

RTO Insider

YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKETS

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

MISO

FERC Rejects MISO's Interconnection Queue Fast Lane



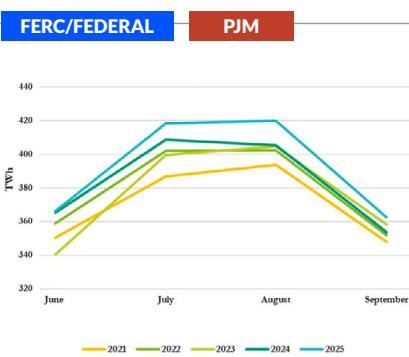
Travel Portland

This version of MISO's proposed fast track in its interconnection queue for select generation projects is a no-go. FERC said it was uncomfortable with MISO placing zero limits on the number of interconnection requests and failing to detail exactly how the plan would bolster resource adequacy.

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MISO CEO: Slim Reserves Not Necessarily Bad (p.29)

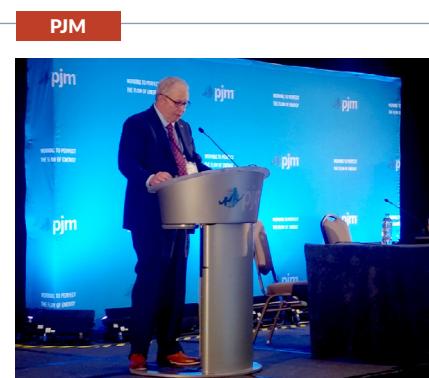


FERC

FERC Summer Assessment Shows Risks from Growing Demand, Extreme Weather (p.4)

Forecasters expect higher-than-normal temperatures this summer, and extreme weather could exacerbate the tight supply conditions.

FERC Commissioners Split on Incentives for Valley Link Transmission (p.40)



Consumer Advocates and Enviro Lay Out Priorities to PJM (p.42)

Consumer advocates and environmental groups underscored the importance of PJM's independence in the wake of a series of votes ousting two Board of Managers members.

PJM Stakeholders Reaffirm Board Election Results (p.44)



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With New Job, Phillips Reflects on FERC Tenure, Transmission Reform (p.5)

Willie Phillips ran FERC as it issued some of the most substantial rulemakings on transmission planning and interconnection in years.

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The SMR Fission Vision in Ontario

By Steve Huntoon

The problem: meeting inflexible electric demand with a generation mix that is increasingly intermittent.

The increasing intermittency is driven by the replacement of dispatchable fossil fuels (coal, gas and oil) with non-dispatchable renewables (wind and solar).

The problem is well understood. The solutions, not so much.

Prior columns have discussed why *nuclear fusion* is no answer, why long-duration *battery storage* is prohibitively expensive, why *offshore wind* makes no economic sense, and why *green hydrogen* electricity actually is harmful.

I've discussed why the most economic path to net zero involves retaining gas generation in essentially a back-up role and offsetting the occasional carbon emissions with carbon offset credits and/or carbon capture, and I've had some other *suggestions* along the way, including Plan B, *solar geoengineering*.

Talking Fission

Today, let's talk about nuclear fission. We need to distinguish new fission from existing fission. Diablo Canyon is a poster child for the latter, and it is fortunate that its premature closure was averted, *as I urged* many years ago.

But new fission? In the wake of *the Vogtle*



Steve Huntoon

experience in Georgia (more than seven years late and \$17 billion over budget), attention has shifted to small modular reactors (SMRs) of around 300 MW (about a fourth of the typical large unit like Vogtle).

As the term "modular" suggests, *the basic pitch* is that SMRs could be "factory built," with a lower per-MW cost. Many *uncertainties* exist about that, and a scorching critique of SMRs from the University of Pennsylvania *is here*.

The SMR vision persists despite *the collapse* of the Utah NuScale SMR project in the wake of dramatic *cost increases* (and despite the \$30/MWh federal subsidy). But it's been suggested that NuScale's failure was *an anomaly*.

New Data Point from Ontario

So, which is it? We've just received a new data point from Ontario. The project there involves four 300-MW SMRs. It's *been estimated* to cost \$15 billion. The government's *press release* says, no irony intended, that it's part of "Ontario's Affordable Energy Future."

If we do the math, \$15 billion for 1,200 MW is \$12.5 million/MW. If we plug this capital cost into the Lazard capital cost range, it interpolates to \$195/MWh in the levelized cost of energy (LCOE) range. (*See Page 38*.)

For perspective, this \$195/MWh is five times the \$38/MWh average cost of generation in PJM. (*See Figure 3* net of transmission costs.) Yes, five times!

It's also five times what GE Hitachi told the Nuclear Regulatory Commission in 2019 this SMR would cost, specifically that it would cost less than \$2.25 million/



Concept art of the GE Hitachi BWRX-300 | GE Hitachi Nuclear Energy

Why This Matters

Nuclear plants are expensive to build, and that's before overruns and delays. Columnist Steve Huntoon asks who will be on the hook for cost overruns if they occur in Ontario.

MW. (See *Slide 6*.) GE Hitachi also said: "Nuclear could become a major source of U.S. power generation at \$2,000/kW [$\2 million/MW]." (*Slide 5*) "Yes," at that cost, and "No," at six times that cost.

Before Cost Overruns

And even this is optimistic because it assumes the Ontario project will come in as budgeted. Experience with SMRs (like other nuclear) is for massive cost overruns. *J.P. Morgan reports*: "There are three operating SMRs in the world (two in Russia and one in China), and another under construction in Argentina. The cost overrun on the China SMR was 300%, on Russian SMRs 400% and on the Argentina SMR (so far) 700%. Their construction time frames were also nowhere near the projected 3-4 years; they all took 12-13 years instead to complete." (By the way, this J.P. Morgan paper is an impressive overview of energy and the environment.)

Who is on the hook for the cost overruns? The Ontario project's *lead contractor says* it has been pursuing "collaborative alternative procurement and contracting models with the goal to reduce risk during construction," specifically including the Ontario SMR project. Doesn't sound like it's taking cost overrun risk.

That leaves the utility's customers and the utility's shareholder(s) to bear the risk. The utility is owned by the Ontario government, so that means the customers and the taxpayers. Uh oh.

Good luck Ontarians! I think you're going to need it. ■

Columnist Steve Huntoon, a former president of the Energy Bar Association, practiced energy law for more than 30 years.

FERC Summer Assessment Shows Risks from Growing Demand, Extreme Weather

By James Downing

FERC's annual *Summer Assessment* shows rising demand and shrinking reserve margins as new supply has been slow to come online.

That situation has been well known for over a year, but this summer forecasters expect higher-than-normal temperatures, and it could be exacerbated by extreme weather, according to the assessment.

"The increase in demand doubled from 2024 to what you're projecting for this summer, and that is largely data center growth," FERC Chair Mark Christie said May 15 at the commission's open meeting, where the assessment was unveiled. "So, on the demand side, you've got increases. They're pretty amazing, but we continue to lose dispatchable generation, predominantly coal and gas, and it's being replaced with inverter-based resources, which don't have the same characteristics."

The summer assessment is partly based on some of the same information that NERC used in its own reliability assessment released the same week, which identified ERCOT, ISO-NE, MISO and SPP as facing elevated risks of outages under extreme conditions. (See related story, *NERC Warns Summer Shortfalls Possible in Multiple Regions*.)

Christie noted that PJM said it could have to resort to emergency conditions this summer if the region faces extreme heat that could lead to a new peak demand record there. He asked NERC why it did not also place it at an elevated level of risk. (See "Summer Outlook Finds Possible Reserve Shortage," *PJM OC Briefs: May 8, 2025*.)

"We agree that the risk under extreme conditions in PJM is present," NERC Manager of Reliability Assessments Mark Olson said at the open meeting. "The criteria that we apply to elevated risk looks at the once-per-decade type of scenarios and low-risk scenarios. And what we noted is that PJM is preparing to call on demand response, which is part of our assessment as well."

Why This Matters

Forecasters expect higher-than-normal temperatures this summer, and extreme weather could exacerbate the tight supply conditions.

It would take a combination of extreme weather and major resource outages to lead to shortages in PJM this summer, he added.

Relying on DR seemed risky to Christie, who said at a press conference after the meeting that when PJM was hit by Winter Storm Elliott over Christmas in December 2022, just one-fourth of DR called on actually showed up. The resource can be critical when the fleet is running full and demand is high, but Christie argued it was not a replacement for generation.

"You don't plan a resource mix to say, 'Well, let's just plan on having an emergency and use emergency measures because of the reliability aspect to it,'" he added.

Regardless of whether PJM needs to dip into DR to maintain reliability this summer, Christie noted that the region faces long-term resource adequacy issues. Those have led to higher prices and significant criticism from many of its states' political leaders.

The RTO is seeing a changeover in its leadership, with CEO Manu Asthana set to leave at the end of the year and stakeholders recently voting out two board members, including the chair. (See related story, *PJM Stakeholders Reaffirm Board Election Results*.)

"A lot of that criticism is misplaced," Christie said. "A lot of the problems in the PJM zone are the result of state policies, and PJM is being blamed unfairly."

FERC cannot overrule stakeholders' board elections, though Christie said PJM could have better governance that gives a more prominent role to states. He noted that FERC will cover PJM's capacity market at a technical conference on

resource adequacy in early June, but he also said the RTO's leaders were doing "their best."

While PJM was a major topic of discussion at the open meeting, the assessment covers the entire country, and it said that broad swaths of the West as well as Texas and Oklahoma face elevated fire risk this year.

"Long-range forecasts for above-average temperatures and below-average precipitation in much of the Western and Central United States may result in higher wildfire risks in the affected regions over the course of the summer," it says.

The elevated risk of fires could lead to public safety power shutoffs as utilities seek to avoid the massive liabilities associated with starting one. And if fires do start, they can lead to damaged transmission equipment and other outages.

Drought conditions extend over 37% of the U.S., well beyond the areas at risk for fire, and that is expected to grow this summer when temperatures rise. Drought risks curtailing power plant operations, as they can be short of water for cooling, leading to derates or, more rarely, forced outages, the assessment says.

