

Hoos said offshore wind was the most feasible path for new generation to be brought online in downstate New York. Delaying those projects poses "real risk" to the region.

Shawhan said New York could avoid falling back on gas and imports if they accelerated solar development or other onshore renewables, but unless the state acted, it would likely be forced to increase fossil generation. Transmission projects that support renewables might also see increased attention from the state.

"Transmission development usually takes a long time, about a decade," Shawhan said. "There are projects in development that might or might not be built, and this would tip the balance in favor of them being built."

"NYSERDA will carefully review federal actions regarding offshore wind development," a spokesperson for the New York State Research and Development Authority said in an email. "It is too soon to determine what impact, if any, federal actions might have on New York reaching its ambitious renewable energy targets." ■



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FERC Launches Rulemaking on Thorny Issues Involving Data Center Co-location

Commission Rejects Exelon Co-location Proposal

By James Downing

FERC voted unanimously to launch a review of data center co-location issues in PJM that will look into whether the RTO's tariff needs to be revised to ensure grid reliability and fair costs to customers (EL25-49, AD24-11).

The commission's Feb. 20 order focuses on PJM because it has seen a larger number of proceedings on the issue, as it is home to the largest data center market in the world and many nuclear power plants interested in such contracts.

"Co-location arrangements are a fairly new phenomenon that entail huge ramifications for grid reliability and consumer costs," FERC Chair Mark Christie said in a statement. "Given these ramifications, the commission truly needs to 'get it right' when it comes to evaluating co-location issues."

The order comes after FERC in November rejected a proposed expansion of a co-location deal between an Amazon Web Services data center and Talen

Energy's Susquehanna nuclear plant in Pennsylvania. (See *FERC Rejects Expansion of Co-located Data Center at Susquehanna Nuclear Plant*.)

It had received several, dueling sets of filings from both sides of the argument, and it held a technical conference on the subject earlier that month with witnesses from other markets. (See *FERC Dives into Data Center Co-location Debate at Technical Conference*.)

FERC gave PJM and its transmission owners just 30 days to determine whether the RTO's tariff needs updates to accommodate co-location arrangements. The commission found the tariff may be unjust or unreasonable because it does not have such rules.

The commission is taking comments on the broader issues, and it will incorporate the record from the technical conference and related complaints. Parties have 30 days to file comments and another 30 to file replies.

Without a common understanding of

Why This Matters

FERC must resolve issues around co-located data centers, such as ensuring the facilities pay for any benefits they still derive from the grid. Broader issues include declining resource adequacy, and what effects removing cheap, nuclear power from serving other customers can have.

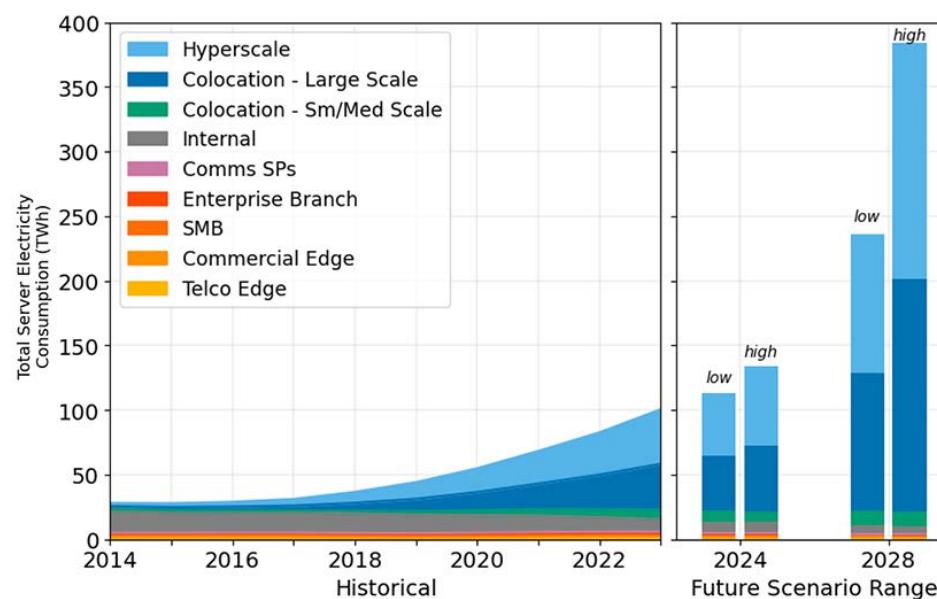
entities' responsibilities, FERC is concerned that the arrangements could be developed in a way that is not fair for other customers.

"We are especially concerned that the absence of tariff provisions creates the potential that participants in a co-location arrangement may not be required to pay for wholesale services that they receive," FERC said.

The issues with co-location fall under both FERC and state jurisdiction, with the commission having to ensure that rates for the wholesale sale of transmission of electricity, as well as practices directly affecting such sales, are just and reasonable and not unduly discriminatory or preferential. States have the oversight of retail sales not in interstate commerce, as well as facilities used for the generation and distribution of electricity.

"The boundaries between federal and state jurisdiction are not hermetically sealed," FERC said. "The application of these principles to the issue of co-location will often depend heavily on the specific facts and circumstances presented in particular situations."

With co-location, some basic principles on that split will apply across all the contracts. States will keep exclusive jurisdiction over retail sales, which means they decide which entities are legally



The power demand of servers in large and hyperscale data centers has been increasing steadily since 2016 but could spike in the next four years. | Lawrence Berkeley National Laboratory

permitted to provide electricity to retail customers and how the costs of providing wholesale power are recovered from retail customers.

FERC has exclusive authority over the rates, terms and conditions for the sales from generating resources used to serve co-located loads, as well as practices directly affecting such sales. FERC also has jurisdiction over any transmission service used to serve co-location arrangements.

The commission seeks comments on jurisdictional issues, including when large loads are interconnected to the transmission system in interstate commerce and what evidence FERC should use to determine that.

Another issue FERC wants commenters to address is how such co-location arrangements have raised concerns around reliability and resource adequacy. NERC testified that 1,550 MW of voltage-sensitive load (data centers) disconnected from the system in a recent fault.

If the co-location arrangements proliferate, it could have major impacts on PJM's grid, which was often designed around

nuclear plants, as the RTO's Independent Market Monitor testified. Taking the capacity out of the markets could also cause prices to spike for other customers, as the IMM and the Illinois Attorney General's Office testified.

"That being said, we recognize, as does PJM, that these concerns are not necessarily unique to co-location arrangements and that significant load growth more generally may raise many of the same concerns," FERC said.

Exelon Co-location Tariff Rejected

In a related order, FERC rejected a series of filings made by Exelon's utilities, all PJM members, that tried to set up rules for any co-locations in its territory ([ER24-2888, et al.](#)). Exelon in 2022 spun off Constellation Energy, which now owns the largest nuclear fleet in the country, but most of that is connected to transmission lines the original company owns.

FERC found that the tariff revisions fall outside any individual utility's tariff because they impermissibly alter the definition of load in PJM's tariff.

The order drew a concurrence from Commissioner Willie Phillips, who as chair voted to approve the Susquehanna proposal. The majority in that order had not wanted to set policy by precedent, but Phillips felt that approval would not have limited FERC's flexibility going forward.

This time, while he sided with the majority to reject Exelon's filings, he noted that they raise real issues, including ensuring that co-located loads pay their fair share of costs, but they will be examined in the rulemaking proceeding, he noted.

A bipartisan consensus has emerged that data centers and the artificial intelligence applications they enable are national interest resources with profound implications for both national security and economic growth, Phillips said.

"I believe that this commission, in cooperation with our federal, state and local partners, should take all reasonable steps within our authority to support their development," he added. "I view today's orders as a down payment on this important national investment." ■

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FERC OKs Changes to PJM Capacity Market to Cushion Consumer Impacts

By James Downing

FERC approved a set of wide-ranging changes to PJM's capacity market, including setting a new reference resource, recognizing the resource adequacy contribution of reliability must-run (RMR) units and establishing an RTO-wide non-performance charge rate ([ER25-682](#)).

The rule changes came after the capacity prices spiked in the 2025/26 base residual auctions last year, due to the tightening supply and demand balance in the RTO. It also comes as the capacity auctions have been delayed so new generation can be built in time to participate.

Two major fossil fuel power plants outside of Baltimore — the 1,289-MW Brandon Shores coal plant and the 843-MW H.A. Wagner oil-fired plant — are slated to retire but have entered into RMR deals with PJM to stay open until the grid is reinforced. Both of those RMR deals are pending at FERC.

PJM proposed reflecting the resource adequacy contributions of any RMR deals in its next capacity auction for 2026/27 that is set for July 2025, and the one after that for 2027/28. They will bid \$0 into the auction, effectively serving as price takers and giving the RTO more time to develop a fulsome proposal.

Brandon Shores and H.A. Wagner are the only two plants that could qualify for the temporary rule, but Brandon Shores might require an emergency order from the U.S. Department of Energy under the Federal Power Act's Section 202 (c).

FERC found the proposal to reflect RMR units in the capacity auction just and reasonable, which includes crediting back the load paying for the RMR deal with any capacity revenues.

"We agree with PJM that taking into consideration the resource adequacy contributions of RMR resources that meet certain criteria, such that they can be reasonably expected to perform, similar to capacity resources, will reflect the actual availability of resources in the PJM region for the 2026/2027 and 2027/2028 delivery years and avoid the risk that load will pay twice for the same capacity," the



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order said.

Requiring them to be price takers in the auction is in line with rules in New York and New England and will avoid customers paying for the same megawatts twice, FERC said.

Previously, PJM was set to use a combined cycle natural gas unit for the 2026/27 auction. Given the realities of the auction, that would have led to a too-steep demand curve that left the auction price too sensitive to small changes in supply and demand. Instead, the auction will be run with a curve based on a combustion turbine natural gas plant, which will help ease the rate impacts of tight market conditions while maintaining reliability.

PJM reviews such basic inputs to its capacity market every four years, but the market conditions have changed so much since 2022 moving to a combined cycle reference unit no longer makes sense for the next auctions, FERC said.

Another major change is setting up a marketwide non-performance rate because some of the local delivery areas (LDA) have market conditions with a near-zero net cost of new entry (CONE), which means the non-performance penalties also were near zero. Keeping

the non-performance rates above zero everywhere will help the RTO maintain reliability in an emergency.

"We agree with PJM that its proposed uniform Non-Performance Charge rate recognizes the fact that capacity emergencies often extend beyond a single LDA, particularly given PJM's recently revised definition of Emergency Action, which is structured such that PAIs [performance assessment intervals] are triggered across an entire Reserve Zone or Reserve Sub-zone," FERC said.

PJM also proposed a clarification that even if resources get out of a must-offer requirement, that does not provide a defense against market power abuse, like withholding capacity. That led to protests from market participants that the change would lead to them having the burden of proving their decisions to bid into the market are legitimate.

FERC noted that it's impossible to write rules that explicitly ban every kind of fraudulent behavior because "the methods and techniques of manipulation are limited only by the ingenuity of man."

"PJM's proposal accurately states that an exception or exemption does not provide a defense to potential claims of withholding, market manipulation, or the exercise of market power," FERC said. "PJM's proposed language does not prohibit or limit an entity from providing evidence of the facts and circumstances relevant to defending against market power claims." ■

Why This Matters

PJM's last capacity auction led to spiking prices. FERC approved some tweaks aimed at mitigating consumer bill impacts as the auctions transition back to a normal schedule, while giving the RTO and stakeholders time to craft more long-lasting changes.

PJM Stakeholders Endorse More Detailed Demand Response Modeling

By Devin Leith-Yessian

VALLEY FORGE, Pa. — The Markets and Reliability Committee endorsed a *proposal* to rework how demand response (DR) resources are modeled in PJM's effective load carrying capability (ELCC) framework, most significantly by replacing the availability window with round-the-clock profiling of DR load.

The proposal received 74% sector-weighted support and was approved by the Members Committee Feb. 20 as part of its consent agenda. (See "Expanded Demand Response Modeling Endorsed,"

PJM MIC Briefs: Feb. 5, 2025.

Why This Matters

The proposal targets implementation in the 2027/28 Base Residual Auction. Demand response providers and consumer advocates argued this waits too long to unlock the resource's potential to mitigate tightening supply and demand in the capacity market.

The revisions to the Reliability Assurance Agreement and Manual 20A are envisioned to more accurately align the capability of DR resources with the times reliability risks are most pronounced, particularly in the winter when a greater share of risks lie outside the 6-9 a.m. seasonal availability window. PJM's Pat Bruno said about 17% of loss of load hours fall outside the availability window, having a significant impact on DR accreditation.