The assessment came a week before the National Oceanic and Atmospheric Administration's official hurricane outlook, but one from Colorado State University forecasts an active season with 17 named storms and nine hurricanes, four of which are expected to be major. That amounts to 25% more activity than a normal season, according to the assessment.

"What struck me is the hotter temperatures, the limited water resources, the elevated risks of wildfire, hurricanes and other extreme weather events — they all show up in this report," Commissioner Judy Chang said during the open meeting. "And these trends are only getting worse. ... We keep using the word[s] 'uncertainty' and 'increased uncertainty' in these reports; I would say there's actually an increase of certainty that this is actually the pattern that we're seeing more and more." ■

With New Job, Phillips Reflects on FERC Tenure, Transmission Reform

By James Downing

Former FERC Chair Willie Phillips, now a partner with Holland & Knight, says his old agency is in good hands with its current membership.

"My colleagues at the commission, they understand that FERC is an independent agency, and FERC works best when it's at a full capacity," Phillips told *RTO Insider* on May 16. "But I can say that the colleagues that I have there now, they are outstanding professionals. They're exceptional regulatory leaders, and we have the team at FERC that we need right now to move forward with the important and complex matters that they're dealing with."

Phillips left FERC in April, saying that he wanted to move on after nearly three and a half years there and seven years at the D.C. Public Service Commission. He chaired FERC for two of those years and the PSC for his last three. (See [Commissioner Willie Phillips Announces his Resignation from FERC](#).)

He is now at Holland & Knight in its Public Policy & Regulation Group. Coming with him from FERC is his former chief of staff,

Ronan Gulstone. Both are now partners at the firm.

"For me, it was time for change," Phillips said. "It was time for a new set of challenges after spending three years at FERC and really accomplishing one of my top priorities, which was transmission reform."

He said three orders issued under his chairmanship — FERC Order 1920, on regional transmission planning and cost allocation; Order 2023, on generator interconnection queues; and Order 1977, implementing backstop transmission siting authority — represent the biggest reforms on transmission policy in a generation and can help the country build the transmission system it needs. (See [FERC Issues Transmission Rule Without ROFR Changes, Christie's Vote and FERC Updates Interconnection Queue Process with Order 2023](#).)

Order 1920 is on appeal at the 4th Circuit Court of Appeals, but Phillips said he believes FERC will ultimately be successful in that case because it builds on Order 1000, which was upheld in the courts. With the amount of load growth and new generation that needs to come online in the coming decade, the regional trans-

Why This Matters

Willie Phillips ran FERC as it issued some of the most substantial rulemakings on transmission planning and interconnection in years.

mission expansion that he said Order 1920 will enable is needed.

"If we had all of the generation that we need — and we don't," Phillips said, "we don't have a way to connect it to the users, to the stakeholders, to our homes and businesses. It's like a train without a track. And so, this is something that I believe the industry needs. It's something that all Americans need, and we can't move fast enough to get transmission built in this country."

FERC Chair Mark Christie initially voted against the order but voted in favor of Order 1920-B, as on rehearing the commission made changes to ensure states would have their voices heard on cost allocation.

"He was central in advocating for changes that I believe improved Order No. 1920 and allow for even more participation by the states," Phillips said. "We can't do this without the states. We have to have state regulators at the table, and I believe we made the order stronger."

One of the criticisms Christie and others have had of Order 1920 is that it was aimed at the Biden administration's goal of expanding renewables to address climate change. Phillips pushed back on that.

"The commission is resource neutral, and that means that we don't pick and choose winners and losers when it comes to the resources that are connected," Phillips said. "And I personally had an all-of-the-above approach when I was at FERC, and I firmly believe that we need generation resources of all kinds."



Former FERC Chair Willie Phillips | © RTO Insider

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House Committees Mark up Budget Bill that Guts Energy Tax Credits

Trump-backed Bill Would Roll Back Financial Support for Green Energy Projects

By James Downing

Efforts by U.S. House committees to mark up the "One, Big Beautiful Bill" that includes most of President Donald Trump's legislative goals could so complicate energy tax credit provisions as to make those instruments difficult to use at all.

Under proposed changes, the production tax credit and investment tax credit would not only be rolled back sooner than set out in current law, but restrictions on foreign ownership and a requirement that projects be completed to qualify for credits (rather than just be under construction) would make them much less useful for developers. (See *Budget Bills Would End Energy Tax Credits Early, Claw Back Other Funding.*)

"With all the unpredictability of Trump's up-and-down tariff-taxes, the supply chain difficulties and the natural disasters that are made worse by climate change — all this chaos, no project developer worth his salt can actually guarantee when their facility will be placed in service, can they?" House Ways and Means Committee Ranking Member Lloyd Doggett (D-Texas) said at a markup hearing May 13.

Uncertainty is always bad for a capital-intensive industry and the end of the tax credits will mean ratepayers will pay more for electricity, JC Sandberg, chief of policy at the American Clean Power

Why This Matters

The bill would change tax credits for new power plants in ways that would make the instruments much less valuable for the industry. Renewable energy supporters hope the language is changed as the legislation advances to the Senate.



House Ways and Means Committee Chairman Jason Smith (R-Mo.) makes his opening statement during the markup hearing. | House Ways and Means Committee

Association, said during a May 13 webinar hosted by the World Resources Institute (WRI).

"I think what came out of the House is hard," Sandberg said. "It starts to look a lot like repeal."

But it's still early in the process, and Sandberg and others on the webinar said the language around key tax credits could change before the bill winds up on the president's desk.

A group of four GOP senators, which is enough to erase the party's majority in that chamber, issued a [letter](#) in April urging their colleagues against fully repealing the energy tax credits. The senators are Lisa Murkowski (R-Alaska), John Curtis (R-Utah), Thom Tillis (R-N.C.) and Jerry Moran (R-Kan.).

"Many American companies have made substantial investments in domestic energy production and infrastructure based on the current energy tax framework," they wrote. "A wholesale repeal, or the termination of certain individual credits,

would create uncertainty, jeopardizing capital allocation, long-term project planning and job creation in the energy sector and across our broader economy."

There is pressure from another side of the GOP caucus to go further than the House's proposal, with Energy and Natural Resources Committee Chair Mike Lee (R-Utah) introducing a [bill](#) called the Energy Freedom Act to completely repeal more than 20 "green energy subsidies" passed or expanded by the Inflation Reduction Act.

"America's energy policy should be about keeping the lights on and costs low — not lining the pockets of special interests," Lee said in a statement. "The Biden administration's green energy subsidies have rigged the market, driven up costs, and left our grid more vulnerable."

'Incredibly Complicated'

The new uncertainty around tax cuts comes as load growth continues apace and the other main option for addressing the growth — natural gas-fired genera-

tion — is seeing rising costs with no plans to expand the supply chain for power plant components, WRI Senior Fellow Jigar Shah said.

"I think we're in a situation right now where there's a lot of legislating by Twitter and not enough actual planning that's being done through physics, right?" Shah said on the webinar. "We will end up getting to the other side. It is very obvious that clean energy technologies are now the most cost-effective way to meet all of our load growth."

GE Vernova has no plans to expand its production of turbines and is instead producing as many as it can with its existing facilities and happy to sell them at three times the old price, the former Biden administration official said.

Shah added that new natural gas is roughly \$95-\$100/MWh, with solar and storage coming in below that even at their "wildest" costs.

Developers could also have a hard time

complying with another aspect of the tax bills: how to comply with language around "foreign entities of concern," which would include using components manufactured in China. While the U.S. clean energy industry is working to reshore its manufacturing base, sourcing every nut and bolt domestically will never make sense, ACP's Sandberg said.

"I think there are ways to do that that don't completely destroy what's already being built and what's already happening in a transition," Sandberg said. "I think what's currently in front of us from House Ways and Means is incredibly complicated. It's very cumbersome. It's not entirely clear on a lot of areas."

As written, the bill could disqualify projects from the tax credits if "any part" of their supply chain comes from China, Sandberg added. As the legislation works its way through Congress, all that could change, he said.

Even without the uncertainty from changes to tax credits, the industry was

already facing a hard push to expand infrastructure, former FERC Commissioner Allison Clements said on the WRI webinar.

"The tax legislation is the latest kind of thunderstorm/lightning storm in the challenges that this administration has thrown forward relative to the development of new infrastructure in this country, but behind that, you still have a kind of constant drizzle of the regulatory lag and challenges to facilitate infrastructure development," Clements said.

Clements was on the commission when it passed orders 2023 and 1920 to speed up generation interconnection queues and expand the grid. But she noted Order 2023 will not really start to make an impact for another year and Order 1920 will not lead to any actual new transmission plans until the end of the decade.

"How do you hook more stuff onto the grid we've already paid for?" Clements asked. "We have to operate the existing system more efficiently." ■

With New Job, Phillips Reflects on FERC Tenure, Transmission Reform

Continued from page 4

With the pace of load growth accelerating around the country, both generation and transmission expansion are needed to keep pace with that. That is the main reason Phillips said he believes Order 1920 will be successful over the long term.

The regional transmission plans in Order 1920 are going to take years to see any actual infrastructure development, but Order 2023 is already being implemented around the country now. FERC has processed all of the non-RTO region compliance filings for Order 2023, but it still has a few left to vote out from the organized markets. (See related story, *CAISO, PacifiCorp, PSCo All Close on Order 2023 Compliance*.)

"We started with 2023 because we believe that it is the most pressing and the lowest-hanging fruit to get more generation and get more transmission built for the grid," Phillips said.

On average it takes a generation project five years to get through the queue, and Phillips said that is unacceptable. That is just starting to improve, and FERC's reforms should continue to reduce the wait time, which will be a major improvement as demand growth has returned in a way not seen in decades, he said.

"It's going to take all hands on deck to make sure that we can provide the energy that our country needs in a reliable and efficient way," Phillips said.

So far, the load growth has contributed to a tightening supply-demand balance and driven up prices, which has contributed to more criticism of the organized markets that FERC has championed for the last quarter century. The commission has focused on that issue through a joint task force with the National Association of Regulatory Utility Commissioners and technical conferences on ISO/RTO markets, while responding to rule changes in those markets.

"We've seen more change in the past

decade in our industry than we have in the previous 50 years," Phillips said. "If everything is changing in the industry, then you also have to take a look at regulation to see what changes need to be made. Industry is moving fast. Innovation is moving fast."