The package also would redefine the winter peak load (WPL) for DR participants to be measured at a set hour. PJM believes best reflects the resource class's overall ability to match system needs. Because individual resources'



cutline

WPL are measured at their highest point, regardless of time, adding them up to form a class-wide peak load would overstate the amount of curtailment capability there is, because those peaks would not necessarily coincide.

The third component would model the expected curtailment capability each DR resource is expected to provide by hour to reflect lower potential overnight in the ELCC and risk modeling analyses.

Bruno said the proposal would improve reliability, increase DR parity with generation by recognizing capability in all hours, capture more load and reduction capability, and improve the incentives for curtailment service providers to sign up customers that have more capability to curtail throughout the day.

The proposal targets implementation in the 2027/28 Base Residual Auction (BRA), which DR providers and consumer advocates argued waits too long to unlock the resource's potential to mitigate tightening supply and demand in the capacity market. An alternative would have made the changes effective for the 2026/27 BRA. But some stakeholders argued that would complicate planning parameters and rules already subject to many changes with just months before the auction is set to be run in July. Bruno said PJM preferred the alternative to realize the reliability and risk modeling benefits sooner.

Calpine's David "Scarp" Scarpignato said any change to the timeline on which planning parameters would be published would disrupt the ability for load serving entities to engage in bilateral transactions ahead of the auction, noting that the "R" in BRA stands for residual in rec-

ognition of its role in procuring capacity not secured through those trades.

"Even when it's in our financial interest, we don't always propose moving these parameters around," he said. "You're screwing up the market when you're moving these timelines around like people are talking about."

Had the alternative been endorsed, Bruno said PJM would have sought expedited treatment at FERC to minimize any impact on the planning parameters. Were that not granted, he said PJM could either publish two sets of parameters with and without the changes or delay publishing specific parameters that could be impacted by the filing. Those parameters are the installed reserve margin, forecast pool requirement, accredited unforced capacity factor, RTO-wide reliability requirement, and the capacity emergency transfer objective.

CPower's Aaron Breidenbaugh said the proposal goes beyond paper changes to the amount of capacity DR could provide. Eliminating the availability window would require participating consumers to be ready to curtail at any time, he said, including hours they are not accustomed to thinking about.

"There's going to be a lot of effort to try to accommodate that, but that's exactly where the reliability benefit comes from," he said.

Susan Bruce, representing the PJM Industrial Customer Coalition, said the 74% support for the package undercounted support for the actual changes proposed. Because the MRC votes on the main motion first and alternatives are considered only if that fails, she said some consum-

ers voted in opposition in an effort to have an opportunity to vote on the faster implementation included in the alternate.

Market Monitor Joe Bowring opposed the PJM proposal. He noted that PJM does not use DR's actual performance during the same critical hours that are used for all other capacity resources.

"The experience with DR during Winter Storm Elliott demonstrated that customer loads were already very low when DR was called and that DR provided only a very limited response," he said in an email to *RTO Insider*. "PJM is crediting DR with an ELCC higher than gas fired combined cycles because PJM is assuming a response that is not supported by the data. PJM treats DR as an emergency only resource unlike all other capacity resources.

"PJM does not know the nodal location of DR. PJM simply ignores increases in DR load above WPL for DR when it is called. PJM fails to apply the same DR ELCC method for the summer as it proposes to apply in the winter. There is no reason to make an expedited and inadequately supported change to the DR ELCC while ignoring other ELCC issues. All ELCC issues are interdependent and should be part of an overall review."

Bowring said the Monitor estimated that DR resources would be paid about an additional \$235 million under the new ELCC if the next auction clears at the maximum price, an increase of about 36%. He agreed with PJM's proposed use of a single coincident peak hour, elimination of the aggregate scaling factor and expansion of the performance obligation to all hours of the year. ■

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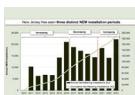
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Analysis: Sluggish PJM Reforms Cost Consumers Billions

Report by Grid Strategies Quantifies Need for Faster, Simpler Interconnection

By John Cropley

A new *Advanced Energy United/Grid Strategies report* estimates that better PJM interconnection processes could save consumers billions of dollars.

The authors say the system's inefficiencies raised the cost for consumers as much as \$7 billion just in PJM's latest capacity auction.

They say the problem will persist for PJM without reforms, but add that the situation is not unique to PJM: Regional operators nationwide should see the auction as a warning sign and should expect similar repercussions if they do not address projected generation and transmission needs.

The Pacific Northwest, SPP, MISO, ERCOT and Georgia Power are seeing notable demand growth, the report states, along with PJM.

"Penny-wise and Pound Foolish: PJM's Capacity Auction Demonstrates the Cost Imperative of Simplified and Speedy Interconnection" was prepared by consulting firm Grid Strategies for the clean power trade organization Advanced Energy United.

Co-author Rob Gramlich said the title derives from the process by which PJM (and other RTOs) allow interconnection of new generation assets.

"Typical interconnection processes are 'penny wise' but 'pound foolish,'" he said in *AEU's announcement of the report*. "As illustrated by the data from PJM, grid operators are slow and methodical, which means they provide detailed cost responsibility accounting, but the associated length of time to connect new generation contributes to scarcity and raises consumers' rates."

Despite FERC's push for proactive transmission planning, the report states, most regions still have reactive transmission planning and interconnection processes in place.

As a result, generation is added slowly and capacity market prices rise.

The report highlights the glaring example: PJM's latest capacity auction, in which the clearing price rose 83% from the 2024/25 Base Residual Auction (BRA).

Why This Matters

The report estimates a price tag for the interconnection bottlenecks that are the target of reform efforts.

(See *PJM Capacity Prices Spike 10-fold in 2025/26 Auction*.)

The total cost to consumers was \$12.5 billion higher than in the previous BRA, but it could have been as little as \$5.5 billion higher, the authors state, had PJM begun proactive transmission planning and simplified its interconnection process years ago.

Updated resource accreditation numbers and new market rules around extreme weather effects factor into the equation, but the report focuses heavily on the basic laws of supply and demand: Load is growing, existing generation is retiring and new generation is coming online too slowly.

Supply offered in the 2025/2026 BRA was about 6.6 GW lower than in 2024/25, while estimated peak load demand was about 3 GW higher.

The report notes that PJM interconnection service requests totaled well over 200 GW at the end of 2023 and estimates that 68.6 GW of accredited capacity is in the PJM interconnection queue.

But very little of that has been coming online. Only about 3 GW was placed in service in 2022, less than 5 GW in 2023 and less than 2 GW in the first 8.5 months of 2024.

The report is backward-looking and analyzes how past cost increases might have been minimized had reforms been enacted earlier. But looking forward, the authors suggest PJM's partly complete, multiyear interconnection reform process may not prove significantly more efficient when it finally is finished.

Broader strokes are needed nationwide, they write: "While much of the discussion around the exorbitant price tag has treated [the 2025/26 BRA] as a one-off issue that can be fixed by tweaks to market

rules, the issue is more fundamental. ... Regions across the country should expect to face similar repercussions if they do not address the generation and grid infrastructure needs posed by increased power demand."

Independent Market Monitor

Independent Market Monitor Joseph Bowring said he does not agree with the report's central thesis: that queue issues are a primary cause of higher prices in the PJM capacity market.

He does agree that faster and more efficient interconnection processes are needed, and he told *RTO Insider* that PJM should have begun pursuing them earlier.

But he disagreed with some other points and conclusions in the report:

- Historical data on PJM's inefficient interconnection process is not a good guide to how the new and improved rules will work.
- The problems with PJM's interconnection queue are due partly to developers crowding it with weak and/or duplicate projects unlikely ever to reach construction.
- Most of the proposed resources in PJM's queue are intermittent, and while they would provide critically needed power, they cannot solve reliability issues.
- The report overstates the impact of supply-and-demand fundamentals in the last auction.

Bowring also noted the most recent regulatory changes may change the picture painted by the report.

For example, FERC on Feb. 11 approved PJM's Reliability Resource Initiative, which will allow PJM to move resources ahead in the queue if they are close to commercial operation. This should help, he said, and PJM should strengthen this approach.

FERC also just approved PJM's surplus interconnection service proposal to permit the more efficient use of existing transmission capacity, Bowring noted.

(See *FERC Approves PJM's One-time Fast-track Interconnection Process*.) ■

FERC Approves PJM 2025 Transmission Project Cost Assignments

By Devin Leith-Yessian

FERC on Feb. 18 approved PJM's annual update to its tariff's cost responsibility assignments for transmission projects set to be completed in 2025. The approval came despite protests regarding the use of the 1% *de minimis* threshold and the inclusion of a project that was the subject of a \$6.6 million civil penalty imposed by the commission last year ([ER25-775](#)).

The [update](#), filed Dec. 20, allocates costs for dozens of projects in the RTO's Regional Transmission Expansion Plan, but the one that attracted the greatest attention was Public Service Electric and Gas' 230-kV Roseland-Pleasant Valley (RPV) line. The commission approved a settlement between its Office of Enforcement and the utility on Dec. 5, 2024, subjecting the utility to a \$6.6 million civil penalty to resolve allegations of it "failing to fully and accurately provide information" to PJM staff about the project ([IN21-5](#)). (See [FERC Fines PSE&G \\$6.6M for Inaccurate Info on Transmission Line](#).)

In protest of the update, Public Citizen argued that RPV included imprudently incurred expenses and requested that component of the cost assignment filing be set for evidentiary hearing. The New Jersey Division of Rate Counsel said PSE&G should be required to demonstrate that its project and the scope of work were appropriate, which it argued could not be done through formula rate proceedings that lack the opportunity for a full prudence review. The agency also asked that FERC review PJM's process for reviewing similar projects.

The utility answered that Public Citizen



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was improperly attempting to transform the cost allocation process into a prudence inquiry, which it said is outside the scope of the proceeding and should be done through a separate, standalone complaint. It also argued the organization had not identified any specific costs that were improper and had not met the standard for initiating such an inquiry. The commission agreed, finding both protests out of scope.

The Long Island Power Authority (LIPA) and Neptune Regional Transmission System argued that PJM's continued use of the 1% *de minimis* threshold and netting provisions of its solution-based distribution factor (DFAX) is in violation of the D.C. Circuit Court of Appeals' ruling in *Consolidated Edison Company of New*

York v. FERC, under which they said it is unlawful to base peak loads in the DFAX analysis on the threshold. They also protested that PJM had not provided evidence of how costs align with their derived benefits and had not detailed the drivers behind significant cost allocation changes. (See [Paper Hearing Opened on PJM DFAX Method](#).)

PJM responded that the issues raised by Neptune and LIPA are the subject of other pending FERC litigation, and in the meantime, it is obligated to apply the effective tariff language. The commission wrote that PJM had applied its tariff properly and adequately provided detail regarding DFAX and its cost allocation methodology, which it noted permits challenges to the inputs. ■

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Constellation Reports Solid 2024 Financials, Expects Better in 2025

Company Expects Strong Demand for Power from its Nuclear Fleet

By John Cropley

Constellation Energy turned in better-than-projected financials for 2024 as it continued to meet the demand for emissions-free energy with the nation's largest nuclear fleet.

The Baltimore-based energy company said it has the lowest CO₂ emissions rate among the top 20 private investor-owned U.S. power producers and that it once again was the nation's largest producer of emissions-free energy in 2024.

The capacity factor of its nuclear plants inched up from 94.4% in 2023 to 94.6% in 2024, which it said is about four percentage points higher than the industry average.

Constellation CEO Joe Dominguez has spoken about U.S. energy trends presenting opportunities for the company, and he *repeated the message* Feb. 18 as he announced the fourth-quarter and year-end financials: "There has never been a more exciting time for our country and for the energy industry. We are privileged to be at the heart of it all."

Demand for electricity is such that Constellation is working to restart a 51-year-old retired reactor at Three Mile Island in Pennsylvania, which it has renamed the Crane Clean Energy Center, to supply Microsoft for 20 years.

Constellation is also in the process of acquiring Calpine Corp., the nation's largest operator of geothermal and natural gas power generation, a deal it said would create a leading retail supplier of power to meet growing demand. (See *Constellation to Acquire Calpine for \$29.1B*.)

Why This Matters

The nation's largest nuclear power operator is reporting solid financial performance and predicting continued demand.