It makes sense to look under the hood at markets and make sure they are capable of handling that pace of change, he said.

"If you look at this as almost like a 20-year experiment, I think on balance, RTOs and ISOs, they've been beneficial when it comes to reliability, building transmission and bringing on new resources," Phillips said. "Now, is there room for improvement? Absolutely, absolutely. But I joined Chairman Christie at my last open meeting in praising RTOs and in particular the leadership, because they have a very difficult task right now. But it's my belief that we can make changes that can improve the situation, and I'm supportive of even expanding the RTOs where possible around the country." ■

CAISO, PacifiCorp, PSCo All Close on Order 2023 Compliance

FERC Partly Approves Filings from the 3 Entities

By Robert Mullin

FERC on May 15 partly approved CAISO's Order 2023 compliance filing, directing the grid operator to address mostly minor issues in the document ([ER24-2042](#)).

The commission issued Order 2023 in July 2023 in to help unclog highly congested generator interconnection queues across the U.S.

The rulemaking requires public utility transmission providers (including RTOs and ISOs) to adopt a package of "reforms" to streamline their interconnection procedures, including implementing a "first-ready, first-served" cluster study process; taking measures to accelerate interconnection processing; and incorporating "technological advancements" into the process.

To implement the changes, Order 2023 directs all transmission providers to revise their *pro forma* Large Generator Interconnection Procedures (LGIP), Large Generator Interconnection Agreement (LGIA), Small Generator Interconnection Procedures (SGIP) and Small Generator Interconnection Agreement (SGIA) to a

standard that either meets or exceeds those set out in the order.

FERC's most substantive rejection in the CAISO order dealt with requirements around the allocation of costs for specific network upgrades.

In this area, the commission accepted CAISO's provisions for allocating the cost of interconnection facilities because the ISO had adopted FERC's *pro forma* LGIP provisions without modification, while also approving the ISO's proposed independent entity variation (or deviation from the *pro forma* language) not to adopt definitions of "substation network upgrades" and "system network upgrades" in its LGIP because those are defined elsewhere in the ISO's tariff.

But the commission also found that, with respect to substation network upgrades (called Interconnection Reliability Network Upgrades — or IRNUs — in CAISO's tariff), the ISO's filing failed to address Order 2023's requirements to define a "proportional impact method" for calculating upgrade costs, nor did it propose a method for allocating the costs in a manner consistent with the *pro forma* LGIP.

Why This Matters

Transmission providers across the U.S. must comply with FERC's Order 2023 requirements intended to speed up the process of moving viable projects through interconnection queues. In the West, that includes CAISO and numerous utilities that operate their own balancing areas.

"The *pro forma* LGIP states that 'substation network upgrades, including all switching stations, shall be allocated first per capita to interconnection facilities interconnecting to the substation at the same voltage level, and then per capita to each generating facility sharing the interconnection facility,'" FERC wrote. "CAISO's tariff states that 'interconnection customers assigned IRNUs in their cluster study will be allocated the full cost of the IRNUs in their maximum cost responsibility.' CAISO's tariff, therefore, does not explain how IRNUs will be allocated to interconnection customers, as required by Order No. 2023."

Notably, the commission agreed with CAISO's argument that it be exempted from the Order 2023 requirement that it implement a transition to a cluster study process because the ISO already has such a process in place.

CAISO last year won FERC's approval for a plan to accelerate the ISO's interconnection queue by reducing the number of projects it must review in its queue cluster study process through use of a new screening procedure that prioritizes projects based on transmission availability and commercial viability. Those changes will apply to the outsized interconnection Cluster 15 and all subsequent study clusters. (See [FERC Approves CAISO Plan to](#)



Streamline Interconnection Process.)

"CAISO is proposing procedures to effectuate its Cluster 15 transitional process that align the proposed Order No. 2023 interconnection study schedule with CAISO's transmission planning process, thereby ensuring future clusters can consider new transmission capacity before submitting interconnection requests," the commission wrote.

The ISO must submit revisions to its compliance filing within 60 days.

PacifiCorp, PSCo Mostly Comply

FERC also largely approved the Order 2023 compliance filings of PacifiCorp ([ER24-2017](#)) and Xcel Energy subsidiary Public Service Company of Colorado (PSCo) ([ER24-2030](#)).

In both rulings, the commission said it assumed many of the deviations from Order 2023's *pro forma* language it found in the filings were typographical or "minor errors" the utilities "inadvertently" included in their submissions, which the commission directed them to correct.

In the PacifiCorp ruling, FERC rejected the utility's proposed proportional impact method for allocating network upgrade costs for short-circuit-related system network upgrades in its LGIP. PacifiCorp

had proposed to allocate those costs within "cluster areas," effectively comprising subgroups within cluster studies.

But the commission pointed out that Order 2023 explicitly states that the transmission provider cannot change how it allocates network upgrade costs even if it opts to study in subgroups. The provider must follow the requirement "to use a proportional impact method to allocate system network upgrade costs among all interconnection customers in the cluster regardless of subgroup."

"In other words, a transmission provider's proposed proportional impact method must allocate system network upgrade costs among all interconnection customers in the cluster, even when the transmission provider proposes to use subgroups in its cluster studies," the commission wrote. "Here, PacifiCorp proposes to allocate proportionally the costs of short-circuit-related system network upgrades among the interconnection customers within a particular cluster area (i.e., a subgroup), rather than across the entire cluster."

In the PSCo ruling, FERC rejected the utility's proposal to require interconnection customers to submit a \$7.5 million commercial readiness deposit, noting

that it is 15 times the \$500,000 maximum set out in the *pro forma* LGIP.

"We acknowledge that the commission accepted this amount as consistent with or superior to the Order No. 2003 *pro forma* LGIP; however, in the context of the reforms adopted in Order No. 2023, we find that PSCo has not demonstrated that this amount is consistent with or superior to the Order No. 2023 *pro forma* LGIP," the commission wrote. "Order No. 2023 adopted a package of requirements to enter and proceed through the interconnection queue and reduce or eliminate the submission of speculative or non-viable projects that lead to delays in the interconnection process as they withdraw and create the need for restudies."

"By significantly increasing the financial showing that an interconnection customer may make to proceed with its interconnection request, PSCo's \$7.5 million financial readiness deposit strikes a fundamentally different balance than Order No. 2023 prescribes. We are not persuaded, based on the current record before us, that PSCo's deviation, even when coupled with additional non-financial readiness criteria, is consistent with or superior to Order No. 2023's requirements," the commission concluded. ■

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BPA Exempted from Federal Staffing Cuts, Hairston Says

Agency Chief Provides Update During Q2 Business Review

By Henrik Nilsson

The Bonneville Power Administration will not see further staffing cuts, CEO John Hairston said during the agency's quarterly business review May 15, adding that he hopes to strengthen the workforce when the government lifts federal hiring freezes.

Hairston pointed to a House Appropriations subcommittee hearing May 7 in which U.S. Energy Secretary Chris Wright said BPA will not undergo more staffing cuts as part of Trump's quest to slim down the federal government. BPA's federal workforce now stands at around 3,150 employees, according to Hairston. (See [Wright Defends DOE Budget at House Appropriations Subcommittee](#).)

"BPA has been exempted from DOE's reduction-in-force plans based on the key role BPA plays in public safety and in achieving the department's vision for reliable, affordable and more abundant energy resources," Hairston said. "For those same reasons, BPA's workforce was not eligible for the latest deferred resignation program that DOE offered in April."

Despite BPA's status as a self-funding federal agency, its staff in January received a "deferred resignation" buyout offer from Trump's unofficial Department of Government Efficiency, immediately setting off alarms in the electricity sector about the impact on the region's grid reliability. (See [BPA to Restore 89 'Probationary' Staff, Agency Confirms](#).)

About 200 agency employees — or 6% of the workforce — accepted the buyout offer, while 90 job offers had been rescinded following a federal hiring freeze announced Jan. 20, according to BPA.

The DOE later allowed BPA to reinstate

Why This Matters

Workforce reductions at BPA have raised concerns about the potential threat to grid reliability that would come with the loss of valuable staff.



BPA Administrator John Hairston | Bonneville Power Administration

89 "probationary" employees.

"We are prioritizing our resources to address our most urgent priorities, and I'm hopeful that we'll be able to strengthen our workforce when hiring restrictions are lifted," Hairston said.

Despite workforce challenges, BPA energized two transmission projects in the second quarter: the Longhorn substation in north-central Oregon, which will enable approximately 2,500 MW of generator interconnections, and the 18-mile Midway-to-Ashe 230-kV transmission line in southeastern Washington.

Planning 'Reforms'

Hairston also provided updates on the agency's transmission planning changes. BPA issued a pause in February to consider new "reforms" in light of "exponential growth" of transmission service requests (TSRs). BPA's 2025 transmission cluster study includes over 65 GW of TSRs, compared with 5.9 GW in the 2021 study. The requests exceed the total regional load projected for the Pacific Northwest in 2034, according to the agency.

"Our current processes were not designed to handle this volume, so we are seeking reforms that will allow us to move projects forward more quickly and strengthen the grid," Hairston said. "Now I've asked our team to think

creatively and innovate solutions, even if it means disrupting the status quo. A disruptive solution may be what's needed to achieve my vision, which is to drastically reduce the time from transmission request to transmission service."

Hairston said he wants to reduce the time from transmission request to service to five to six years, calling his goal "a big ask."

"But I believe we have the right team for the job," Hairston said. "They have my full confidence, and I'm going to do everything in my power to make sure they have the resources they need to get the job done."

The agency is also finalizing its provider-of-choice process. BPA aims to have contract offers ready beginning in late August and have them all signed by the end of 2025, Hairston said.

Hairston also commented on BPA's day-ahead market policy issued May 9. In a much-anticipated decision, the agency selected SPP's Markets+ as its day-ahead market choice. (See [BPA Chooses Markets+ over EDAM](#).)

"There's a lot more work to do before we can officially join Markets+, but we are on the right path to delivering more value for the region," according to Hairston.

Improved Outlook

The agency's new chief financial officer, Tom McDonald, also provided a financial update during the May 15 call.