Constellation Energy's headquarters is shown in Baltimore. | *Constellation Energy*

Constellation's stock price has been on a mostly steady and often sharp rise since the company spun off from Exelon in early 2022. That likely is based in part on the widespread (but not universal) expectation that data centers for power-intensive artificial intelligence applications will create huge demands for additional electricity — Constellation stock jumped 25% in a single day when the Calpine deal was announced.

The price per share hit an all-time high Jan. 24, then plummeted 21% the next trading day on news that DeepSeek had developed an artificial intelligence model that needs only a fraction of the electricity that other models consume. The stock price has recovered much of that loss, however.

In its *annual 10-K filing*, also released Feb. 18, Constellation said energy-intensive data centers would be a potential driver of market demand for its reliable, carbon-free electricity, as would policy support for nuclear energy and consumer preference for clean energy.

Constellation reported 2024 GAAP net

income of \$3.75 billion, or \$11.89/share. This compares with \$1.62 billion and \$5.01/share for 2023.

Adjusted (non-GAAP) income was \$2.74 billion, or \$8.67/share in 2024. During the year, Constellation twice bumped its full-year guidance for adjusted earnings higher, but results still exceeded the final \$8 to \$8.40 guidance the company set.

"Backstopped by our strong balance sheet and industry-leading generation and commercial businesses, we're affirming our 2025 adjusted operating earnings guidance range at \$8.90 to \$9.60/share," CFO Dan Eggers said in the news release.

Constellation closed 2024 with 31,676 MW of nameplate generation capacity — 22,068 MW of nuclear, 7,045 MW of natural gas and oil, and 2,563 MW of renewables.

2024 sales totaled 269,417 GWh, approximately the same as 2023 sales. That broke down to 67.4% nuclear; 9.9% gas, oil and renewables; and 22.6% purchased power. ■

PJM MRC/MC Briefs

Markets and Reliability Committee

Voting on Site Control Requirement Manual Revisions Deferred Pending Settlement

VALLEY FORGE, Pa. — Stakeholders in the Markets and Reliability Committee (MRC) voted for a third consecutive meeting to delay acting on *revisions* to Manual 14H intended to clarify when developers may add or remove parcels from their project footprint. PJM and EDF Renewables stated they're working toward resolving a complaint filed on the matter ([EL25-22](#)). (See "Other Committee Business," *PJM MRC/MC Briefs: Jan. 23, 2025*.)

The complaint from the American Clean Power Association, Solar Energy Industries Association and Advanced Energy United alleges PJM is violating its tariff and Manual 14H in guidance it has issued to developers around when they can change the parcels included in their projects. In past stakeholder meetings, PJM said the proposed manual revisions would codify that guidance, which renewable developers have argued is overly burdensome and would require them to retain land they have determined is unneeded.

A motion to defer voting on the manual revisions initially was rejected by stakeholders, with the 60% in support falling shy of the two-thirds sector-weighted threshold. Emma Nix, of EDF Renewables, told the committee that settle-

ment discussions are making progress and passing the proposal would frustrate that process. The second vote passed with 82% support.

"I expect that we will have a settlement that we can share with stakeholders within the next month ... things are going very smoothly," she said.

PJM attorney Chris Holt said the RTO is limited in what it can say due to settlement confidentiality. But he confirmed discussions are progressing toward a resolution. He noted that FERC has granted an abeyance on the complaint that ends on March 10 and stated that PJM is hopeful an agreement can be reached by then. General Counsel Chris O'Hara said settlements often result in PJM committing to propose revisions to its governing documents in the FERC docket in which the settlement is made. If such an agreement is reached, those changes might not come back to the stakeholder process for consideration next month. Interested parties instead could comment on that docket.

The proposed changes would allow parcels to be added to a project at Decision Point 1, so long as the land is adjacent to the site or evidence of connecting easements is provided. Parcels also could be removed at this point, so long as the project continues to meet the minimum acreage and energy output defined in the project application. (See "Vote on Site Control Requirements Deferred," *PJM MRC/MC Briefs: Dec. 18, 2024*.)

The revisions would seek to clarify language stating there are no specific site control evidentiary requirements associated with Decision Point 2 by specifying that "site control must be maintained throughout the cycle process." A note also would be added stating that parcels similarly can be added to DP1, with the caveat that a one-year term would be imposed from the end of Phase 2 of the relevant study cycle.

No additions would be permitted at the final Decision Point 3, but reductions would be allowed so long as the acreage-per-megawatt and evidentiary requirements continue to be met. Once a generator interconnection agreement is signed, any site control changes would require a necessary study agreement to determine permissibility.

3 Packages Advancing from ELCC Task Force

PJM presented a slate of *proposals* aimed at adding new generation categories to the effective load carrying capability (ELCC) framework and how analysis of changes in the resource mix and risk modeling affect class accreditation. They are the first recommendations made by the ELCC Senior Task Force (ELCCSTF), which was formed last year to consider changes in the functionality and transparency of the methodology.

Two of the proposals focus on how changes in ELCC inputs can affect resource class ratings between the completion of a Base Residual Auction (BRA) and the associated delivery year, as well as how that might interact with any capacity shortfalls that could be caused if a resource sees its accreditation reduced between a BRA and incremental auction (IA).

The main motion advancing to the MRC, Package B, would lock resources' ELCC ratings and accreditation in at their values used in the BRA, though any changes in risk modeling still would affect the Reserve Requirement Study values used in the IAs and could cause PJM to revise the amount of capacity it procures in those auctions. The alternative, Package C, would follow the status quo of updating ratings between IAs, but would lower the penalty rate for any deficiency associated with reduced accreditation



PJM Senior Vice President of Operations Mike Bryson speaks during a Feb. 20 Markets and Reliability Committee meeting. | © RTO Insider LLC

to 100% of its clearing price, down from the 120% penalty rate. The two proposals were nearly tied in an ELCCSTF poll, with Package B holding 66.5158% support and 68% preference over the status quo, while Package C received 66.5025% and 74.9% preference.

Package A was introduced by Vistra and would have capped the deficiency charge at the lesser of any change in accreditation or the equivalent demand forced outage rate (EFORd).

PJM's Pat Bruno said Package B would remove the uncertainty associated with shifting accreditation from market sellers while retaining penalties for any shortfall in installed capacity (ICAP). He gave the example of a unit experiencing a catastrophic failure or a planned resource not entering commercial service on time still being subject to deficiency charges. Package C would retain some incentive for market sellers to mitigate any lost AUCAP.

Susan Bruce, representing the PJM Industrial Customer Coalition, argued that Package B would shift all risk to load and require load to buy shortfall capacity twice, in the BRA and IA.

"The main motion addresses a concern, and I certainly am sympathetic to the concern, but it shifts the risk to load ... so I think some fundamental question should be answered here," she said.

Adrien Ford, of Constellation, said the main motion would handle the unhedgeable risk of changing ELCC ratings more effectively than the other two options considered.

The third proposal advancing from the ELCCSTF would add two new resource classes: a waste-to-energy subset of the steam generation category and oil-fired combustion turbines (CTs). The former has an estimated ELCC rating of 83% based on the parameters used in the 2025/26 third IA, while oil CTs would have an 85% rating.

1st Read on CIFP Manual Revisions

PJM's Joseph Tutino provided a first read on a set of manual *revisions* to conform with FERC's order granting PJM's capacity market changes drafted through the Critical Issue Fast Path (CIFP) process in 2023. The package is the second set of conforming revisions, this time focusing on generation testing requirements

and adding a requirement that dual-fuel resources must offer schedules with both fuels into the energy market. (See "1st Read on 2nd Phase of CIFP Manual Revisions," *PJM MIC Briefs: Jan. 8, 2025*.)

The summer and winter capability testing detailed in Manual 18 would be changed to focus on whether capacity resources are able to output their daily ICAP minus the 95th percentile hourly seasonal net output. A resource that has a daily ICAP value exceeding the tested capability during that season would be subject to shortfall charges until it is able to test to a greater capability. The addition of generation operational testing to Manuals 14, 18 and 28 would allow PJM to test a resource twice per season, plus any additional retests if a unit fails to perform. The dual-fuel must-offer requirement would be codified in Manual 11.

Ford said Constellation has worked with PJM on changes to the language to reflect permit requirements. PJM's Skyler Marzewski said the RTO views those changes as a clarification rather than substantive change to the proposal.

Members Committee

Manual Revisions Seek to Reimagine Role of MC Webinar

PJM's Michele Greening presented *revisions* to Manual 34 that would restructure the MC Webinar in an effort to shift substantive discussions to be held instead at the MC. The proposal includes a single change to revise the manual to state that "reports, briefing and non-decisional business will be conducted" to instead read as "may be conducted," allowing for more flexibility.

Vistra's Erik Heinle said the webinar is a useful venue and should continue. But some stakeholders have grown concerned that topics discussed there are more appropriately addressed before the broader attendance that the full committee sees. In particular, he said the monthly reports the Independent Market Monitor provides should be moved to the MC.

Tom Hyzinski, of the GT Power Group, provided an example from the March 18 MC Webinar to highlight the concern raised by Heinle. Hyzinski said that although it was not covered or even noticed in the Market Monitoring Report

that was posted, the Monitor mentioned at the webinar that PJM had unilaterally increased the amount of reserves they carry some time ago. That increase needs to be addressed, he said, suggesting the additional reserves PJM procures are inappropriately increasing consumer costs. Hyzinski said PJM staff were not present to refute those claims or offer alternative perspectives. (See "Stakeholders Reject PJM Synch Reserve Manual Change; RTO Overrides," *PJM MRC/MC Briefs: May 31, 2023*.)

Monitor Joe Bowring responded that the argument he voiced during the webinar was that there are communication issues between PJM dispatchers and generation owners that have led to reserves underperforming and that resolving that issue would obviate the need for the higher reserve requirement. Rather than moving the reports to the MC, Bowring suggested it may be more effective for webinar participants to request that discussion of materials presented be added to the MC agenda when warranted.

Stakeholders Discuss Synchronized Reserves

PJM's Mike Bryson said PJM may lower its synchronized reserve requirement if a trend of increased performance holds up. The RTO increased the requirement by 30% in May 2023 to address low performance. That change may be reversed if five consecutive spin events see 100% or higher performance. In response to stakeholder questions as to whether PJM will continue to monitor reserve deployment and consider ongoing changes to the requirement, Bryson said the focus is getting back to the standard procurement target before considering next steps.

Bowring said he's glad to hear PJM is considering the change and he's hopeful changes to how reserves are deployed will improve performance to where the baseline requirement is sufficient for PJM. (See "Stakeholders Endorse Reserve Rework, Reject Procurement Flexibility," *PJM MRC Briefs: July 24, 2024*.)

Both Bowring and Bryson said the dialogue they had with generation owners whose units underperformed yielded helpful insight into what was driving the issue, and ongoing coordination would be beneficial. ■

— Devin Leith-Yessian

Strong Southeast Economy Bolstered Southern Co. Growth in 2024

Data Center Demand for Electricity Continued to Expand in Utility's Territory

By Holden Mann

Speaking during Southern Co.'s quarterly earnings call Feb. 20, CEO Chris Womack called 2024 "an outstanding year ... both operationally and financially" that left the company "incredibly well positioned" to maintain reliable service for its customers.

The company *reported* net income of \$534 million (\$0.49/share) in the fourth quarter of 2024 and full-year net income of \$4.4 billion (\$4.02/share). This represents a drop from the \$855 million reported in the final quarter of 2023, but a significant rise in terms of full-year net income from 2023, when the company reported \$4 billion.

Operating revenue for the fourth quarter came to \$6.3 billion, up from \$6 billion for the same period the year before. For the full year, operating revenue grew from \$25.3 billion in 2023 to \$26.7 billion

for 2024.

Southern's full-year earnings were "at the very top of our EPS guidance range," Womack said, citing the target of \$3.95 to \$4.05 set in *last year's* fourth-quarter earnings report. (See *Southern Looks Beyond Vogtle After Challenging 2023*.)

The primary drivers of the year-over-year growth came from the performance of the company's electric utilities, with Southern noting that retail electricity sales grew 1% — although this figure was adjusted to account for the impact of Hurricane Helene in September 2024.

The company added 57,000 residential customers in 2024, the highest annual addition on record and more than a quarter of the 200,000 added in the region since 2020. Despite the growth in customers, residential electricity sales fell over the 12-month period by 0.5%; the difference was made up, however, by growth on the commercial and industrial

side, with sales in each category rising by 2.2% and 0.7% respectively.