BPA's net revenue for the second quarter is \$210 million compared with the agency's target of \$70 million. Net revenues have increased since the first quarter, McDonald said. (See [BPA Committed to Trump's Energy Goals, Hairston Says](#).)

McDonald said the forecast for the second quarter is based on information at the end of March 2025 and does not reflect the full impact of Trump's executive orders on BPA.

"We're certainly happy for the improved outlook but remain mindful that there is still the potential for significant volatility for the remainder of the year," he added. ■

Debate Lingers After BPA Day-ahead Market Decision

Experts Weigh in on Agency's Markets+ Choice

By Henrik Nilsson

Although the Bonneville Power Administration removed any uncertainty by selecting SPP's Markets+ over CAISO's Extended Day-Ahead Market (EDAM), the debate over whether BPA made the right choice will likely heat up as the West now confronts a split into two major markets.

In BPA's 194-page record of decision (ROD), published May 9, the agency responded to public comments submitted after it issued its draft day-ahead market policy in March. BPA said it received 1,614 comments, many of which concerned some of the more contentious issues in the day-ahead market debate, like governance, market seams and market participation costs. (See [BPA Chooses Markets+ over EDAM](#) and [BPA Flooded with Comments on Draft Day-ahead Market Decision](#).)

Governance has been a key concern in BPA's decision-making process, and the agency has consistently touted the governance structure of Markets+ as "superior" to CAISO's EDAM.

"I think it's been clear for some time now that the governance structures for these markets are going to matter, and they are going to drive participants to one market or another," 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* in an interview.

Davies, who studies the development of organized electricity markets in the West, said CAISO's current governance structure "is something that has detracted people from joining EDAM."

Markets+ will be governed by an independent panel whose members "must be independent of market participants," according to BPA's final market policy.

By contrast, CAISO's markets are currently overseen by the ISO itself, whose Board of Governors members are appointed by the California governor. However, the West-Wide Governance Pathways initiative is developing a new independent "regional organization" (RO) to oversee CAISO's Western Energy Imbalance Market and the soon-to-be-

launched EDAM.

The Pathways effort now hinges on Senate Bill 540 in the California legislature, which would allow the independent RO to oversee CAISO energy markets. (See [Pathways 'Step 2' Bill Introduced in Calif. Legislature](#).)

Davies noted there is "a lot of optimism" that the legislation will pass and change the governance structure but, he said, "part of what BPA's decision this month has now indicated is they're not willing to wait to see."

"There [are], I think, rational reasons for them to wonder whether Pathways will play out all the way," Davies said.

Similar past attempts, including a bill that would have transformed CAISO into a regional transmission organization, have failed.

Though this time might be different, the uncertainty was not good enough for BPA to commit, Davies said.

'Pretty Big Division'

In a May 9 call with reporters after the decision was published, Rachel Dibble, vice president of bulk marketing at BPA, said that even with implementation of the Pathways plan, CAISO would still have "a pretty significant role in governing the market."

BPA's ROD contends that CAISO management will continue to handle "day-to-day management of policy development and market operations." It also notes that the CAISO board's "considerations as a [balancing authority] have the potential to influence its decisions as the market operator."

As the bill makes its way through the California state legislature, recent amendments spurred by concerned consumer advocacy groups also "continue to erode the independence that was even in the initial bill, which we did not find to be superior to Markets+," Dibble said.

Under the amendments, the California Public Utilities Commission can order investor-owned utilities to leave the RO if it implements market rules and operations "detrimental to California."

Why This Matters

BPA's day-ahead market choice will have wide-ranging implications, and the industry now must learn how to navigate between two major markets in the West.

During a hearing April 29, the bill's author, Democratic state Sen. Josh Becker, said the amendments will protect California from possible attempts by the federal government to influence the state's energy markets, such as pushing the state to buy power from coal-fired generators. (See [California Lawmakers Seek to Trump-proof Pathways Initiative Bill](#).)

But this will put BPA and other entities outside of California "in a difficult negotiating position within the regional organization governance structure when any proposed rule or business practices can be referred to the CPUC or Legislature for a determination that the proposal will be 'detrimental' to a broad and general set of policies," BPA's ROD states.

Still, from a West-wide perspective, it would have made sense for BPA to wait for Pathways to play out, according to Davies. The entire region would benefit from a bigger market, he said.

"From that perspective, getting everyone into one of the two markets would have been ideal," Davies said. "I think it's been clear for some time there's going to be some division of the markets. And now it's certain there will be a pretty big division of the markets."

Vijay Satyal, deputy director of regional markets and transmission at Western Resource Advocates, shared Davies' sentiment. He said WRA, a consistent advocate of single Western market under EDAM, respects BPA's decision, but noted it took the agency "six to eight years to join even a voluntary EIM market," while the "monumental decision" to join Markets+ took approximately three years.

"Why not look to the Pathways Initiative and what truly has an independent gov-

ernance framework being set up, where no state jurisdiction will help influence or decide the board composition and the processes, because that was the concern with the [CAISO] structure," Satyal told *RTO Insider*.

"That's an area of regret for WRA, that that opportunity is being discounted a bit quickly," he added.

Studies and Costs

Another point of controversy in the BPA decision process: the projected comparative economic benefits of the two markets.

A production cost study by Energy and Environmental Economics (E3) commissioned by BPA in 2024 showed that participation in EDAM could deliver the agency up to \$106 million in greater benefits than Markets+. (See *BPA Sticks to Markets+ Leaning Despite Study Showing EDAM Benefits*.)

Proponents of EDAM have pointed to the E3 study and another by The Brattle Group — not commissioned by BPA — that found by 2032, the agency could earn \$65 million in benefits from participating in EDAM versus an \$83 million net loss in Markets+. (See *Brattle Study Finds EDAM Gains, Markets+ Losses for BPA, Pacific NW*.)

Kelsie Gomanie, an advocate for Western markets for the Natural Resources Defense Council, said in a statement that BPA's decision will lead to the agency and its utility customers losing out on savings "but also increasing costs for all Northwest power customers."

"Multiple analyses, including BPA's own, confirm this finding," Gomanie said. "This decision also rejects the opportunity of improved reliability and acceleration of meeting Western states decarbonization targets. The decision is inconsistent with BPA's broad mandate, as a federal agency, to act in the best interests of the whole region it serves. We will continue to work with our partners to ensure reliability and affordability benefits reach broadly across the region and advocate for a well-integrated West-wide grid."

BPA has consistently argued that the studies show the largest benefits come under a scenario in which there is only a single West-wide market. But a more likely case is that there will be multiple markets in the future, especially since



BPA's Bonneville Dam | © RTO Insider

entities have already signed with either Markets+ or EDAM, according to BPA.

Additionally, the models do not factor in "numerous governance and design differences," according to BPA. Ashley Donahoo, the agency's day-ahead markets lead, reiterated that point in the call with reporters May 9.

"The analysis has already been done, and today we're setting our policy direction that Markets+ is the preferred day-ahead market for BPA, based on production cost modeling results, based on market design features and all of that," Donahoo said.

Market Seams and Connectivity

With BPA's decision settled, Markets+ participants will presumably need to begin addressing challenges stemming from the non-contiguous nature of the market's footprint, which is expected to consist of three isolated pockets concentrated in the Pacific Northwest, Arizona and Colorado, as well as a smaller slice in El Paso Electric's service territory. Chief among those challenges will be the lack of transmission capacity connecting the market's zones, which will require making energy transfers through the larger EDAM, where possible.

Dibble acknowledged the challenges, saying current transmission projects across the West will "take several years and a lot of negotiations to figure out."

However, "Even with market footprints that are separated geographically ... there is still improvement in the dispatch when you have one entity that is dispatching across a bigger footprint," Dibble said. "So, even if it's not connecting between the Northwest and the Southwest initially as robustly as would be ideal, there is still

improvement in the dispatch of generation and serving load when you have one entity dispatching over one larger market."

On market seams, BPA said in the ROD that it understands that two day-ahead markets "may create inefficiencies and will be challenging to resolve."

But the region has experience mitigating seams issues under the Coordinated Transmission Agreement that BPA has struck with 18 adjacent Balancing Authority Areas and 15 adjacent transmission service providers. Markets+ and EDAM also have an incentive to work out seams issues, according to the ROD.

BPA also took issue with the notion that the agency is solely responsible for creating seams, noting that PacifiCorp and Portland General Electric (PGE) decided to join EDAM "based on their evaluation of which market is in their best interests, just as Bonneville has done with its decision to pursue participation in Markets+."

"However, there has been very limited discussion of seams with those entities, despite their decision relying heavily on use of the Bonneville transmission system, creating the same seams with which many commenters take issue, including PacifiCorp and PGE," BPA stated. "All entities will need to rely on negotiating seams agreements, regardless of the day-ahead market in which they decide to participate."

Satyal said there will be at least three major market seams: EDAM and Markets+; intra seams within each of the markets' footprints; and larger seams between Markets+ and RTO West — "unless they merge."

"Seams management and rules should be developed now, proactively, to help shape the market functioning, rather than the other way around," Satyal said.

BPA has indicated it is willing to take on a leading role and bring the various parties to the table, Satyal noted.

"So the proof is now in the pudding, what BPA is going to be able to do and how, because BPA's decision impacts the decision making of many embedded entities and load-serving customers," Satyal said. ■

Tom Kleckner contributed to this article.

CAISO Foresees Sufficient Resources for Normal Summer Conditions

OTC Gas-fired Plants Could Provide Backup Power for Grid

By David Krause

California is expected to meet its peak demand this summer under most weather conditions due to thousands of megawatts of new energy resources — almost all battery storage — that have come online in the past year, CAISO said May 12.

Over the past eight months, more than 3,300 MW of new resource capacity have been added to CAISO's operating area, and an additional 2,163 MW of new capacity are expected online by the end of June. These additional resources will help the state meet a projected peak demand of about 46,000 MW in September and have 1,451 MW left over for meeting a one-day-in-every-10-years loss-of-load event, a May 5 [report](#) from CAISO found.