The commercial sales growth was supported by continuing rising demand by data centers and other large loads, with data center electric usage up 17% over the prior year. This represents a continued trend: Southern's leaders reported strong growth among data center customers in the first quarter of 2024. (See *Southern Credits Strong Southeast Economy for Earnings Growth*.)

"Our objective is to serve as much of this growing electric load as we can sustainably serve," Womack said. "The vertically integrated, state-regulated service territories that we are privileged to serve are proving well suited to attracting these large-load customers, and thanks to integrated resource plans and the other orderly processes inherent in our regulated frameworks, our market is also perhaps proven to be better suited than the unregulated markets at effectively deploying new resources to serve them."

CFO Dan Tucker said Southern expected "strong fundamentals ... to support our long-term growth," setting adjusted EPS guidance for 2025 of between \$4.20 and \$4.30. At the same time, he acknowledged that the likelihood of higher interest rates could "be a partially offsetting factor."

Tucker and Womack also highlighted the company's plans to invest \$63 billion in its businesses over the next four years: \$50.3 billion of this figure is slated for the company's regulated electric utilities, with \$9.2 billion aimed at the regulated gas utilities and \$3.3 billion for interstate gas pipelines, solar construction and maintenance on existing assets. ■

2025 Adjusted EPS Guidance¹ = \$4.20 to \$4.30

>90% of projected earnings from premier state-regulated electric and gas franchises



SPP Promotes Abbas to Senior VP, CTO

SPP has promoted Felek Abbas to senior vice president and chief technology and security officer, combining his current duties as CSO with responsibility for information technology and corporate facilities.

Abbas joined SPP in January 2024 as vice president and CSO, overseeing SPP's cyber and physical security, emergency management and business continuity. He takes over the IT responsibilities of Sam Ellis, who retired in February.

"Given the rapidly increasing changes and risks confronting our industry, it's

essential we have the very best leading our pursuit of transformative technology," said incoming SPP CEO Lanny Nickell.

Abbas has more than 30 years of electric industry experience in cybersecurity, engineering, consulting, risk management, audit and compliance. Previously, he was senior manager of cybersecurity for power and utilities at Ernst & Young. Abbas also has served as a NERC critical infrastructure protection compliance adviser and auditor. ■

— Tom Kleckner



Felek Abbas | SPP



SPP has promoted Felek Abbas to senior vice president and chief technology and security officer. | SPP

Company Briefs

EV Maker Nikola Files for Chapter 11 Bankruptcy

Nikola last week filed for Chapter 11 bankruptcy protection after failing to secure a buyer or raise additional funds to maintain operations.

The company plans to pursue an auction and sale process of its assets, pending court approval.

Nikola had warned investors on its third-quarter earnings call that the company only had enough cash to support its business into the first quarter of 2025 but not beyond.

More: [CNBC](#)

National Grid Sells \$1.7B US Renewables Arm to Brookfield

nationalgrid National Grid last week announced it has reached an agreement to sell its U.S. onshore renewables business to Canadian investment firm Brookfield Asset Management for \$1.74 billion, including debt.

National Grid expects the deal to be completed in the first half of the financial year ending March 31, 2026.

More: [Reuters](#)

Constellation Says Three Mile Island Restart Ahead of Schedule



Constellation

A Constellation spokesperson last week said the planned restart of the shuttered nuclear reactor on Three Mile Island is currently running ahead of schedule.

Community Relations Manager Dave Marcheskie said work on the facility, which will be known as the Crane Clean Energy Center, is moving "ahead of schedule" and that more than 200 full-time workers have already been hired.

The facility is planned to be fully operational by the middle of 2028.

More: [City & State PA](#)

Rivian Posts Q4 Profit, Expects Lower Sales in 2025

Rivian Automotive last week said it beat Wall Street's fourth-quarter earnings expectations and achieved its first gross quarterly profit, but it is forecasting lower sales in 2025.

The company reported a gross profit of \$170 million during the final quarter of last year and plans to achieve another "modest gross profit" in 2025. However, Rivian forecast deliveries of 46,000 units

to 51,000 units for 2025, compared with 51,579 units delivered last year.

The company's net loss for the fourth quarter was \$743 million, compared to a loss of \$1.52 billion during the same period a year earlier.

More: [CNBC](#)

Sunnova Energy Lays Off More Than 15% of Workforce

Sunnova Energy last week said it has laid off more than 15% of its workforce.

Nearly 300 positions were eliminated in the layoffs effective Feb. 17, including about 100 Houston-area employees. The company employs more than 2,000 people, according to S&P Capital IQ. Most of the cuts were within Sunnova's commercial divisions.

More: [Houston Chronicle](#)

Vineyard Offshore Cuts 50 Jobs

Offshore wind developer Vineyard Offshore last week confirmed it had cut 50 job positions in the U.S. and Europe.

Vineyard Offshore is one of two parent companies of Vineyard Wind. The company says no Vineyard Wind staff or contractors were part of the layoffs.

More: [Cape and Islands](#)

Federal Briefs

TVA Moves Forward with Plans for Gas Plant

Tennessee Valley Authority said it is officially moving forward with plans for a gas-powered combustion turbine plant in Mississippi.

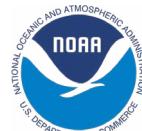
The 500-MW "peaker" facility will sit on a 145-acre property south of Caledonia.

The plant is expected to be operational by June 2028.

More: [The Dispatch](#)

NOAA Set to Slash Jobs 'Imminently'

Mass firings are set to hit the National Oceanic and Atmospheric Administration "imminently," a source with knowledge



said.

The person, who asked to speak anonymously, said the agency had not yet been subjected to steep cuts due to the then-pending confirmation of Commerce Secretary Howard Lutnick. Lutnick, who was sworn in Feb. 21.

The source said an original list of workers set to be fired comprised new workers, except for veterans and Schedule A employees or noncompetitively appointed disabled workers. However, directors of NOAA line and staff offices were asked to add the excluded workers back to the list.

More: [The Hill](#)

Trump Tells GSA to Disconnect EV Charging Stations

The Trump administration last week directed the General Services Administration to disconnect its EV charging stations.

The GSA, which oversees government buildings, purchasing and technology, will take the charging stations out of service as the contracts are canceled. An employee confirmed the chargers will be turned off at the breaker and would be removed.

More than 800 federal buildings offer EV chargers.

More: [Inside Climate News; The Verge](#)

State Briefs

CALIFORNIA

Another Fire Reported at Moss Landing Battery Site

A fire broke out the night of Feb. 18 at the Moss Landing Battery Facility. It was the plant's second fire in as many months.

In an emergency alert at 10:30 p.m., officials said light smoke and fire were coming from the battery plant. Authorities urged residents to stay indoors and close windows "out of an abundance of caution." By the next morning, the fire was under control and the air quality was considered good.

More: [The Mercury News](#)

Imperial County Supervisors Approve Solar Projects

The Imperial County Board of Supervisors unanimously approved the North Star 1 and North Star 3 solar and battery storage facilities.

The North Star 1 project will consist of up to 50 MW of solar generation and 75 MW of storage, while the North Star 3 project will generate up to 100 MW and include up to 200 MW of storage.

More: [Calexico Chronicle](#)

INDIANA

Duke Seeks URC Approval for Natural Gas Plants

Duke Energy has filed a petition with the Utility Regulatory Commission seeking the approval to build two new natural gas-fired units with upgraded transmission lines costing an estimated \$3.3 billion at its existing Cayuga Generating Station.

Duke said the project will coincide with the retirement of the station's coal-fired units. The first of the two new units would be operational in September 2029 and the second unit in May 2030, combining for 1,476 MW.

Customers would see a rate increase of 5.4% between 2026 and 2031 if Duke receives approval.

More: [Indianapolis Business Journal](#)

Indiana Michigan Power Receives Order in Large Load Settlement

Indiana Michigan Power last week



filed in late 2024.

The order approved the terms of a joint settlement, with one modification, and requires new large load customers, including data centers, to make long-term financial commitments proportional to their size. This will ensure the costs to serve these large load customers are reasonably recovered from them and not passed on to existing customers.

The modification to the agreement states that any reduction of more than 20% of a large load customer's contracted peak capacity must be submitted to the URC for review and approval.

More: [AEP](#)

IOWA

House Committee Advances Energy Bill

The House Commerce Committee voted 16-6 to approve an energy bill that would, among other things, give utilities the right of first refusal at new transmission projects.

House Study Bill 123 was proposed by Gov. Kim Reynolds and would advance nuclear energy, give the Department of Natural Resources the authority to regulate anaerobic digesters, grant ROFR and create requirements for advanced ratemaking. Despite past disagreements on ROFR policy, representatives did not discuss that section of the bill.

The bill now heads to the appropriations committee.

More: [Iowa Capital Dispatch](#)

MASSACHUSETTS

DPU Orders Gas Utilities to Slash Residential Delivery Fees

The Department of Public Utilities last week ordered gas utilities to slash delivery fees by enough to reduce the average customer bill by at least 5% over the next two months.

Current gas prices are "unsustainable" and "warrant immediate measures to

provide relief to consumers," the department's three commissioners wrote in a letter. The exact details of how utilities will comply with the order remain unclear.

The utilities can collect the deferred costs when the weather is warmer and gas bills tend to be much lower, DPU officials said.

More: [WBUR](#)

MICHIGAN

Consumers Energy Delays Decision on Future of Hydro Dams



Consumers Energy said it may take months longer

than expected to decide whether to sell, remove or relicense its hydroelectric dams.

Consumers, which owns 13 dams across the state, announced in 2022 that it was evaluating whether to relicense or divest from the dams. Together, the century-old dams only generate about 50 MW but would cost about \$1.5 billion to maintain through an additional 30- to 50-year licensing period. The current operating licenses expire between 2034 and 2041.

A spokesperson for Consumers said the utility "could take all of 2025" to reach a decision.

More: [MLive](#)

MINNESOTA

Amazon Seeks Permit Exemption for 250 Diesel Generators



Amazon has asked the Public Utilities Commission to exclude its fleet of 250 emergency generators from needing a permit that would require the company to prove the infrastructure is necessary and there is no cheaper, cleaner alternative.

Amazon wants to install the backup generators at its potential data center in Becker. Under state law, a power plant that can generate 50 MW and uses transmission lines to connect to the grid must get a certificate of need from the PUC. Company officials argue the law doesn't

apply to its generators, as they would only power the data center and not the larger grid.

The PUC is expected to make a decision Feb. 28.

More: [The Minnesota Star Tribune](#)

MISSOURI

Ameren Unveils Plans to Add Generation, Upgrade Grid



Ameren has updated its Preferred Resource Plan in its Integrated Resource Plan to support 1.5 GW of new demand by 2032.

The plan includes building 1,600 MW of natural gas generation, adding 2,700 MW of wind and solar energy and installing 1,000 MW of battery storage by 2030.

The utility also updated its \$16.2 billion Smart Energy Plan with the Public Service Commission. This plan focuses on upgrades to the grid meant to boost reliability and resiliency.

More: [Ameren](#)

NEW HAMPSHIRE

House Passes Legislation to Pull Back from OSW Development

The House of Representatives last week voted 206-163 to advance a bill that would cut "offshore wind industry development" from the Office of Offshore Wind Industry Development and Energy Innovation. It would also repeal the Offshore Wind Industry Workforce Training Center Committee and the Offshore and Port Development Commission.

Gov. Kelly Ayotte has said she feels the projects are wrong for New Hampshire, while President Donald Trump issued an order last month pausing offshore wind development.

The bill now heads to the Senate.

More: [New Hampshire Bulletin](#)

week voted 3-2 to approve a solar power and battery storage facility.

The project, proposed by PCR Investments, is expected to generate 220 MW with 110 MW of battery storage on a 1,833-acre site.

More: [Santa Fe New Mexican](#)

RHODE ISLAND

Gov. McKee Proposes EV Fee



Gov. **Dan McKee**'s proposed budget for 2026 seeks a new \$150 EV registration fee.

If approved, the Division of Motor Vehicles would charge EV

owners a new \$300 fee (\$150/year) for every two-year registration on top of the regular registration fee. The fee for plug-in hybrid owners would be \$150 for two years or \$75/year.

More: [Providence Journal](#)

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- Owner
Renewables - Solar Distributor



“ Sometimes, I haven’t followed a certain issue. But once I realize, ‘I need to be paying attention to this.’ I can go back and easily catch up. I find that very, very helpful. For somebody who’s kind of coming into an issue midstream, you can catch up really fast.”

- Commissioner
Gov. Regulator



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