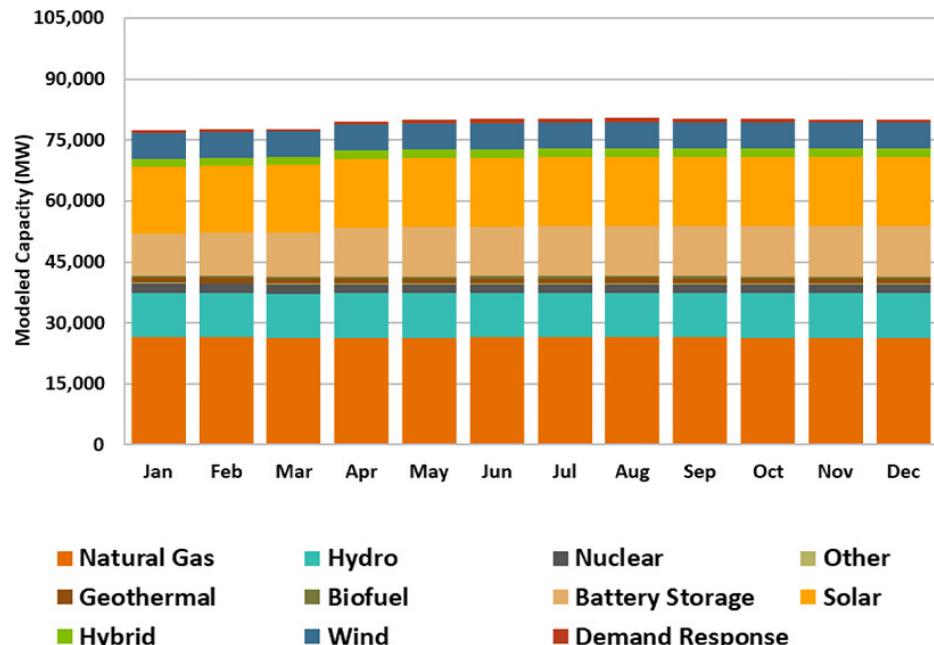
Almost all the new resources that have been connected to the grid over the past year have been battery and solar: 3,634 MW and 1,122 MW, respectively. An additional 219 MW of wind and 5 MW of biofuels have been added over the same time.

Every year, CAISO publishes a summer loads and resources assessment, which is now based on a probabilistic methodology rather than a deterministic evaluation of anticipated summer conditions, the report says. Summer assessments do not account for extreme events, such as extreme drought, wildfires and the potential for widespread regional heating events and other disruptions, the report says.

CAISO will monitor demand forecasts

Why This Matters

California's grid has run tight during recent summers, but continued growth in battery storage should provide some slack in the system this year, CAISO has said.



CAISO's probabilistic assessment resource portfolio for 2025 | CAISO

seven days in advance to determine if it has enough resources and look for potential grid impacts, Nathaniel Brown, CAISO senior customer readiness trainer, said at a summer readiness meeting May 12.

"Picture for a moment that you check the weather in your phone app," Brown said. "Usually, you get a seven-day outlook, right? This is basically what we are trying to do ... with our seven-day resource adequacy trend."

"We're trying to get ahead and forecast everything we can," Brown continued. "Will there be high temperatures? Will there be a shortage of some kind? Will there be a transmission line down somewhere? If we can find out early, that's when we want to find out."

At the meeting, Brown asked resource providers to notify scheduling coordinators of any resource performance issues through email. Scheduling coordinators are then responsible for coordinating with resource owners and scheduling desks to ensure corrective actions are being taken, he said.

Communication between scheduling

coordinators and providers will be key this summer to ensure control of resources, Brown said. Providers will also need to respond to operating instructions in a required amount of time based on tariff requirements; submit detailed outage cards reflecting physical limits; and be ready to respond to emergency notifications, among other requirements, he said.

During a grid emergency, CAISO could issue emergency notifications, such as flex alerts, asking customers to conserve power. If firm load shed is required, the associated balancing authority will restore firm load as soon as system conditions allow, Brown said.

Additionally, during an extreme weather event, California could restart a set of once-through-cooling (OTC) gas generation plants. In August 2023, the State Water Board decided to keep open the Alamitos, Huntington Beach and Ormond Beach OTC generating stations for three more years until Dec. 31, 2026. The plants offer about 2,800 MW combined of generation capacity and would be available as part of California's Electricity Supply Strategic Reliability Reserve Program during extreme weather events, the report says. ■

Construction Begins on Utah Portion of TransWest Express Line

Project to be Among the 1st in CAISO's Subscriber PTO Program

By Elaine Goodman

Construction work began this month on the Utah terminal of the 732-mile TransWest Express transmission line, a project designed to carry Wyoming wind energy to the Southwest.

Civil construction work on the project's Wyoming terminus started in 2023 and is largely completed, project developers said in a progress report.

Preparation work is now underway on the 100-acre project terminal site in Millard County, Utah, where TransWest Express will connect with the Intermountain Power Agency system.

Construction work is also planned this year along the transmission route in Juab and Wasatch counties, Utah; Moffat County, Colo.; and Carbon County, Wyo.

TransWest Express will consist of a 3,000-MW direct current (DC) segment running from Sinclair, Wyo., to Delta, Utah, where it will be extended with a 1,500-MW alternating current (AC) segment that will run to southern Nevada.

Construction is expected to be completed in 2029, according to the TransWest website.

CAISO Connection

Last month, the Public Utilities Commission of Nevada (PUCN) approved a construction permit for an approximately 1.55-mile, 500-kV transmission line and related facilities to connect TransWest Express to the existing Harry Allen-to-Eldorado (HAE) transmission line, also known as DesertLink.

LS Power's DesertLink line, energized in 2020, links NV Energy's Harry Allen substation with Southern California Edison's Eldorado substation to the south, which is part of the CAISO system.

The TransWest to DesertLink interconnection will allow "delivery of wind energy to [CAISO] on the existing HAE transmission line, while enhancing the reliability of the Western Interconnection power grid," TransWest Express representatives said in a filing with the PUCN.

Although PUCN approved the TransWest to HAE construction permit, that work will not start this year, TransWest Express spokesperson Kara Choquette told *RTO Insider*.

In addition to TransWest interconnections with Intermountain Power and CAISO, interconnections are planned with the

Why This Matters

TransWest Express is a key interregional transmission line that will help California and utilities in the Southwest tap Wyoming wind generation.

PacifiCorp system in Wyoming and the NV Energy system in Nevada.

TransWest Express is a wholly owned subsidiary of Wyoming Renewable Resources, which is a wholly owned subsidiary of The Anschutz Corp., a privately held company, according to TransWest's filing with the PUCN.

TransWest Express will transmit wind energy generated by its affiliate, Power Company of Wyoming, to utilities and other wholesale purchasers serving the Desert Southwest, the filing said. TransWest Express said those areas include Arizona, Nevada and Southern California.

About two-thirds of the project is on federal land, mainly areas administered by the Bureau of Land Management. Federal agencies have issued the needed right-of-way grants and notices to proceed, TransWest said.

TransWest Express may be among the first transmission facilities to join CAISO under the ISO's subscriber participating transmission owner (PTO) program, which is open to developers of certain transmission projects not chosen in CAISO's transmission planning process. (See [CAISO Wins FERC Approval for Subscriber-funded Tx Plan](#).)

Under the program, the developer can solicit generation-owning customers to subscribe to service on a line designed to deliver energy into California. The project owner then can turn operational authority of the line over to CAISO but won't be eligible to recover costs through the ISO's transmission access charge. ■



Construction of the TransWest Express transmission line will take place this year in Wyoming, Utah and Colorado, with completion of the 732-mile line expected in 2029. | *TransWest Express*

CAISO Chooses Viridion to Develop Humboldt OSW Transmission Projects

By David Krause

CAISO has selected Viridion as the project owner to develop transmission infrastructure in Humboldt County, Calif., to support future offshore wind power in the region.

Over the next decade, Viridion will develop about 400 miles of new transmission lines for two primary projects: Collinsville and Fern Road. The projects could cost an estimated \$4.1 billion.

The Collinsville project includes a new 260-mile high-voltage direct current line that will initially operate at 500 kV alternating current, along with a new substation and transformer in Humboldt. The estimated project cost is \$1.9 billion to \$2.7 billion, and the project is expected to be online by June 2034, CAISO wrote in its [2023-2024 transmission plan](#).

The Fern Road project includes a new 140-mile 500-kV line from the New Humboldt substation to the Fern Road substation for an estimated \$0.98 billion to \$1.4 billion. Since the line's voltage level is more than 200 kV, Viridion will be responsible for submitting progress reports to WECC, CAISO wrote in its plan. This line is also expected to open by June

Why This Matters

California needs new infrastructure to support offshore wind projects along its coastline.

2034. Viridion will be required to submit nonconfidential cost-tracking information for CAISO's approval during the project.

However, there is inherent uncertainty in the future of floating offshore wind off the California coast, CAISO wrote. CAISO will therefore "balance the need to engage promptly on long lead time transmission with the need to remain in step with the numerous other parallel development paths needed to enable offshore wind to develop," the ISO wrote.

California's North Coast has "world class" offshore wind power potential, but the location of that power is a long distance from the load centers in the state, the California Energy Commission (CEC) wrote in a 2024 transmission corridor evaluation [report](#). The transmission system will require significant infrastructure investment to move North Coast OSW

power to major urban load centers, and "large amounts of transmission upgrades will be needed in the coming decades," the report says.

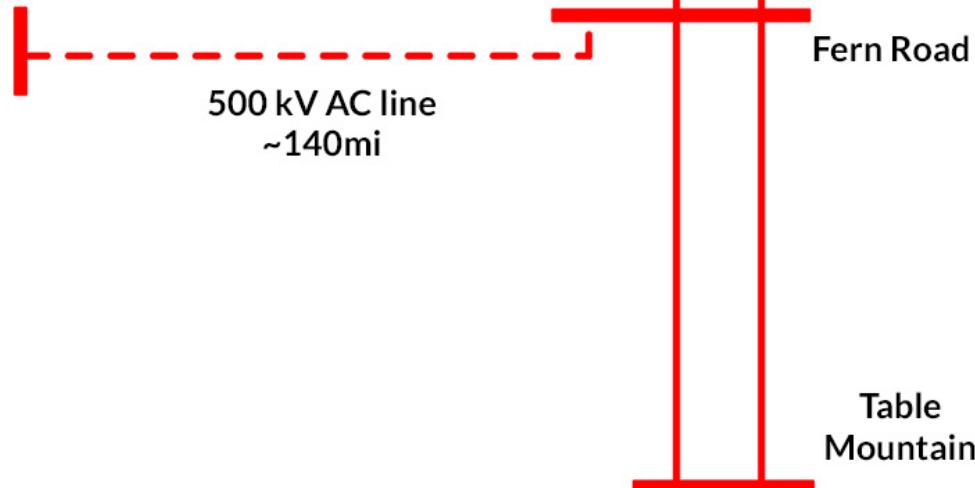
The CEC's report includes possible transmission line paths for both the Collinsville and Fern Road projects. For the Collinsville project, the most favorable route is a southern path, which has two potential barriers: residential development in the City of Eureka and critical habitat for threatened or endangered species.

For the Collinsville project, a coastal overhead path had fewer potential difficulties than a coastal underground path. The overhead path's primary potential barriers include traversing valuable property in wine country, while the underground path's primary potential barriers include active fault lines and possible landslides.

CAISO's 20-Year Transmission Outlook, published in 2022, shows 10 GW of offshore wind development in the state: 4 to 7 GW in the North Coast region and 3 to 6 GW in the Central Coast region.

Viridion is currently developing two transmission projects in the NYISO region, one planned to be online in 2026 and the other in 2033. ■

New Humboldt 500 kV AC Substation



Schematic diagram of the New Humboldt to Fern Road 500-kV line project | CAISO

Texas RE's Albright Hopes to Learn from Iberian Outage

By Tom Kleckner

Jim Albright, the Texas Reliability Entity's CEO, drew on April's mass outage in the Iberian Peninsula during the organization's May 14 board meeting to highlight the importance of its work.

"I try to stress with staff every day that what we do is really critical to the world that we live in. When you see things like that happen, it really brings it back home," he told board members. "It's really important that we do the work that we do to mitigate the risks that are out there, as they talked about last week in the NERC board meeting."

The outage lasted 18 hours and covered Portugal, Spain and parts of France. While a cause has yet to be determined, Spain's grid operator has said the outages began with two separate generation losses.

NERC CEO Jim Robb said during the Board of Trustees' May 8 meeting that the organization has offered to assist in the investigation. NERC staff will present findings on the outages at FERC's June open meeting. (See [NERC Offered to Help with Iberia Outage Investigation, Robb Says.](#))

"Even though we're on separate continents, there's going to be a lot that we can learn from it because we all share the same evolving resource mix that we're all dealing with," Albright said. "We all share the same risks, and we all need the same information to be able to be able to mitigate it."

Albright noted the similarities with the Odessa disturbances of 2021 and 2022, when several renewable resources



Texas RE CEO Jim Albright hopes to apply learnings from the Iberian blackout to the Texas region. | © RTO Insider

tripped offline. (See [NERC Repeats IBR Warnings After Second Odessa Event.](#))

"I haven't been told exactly what's happened yet, but I do see some similarities to some of the things that we've seen here in our interconnection, so it'll be interesting to see where it all goes," he said.

Albright also gave the board a sneak preview of Texas RE's Reliability Performance and Regional Risk Assessment, which will be released publicly in June.

A resource for ERCOT reliability information, the report finds an increasing risk from integrating large loads, reduced generator effects from cold weather and continued risk from inverter-based resources. It also looks at large loads' effects on future reserve margins and the new challenge posed by artificial intelligence.

New Agreement with NERC

The board approved a new regional

delegation agreement with NERC to continue serving as ERCOT's regional entity. The agreement extends Texas RE's ERO work until Dec. 31, 2030.

Texas RE General Counsel Derrick Davis said the discussion involved in the agreement was the "most robust" he has seen in two previous negotiations.

Board members also formally endorsed the 2026 business plan and budget, as presented to the Members Representatives Committee for its approval in April. The \$21.598 million budget, which must be reviewed by NERC, is a \$1.3 million increase (6.4%) over the 2025 budget; it adds three staffers to help handle the organization's increasing workload and a 4% merit increase for personnel. (See [Texas RE Endorses 6.4% Budget Increase for 2026.](#))

A clean audit of Texas RE's 2024 financial statements also was approved by the board. ■

Why This Matters

There are lessons to be learned from the recent mass outage in Spain and Portugal, Texas RE CEO Jim Albright says. The grid may be on a different continent, but it shares the same evolving resource mix as the U.S. grid.

Texas PUC Drafting Reliability Exemption Rule for ERCOT

DICE Cracking down on Lack of Emergency Plans

By Tom Kleckner

Texas Public Utility Commission staff are [drafting a rule](#) to codify a process for exemption requests from ERCOT reliability requirements and allow owners of generation, load or energy storage resources to appeal the grid operator's decisions to the PUC ([57374](#)).

Allison Fink, a staff attorney, told commissioners at their open meeting May 8 that ERCOT does not currently have an established process for market participants to request exemptions. She said the proposed rule would not affect any existing exemptions or future provisions in ERCOT's protocols, operating guides or other binding documents unrelated to reliability.

Staff are drafting the rule after ERCOT's Board of Directors and stakeholders and the PUC approved a change to the grid operator's Nodal Operating Guide ([NOGRR245](#)) that imposes voltage ride-through requirements on inverter-based resources. The revision was bifurcated so a subsequent rule change could address more details around the exemption process, a sticking point during the stakeholder process. (See "Bifurcated NOGRR245 Approved; 2nd Change to Add Details," [ERCOT Board of Directors Briefs: Aug. 19-20, 2024](#).)

Resource entities had until April 1 to

request exemptions if they can't meet the new requirements.

ERCOT General Counsel Chad Seely told the PUC that staff are currently processing more than 90 exemption requests.

"I think we're going to have quality issues with the data that's going to take some time to work out with the individual resource entities," he said.

Seely and PUC Chair Thomas Gleeson both agreed that cost should not come before reliability when evaluating the requests.

"Costs can have a role in how we evaluate the overall risk," Seely said. "What we don't want is to be required to consider costs when there's an unacceptable reliability risk."

"I think [cost is] useful information to [entities] if they're trying to figure out how to mitigate these risks," Gleeson said. "But under no circumstance do I want ERCOT making the tradeoff between the value propositions on cost and reliability. Their focus should be on reliability."

Staff Working on EOP Compliance

Staff from the PUC's Division of Compliance and Enforcement (DICE) told commissioners they are handling about 130 violation findings for entities that have not filed either an initial emergency operations plan (EOP) and executive summary,



PUC attorney Allison Fink explains the issues related to a proposed rule for exemption requests from ERCOT's reliability requirements as staffers Connie Corona and David Smeltzer listen. | *Admin Monitor*

or annual updates ([53385](#)).

The commissioners directed staff in September 2024 to investigate about 300 entities that were not compliant with filing their EOPs. The directive came following a [report](#) on the power sector's weatherization preparedness and companies' EOPs after a review of 691 electric entities. (See "PUC Adopts EOP Report," [EHV Tx Lines Coming into Focus for ERCOT](#).)

DICE opened investigations into 262 entities but were able to identify 76 that had met an April 2022 deadline or filed at least one of the annual reports due in March every year. Using a "corrective action plan" — essentially deferred adjudication, staff said — DICE closed out all but three of the cases. ■

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ERCOT, PUC Refining Future Load Projections

By Tom Kleckner

Texas regulators have declined to respond to ERCOT's request for an exemption from including certain loads without interconnection agreements in its forecasts and have asked the grid operator to fine-tune its methodology for estimating coming demand.

Public Utility Commission Chair Thomas Gleeson found the ISO's proposed methodology, which would discount data center loads and those certified by a utility, makes sense "directionally" but could use some refinement (55999).

"I've asked them to kind of think through some other options of ways we can look at refining this number," Gleeson said during the PUC's May 15 open meeting. "I'll be working with ERCOT to hopefully present other ways that we could look at refining this number, other than the methodology presented here."

ERCOT staff briefed the commission on the latest changes to its ERCOT-adjusted load forecast after recent projections startled industry observers and lawmakers. CEO Pablo Vegas said in 2024 that demand would peak at 150 MW by 2031. In February, the grid operator released a capacity, demand and reserves (CDR) report that projected demand peaking at 140 GW in 2029.

The report also said planning reserve margins, currently 18.9% for peak load and 10.5% for net peak load, will drop into negative territory for the 2027/28 winter. (See [ERCOT's Revised CDR Report Met with Doubts](#).)

The latest [CDR report](#), released May 16, results in an increase to peak demand of 218 GW by 2031. The grid operator's cur-



PUC Chair Thomas Gleeson asks ERCOT to refine its load-projection methodology. | [Admin Monitor](#)

Why This Matters

Correctly estimating future load is an important but tricky business, in Texas and across the country, as data center proposals proliferate.

rent peak is 85.5 GW, set in August 2023.

Recent [state legislation](#) requires ERCOT to include any load in its projections that doesn't yet have a signed interconnection agreement. The grid operator has aligned its protocols with the rule to define "substantiated load" as being supported by an executed interconnection or other agreement, an independent third-party load forecast deemed credible by ERCOT, or a letter from a transmission and distribution service provider (TDSP) officer attesting to the coming load.

"The vast majority of load included in the TDSPs' forecasts are loads that were attested to in a letter from an officer of the TDSP, rather than being supported by an interconnection agreement between the TDSP and the customer," ERCOT said in a [filing](#) with the PUC.

The ISO proposes a 49.8% reduction in data center loads and a 55.4% cut in officer-letter loads to "achieve alignment with historical realization rates."

CenterPoint Audit Released

Certified public accountants Moss Adams shared the [results of an audit](#) it conducted of CenterPoint Energy's management activities associated with the utility's controversial \$800 million lease and operation of mobile generation units that turned out to be only somewhat mobile (58049).

The Houston-based CPA firm found that CenterPoint followed best practices for competitive bidding and established specifications and requirements to meet business needs. However, it said the utility did not adhere to those practices for consistent completion of vendor risk assessments or adequate consideration of conflict of interest and that it "somewhat" met adequate documentation and record-keeping best practices.

Moss Adams made several recommendations related to procurement and emergency management, including implementing a more detailed framework for identifying, assessing and managing conflicts of interest, and ensuring that vendor risk assessments are completed for all procurements.

CenterPoint has responded by [detailing](#) how it already has addressed or will respond to each of Moss Adams' findings and recommendations. The commissioners asked the utility to file updates on its progress and return to an open meeting after the findings are closed out.

The PUC engaged Moss Adams to perform the audit after customer and lawmaker outrage over CenterPoint's recovery efforts following Hurricane Beryl in July 2024. The [mobile generators](#) were acquired to prepare for hurricane season, but the larger 30-MW units proved too unwieldy to move and sat unused during the weeklong recovery. (See [Texas Politicos, Residents Bash CenterPoint](#).)

CenterPoint, CPS Energy and ERCOT are working to move the 15 30-MW units to resolve reliability needs in the San Antonio area. (See [ERCOT Plans on Mobile Generators in San Antonio](#).)

19th TEF Project to DD Review

The commission approved [staff's recommendation](#) to advance another project to due-diligence review as part of the [Texas Energy Fund's In-ERCOT Loan Program](#) (56896).

The 123-MW project is sponsored by EMPower USA, Emerging America Financiera and Integrated Gas Services de Mexico. Staff said the applicants have given an "indication of a binding equity" and an equity agreement and provided general acceptance to the term sheet.

The project boosts the TEF portfolio to 19 applications, \$5.15 billion in requested loaned funds and 9.59 GW in potential new dispatchable generation. The PUC will release individual nameplate capacity and loan amounts for each project upon loan execution.

The low-interest loan program, designed to add 10 GW in gas generation, has seen eight projects drop out or be removed in recent months. (See [2 More Projects Fall out of TEF Loan Program](#).) ■

Ontario Greenlights OPG to Build Small Modular Reactor

1st SMR on Continent Carries High Cost, Potentially Informs Wider Buildout

By John Cropley

Site preparation is underway in southern Ontario for what is expected to be the first small modular reactor to come online in North America, a 300-MW unit projected to cost \$7.7 billion CAD.

Much hope has been attached to SMR technology as a solution to large load power demand. But early movers are expected to pay more, as they will not benefit from the speed and cost savings that are the value prospect of serial production and construction.

Ontario Power Generation (OPG) led its *first-quarter earnings report* May 13 with an update on its Darlington New Nuclear Project, which five days earlier received provincial approval for start of construction.

Three subsequent SMR units are planned on the site, bringing the combined capacity to 1,200 MW. The total cost including interest, potential cost escalation and contingencies is projected at \$20.9 billion CAD, or \$15 billion USD at the present exchange rate. It will be borne by ratepayers.

The project has drawn opposition in part because of that price tag. By contrast, the most prominent recent example of expensive nuclear power — construction of Plant Vogtle Units 3 and 4 in Georgia — added a bit more than 2,200 MW at a cost of more than \$30 billion USD.

On May 8, the same day the Ontario government approved construction of the first Darlington SMR, the Ontario Clean Air Alliance *released a report* stating the leveled cost of Darlington's nuclear electricity would be up to eight times higher than onshore wind and nearly six times higher than solar.

On May 9, the Alliance blasted the construction approval, saying Ontario is *rolling the dice* on untested first-of-a-kind technology for a project that may cost as much as \$27 billion CAD and would rely on uranium imported from the country that elected Donald Trump president.

OPG did not return a request for comment for this story.

In announcements from OPG and the *Ontario Ministry of Energy and Mines*, the Darlington SMR project is hailed as a groundbreaking initiative that is the first

Why This Matters

The first of what may be many SMRs could offer lessons for future construction.

of its kind among the G7 nations, an economic boon to the region's workforce and a project that is expected to contribute \$38.5 billion CAD to the nation's economy over 65 years.

The construction site is on the Lake Ontario shoreline 35 miles northeast of Toronto. It is adjacent to OPG's Darlington Nuclear Generating Station, whose four units provide over 20% of Ontario's electricity needs and are undergoing a \$9.2 billion USD refurbishment expected to extend their operational lives 30 years.

OPG said construction of the first Darlington SMR would incorporate more than 7,000 lessons learned so far from the Darlington refurbishment.

This points to the promise and peril of the SMR revolution envisioned by some U.S. policymakers and energy industry leaders: SMRs could standardize and modularize the process of permitting and building nuclear stations so much that the timeline and costs are significantly reduced.

But until that standardization comes, costs will be high.

Vogtle 3 and 4 had a number of setbacks, not least of which was the bankruptcy of its contractor. But despite relying on widely used and proven technology, Vogtle had a disadvantage common to first-of-a-kind ventures: Nobody had successfully built a full-scale commercial reactor in the United States in a generation.

Some analysts maintain that if a Vogtle 5 or similar project began construction soon after Vogtle 4 was completed — while the lessons learned at such high cost were front-of-mind and still relevant — it would not see anywhere near the



Work is shown in progress at Ontario Power Generation's Darlington New Nuclear Project site, where OPG expects to bring North America's first small modular reactor online. | OPG

degree of budget and timeline overruns that Vogtle 3 and 4 suffered.

Many are skeptical that SMRs will make the leap anytime soon from first of a kind to "nth of a kind," that subjective point when a new concept stops being new and is an accepted technology operating with economies of scale.

NextEra Energy CEO John Ketchum, for example, said during an October 2024 earnings call that he does not foresee any meaningful amount of new nuclear capacity coming online in the U.S. in the next decade.

The nearly one dozen companies pursuing SMR development are insufficiently capitalized for the most part, he said, and those SMR designs that do reach the deployment stage will be very expensive and risky at first.

SMR developers themselves seem a much more optimistic lot, recently announcing multiple rollout plans and agreements with tech giants to provide emissions-free baseload power to the data centers some expect to be built in large numbers.

Industry analyst Dean Murphy, a principal at Brattle Group, told *RTO Insider* that while the 10 design teams developing SMR will not all be successful — and should not be, because that would limit standardization — there can be shared learnings across the different design concepts, such as how to build a pump to withstand extreme temperatures.

So there is value in these competing efforts underway now, he said, and value in winnowing them down.

But building an SMR never will be like erecting a wind turbine or solar array, he added. There is too much complexity, even with the lightened regulatory regime the Trump administration is *reported to be considering*.

"So, we're going to have to build this first one in Darlington," Murphy said. "And there are a couple of other projects that are sort of their first of a kind, but they're going to have to get designed and built and constructed and operate for at least a little while before people say, 'OK, that one looks like it's going to work.' And then we're going to go through the next round with light revisions to the design,

which likely means you've got to redo the licensing."

And then there is the siting.

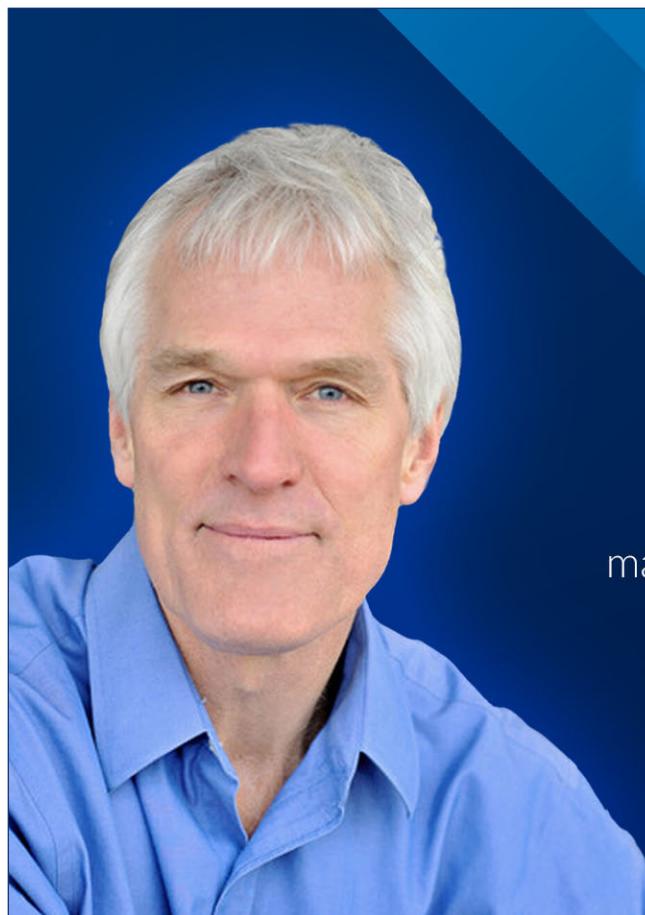
Americans and their elected officials are said to be more supportive of nuclear energy than they were a generation ago, when the Three Mile Island accident was fresher in the collective mind.

But they have not been faced with the prospect of hundreds of small reactors dotting the landscape with lightened safety protocols.

This is why the regulatory process should not become superficial even if it can be expedited, Murphy said: It risks a bad reaction from the American public and a bad result from a botched project.

An SMR buildout can be pursued successfully but not quickly, he said.

"Nuclear is a really promising technology, including SMRs, really for the second half of this century. I think that's how long it's going to take to get a couple of times through this technology cycle before you can start building them in volumes that are enough to make a difference." ■



POWERFUL INSIGHTS

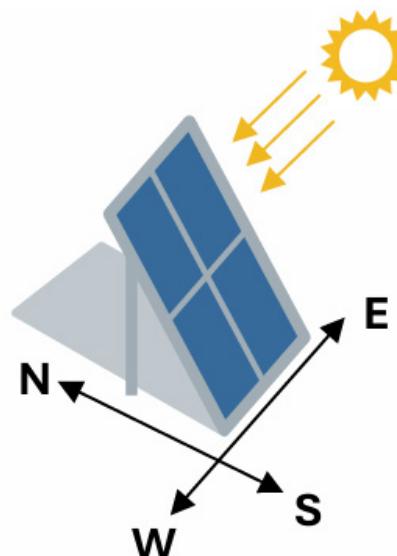
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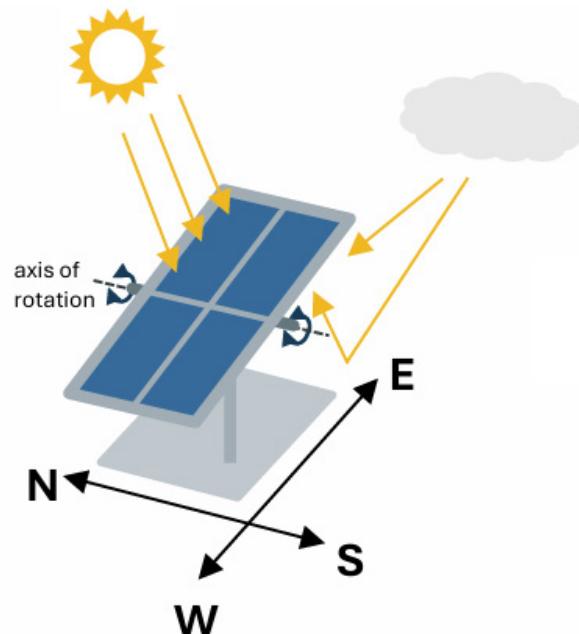
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ISO-NE Finds Advanced PV Panels Could Reduce Decarbonization Costs



**Fixed-Tilt
Monofacial Panel**



**Single-Axis Tracking
Bifacial Panel**

PV panel diagram | ISO-NE

By Jon Lamson

New research by ISO-NE indicates bifacial solar panels with tracking capabilities could reduce the cost of decarbonizing New England's generation mix by about \$3.7 billion.

The findings came out of a stakeholder-requested *scenario* in ISO-NE's 2024 Economic Study. The study is intended to evaluate the "economic and environmental impacts of New England regional policies, federal policies and various resource technologies on satisfying future resource needs in the region." (See "2024 Economic Study," [ISO-NE Details Evaluation Models for Transmission Solicitation](#).)

Single-axis tracking, bifacial panels are more expensive than fixed-tilt, monofacial panels, but they can generate about 45% more power by absorbing light on both sides of the panel and adjusting the tilt angle throughout the day. The more advanced panels are particularly effective at increasing power production during periods of indirect sunlight in the morning and early evening.

While the base case of the Economic Study modeled only fixed-tilt, monofacial PV resources, ISO-NE found that modeling solar resources with tracking, bifacial panels would reduce the overall capacity buildout requirement by 5.4 GW and build costs by about 2.5%.

Bifacial, tracking panels would more cost-effectively reduce emissions compared to the lower-cost alternative until about 2045, ISO-NE found. After 2045, ISO-NE projected that increased congestion would make fixed-tilt panels the more cost effective of the two options.

"At high levels of renewable penetration, new PV resources are curtailed frequently regardless of panel type, which diminishes the benefits from the additional production of bifacial tracking panels," ISO-NE told stakeholders at its Planning Advisory Committee (PAC) on May 14.

The RTO also found that bifacial, tracking panels would reduce energy market costs in 2050 due to "more energy coming from zero-cost resources."

Also at the PAC, ISO-NE discussed the

results of an Economic Study model sensitivity regarding accelerated decarbonization. Unsurprisingly, the RTO found that meeting the study's 1-million-ton carbon constraint by 2040 instead of 2050 would increase the cost and scale of the required resource buildout.

The accelerated decarbonization scenario increased cumulative build costs by about 8% relative to the base case, pushing costs from \$615 billion to \$666 billion, ISO-NE found.

Moving up the decarbonization timeline caused the model to build more long-duration storage resources and fewer small modular reactors (SMRs). This is due in part to the model's assumption that the cost of SMRs will decline significantly in the 2040s, reducing the cost difference between SMRs and other low-carbon resources.

The RTO plans to discuss more policy scenario results at the PAC in July and publish the final 2024 Economic Studies Report in the third quarter of 2025. ■

Report Finds Benefits of Pairing Electrification with TOU Rates in Mass.

By Jon Lamson

Time-of-use (TOU) electricity rates could save Massachusetts ratepayers with electrified heating hundreds of dollars each year per household, according to a [new report](#) by Advanced Energy United and Demand Side Analytics.

The report concluded that TOU rates — which price electricity at a higher level during peak periods — would enable a “steady savings rate of roughly 8-9% per year” for customers who electrify and invest in energy efficiency.

While the scale of the savings would depend on the efficiency of the heat pump and the scale of household weatherization, the report estimated TOU rates would save a household switching from a gas furnace to a minimum-efficiency heat pump about \$570/year relative to the existing rate structure. For the TOU rate design, the report assumed on-peak prices to be three times higher than off-peak prices.

“Time-varying rates ... can act as a demand management strategy by incentivizing reductions in electricity consumption during grid stress periods,” the authors wrote. “Overall, this rate offers preferential bill savings to electrified customers while also mitigating electrification’s contributions to peak load and the associated capacity costs.”

The authors estimated that replacing gas heating with a lower-efficiency heat pump under the state’s current rate structure would cost residential customers about \$2,000 on their annual electric bills. However, customers who pair high-efficiency heat pumps with weatherization upgrades would save \$700 in

annual energy costs compared to gas customers.

TOU rates would improve the cost comparison for electrified households across efficiency and weatherization scenarios, the report found, adding that overall cost savings would be greater with lower-efficiency heat pumps due to higher starting rates.

The report also found that TOU rates would reduce the systemwide costs associated with heating electrification in both a summer and winter peaking system, with greater cost-reduction benefits associated with a winter peak. ISO-NE expects the New England system to transition from a summer to a winter peak in the mid-2030s.

“The modeled TOU rate can be expected to reduce electric system cost increases by approximately 7.8% in a winter peaking system when the cost of additional minimum efficiency electrification on current rates could otherwise be expected to drive up system costs by almost \$2,000 per customer,” the study found.

The study did not evaluate the effects of TOU rates on emissions, but noted that peak reductions should reduce overall emissions, as the peak demand is typically associated with the most carbon-intensive generation mix.

Demand response initiatives, including TOU rates, have been an area of interest for policymakers in New England in recent years, as the region faces a growing peak load caused by transportation and building electrification. Advocates view demand flexibility as a key strategy for limiting costs associated with grid build-out and electricity supply.

New England has been relatively slow to scale up demand response programs, and most customers lack the advanced metering infrastructure (AMI) needed to participate in TOU programs or receive ISO-NE market revenues.

According to a January [report](#) by the Energy Systems Integration Group, ISO-NE in 2023 had the lowest percentage of customer participation in demand response programs of all RTOs and ISOs and was



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tied with NYISO for the lowest participation in dynamic pricing.

However, this situation may change in the coming years as New England states push utilities to deploy AMI. In Massachusetts, despite just 2% of utility meters being classified as AMI in 2023, the investor-owned electric utilities expect to complete AMI installations across their service territories by 2030.

Meanwhile, the New England Conference of Public Utility Commissioners (NECPUC) convened a working group in 2024 to identify and address challenges for retail demand response and flexibility programs, leading to a [report](#) by the Berkeley Lab published in mid-April.

The Berkeley Lab report concluded that ISO-NE’s compliance with FERC Order 2222 — which requires RTOs to eliminate barriers for aggregations to distributed energy resources to participate in the wholesale markets — should enable more widespread participation in aggregations.

The report identified several remaining challenges, including requirements for expensive metering infrastructure, a lack of standardized data processing procedures among utilities, and difficulties calculating and crediting the actual contribution of demand response resources in wholesale markets. It recommended more coordination between PUCs, utilities and ISO-NE around market participation requirements to facilitate broader participation. ■

Why This Matters

Policymakers from across the region have expressed interest in time-of-use rates as a way to reduce the cost of electrification.

Mass. Gov. Healey Introduces Energy Affordability Bill

By Jon Lamson

Massachusetts Gov. Maura Healey (D) has filed a *major energy bill* that her administration says would save ratepayers \$10 billion over the next decade through major changes to clean energy procurement, decarbonization financing, net metering, competitive electricity supply and utility accountability.

High natural gas prices over the past winter have led to increased political pressure on lawmakers to provide short-term rate relief. (See *Massachusetts Lawmakers Focusing on Energy Affordability in 2025*.) The coldest winter in a decade, combined with increased supply and distribution charges, caused average bills to increase by about 18% compared to the previous winter.

The state also faces long-term cost pressures associated with the clean energy transition and will need major investments in electrification, grid infrastructure and clean energy generation to meet its 2030 climate target. The affordability bill, filed with the House of Representatives on May 13, aims to address these issues through a myriad of changes to state energy policy.

"The legislation takes a comprehensive approach to driving down rising energy costs, making our state more energy independent, sparking innovation in the energy sector, and improving accountability and consumer protection standards," Healey wrote in a letter to legislators accompanying the bill.

The bill has received positive reactions from multiple influential organizations in the state representing labor, power generation, real estate and environmental interests. However, it remains early in the legislative process, and advocates stressed that there is plenty of work remaining to refine the bill and better understand how it would affect energy costs and clean energy development.

"I like the direction," said Sen. Mike Barrett (D), co-chair of the Legislature's Joint Committee on Telecommunications, Utilities and Energy. "The Legislature always wants to learn a whole bunch about the details, but the thrust of the bill is right on. ... There are no obvious red flags."

"I give the administration a lot of credit for looking at this comprehensively," said Casey Bowers, vice president of government affairs at the Environmental League of Massachusetts.

"We see this as a good start," said Kat Burnham, senior principal at Advanced Energy United. "We look forward to working with the administration to iron out some potential wrinkles."

New Renewable Generation

The bill would significantly overhaul the state's process for procuring clean energy, authorizing the Department of Energy Resources to directly procure resources.

Currently, procurements are conducted through the state's electric distribution companies, with the DOER negotiating the contracts.

The administration said that allowing the DOER to directly procure energy would eliminate fees charged by the utilities for serving as the contracting agent. It estimated that avoiding these fees could save ratepayers "billions in costs over the coming decades."

Dan Dolan, president of the New England Power Generators Association, said the group is "closely reviewing the potential significant increase in the commonwealth's authority regarding electricity resource planning and contracting," adding that "new and existing power generation will be necessary to meet growing electric demand reliably and at competitive prices."

With an eye to the development of small modular nuclear reactors, the bill would also repeal a 1982 law requiring a state-wide ballot initiative to approve any new nuclear facilities.

On interconnection, the bill would direct EDCs to develop a "flexible interconnection program designed to enable the efficient connection of new customer loads and to maximize the deployment of distributed energy resources, while minimizing associated electric infrastructure costs." The new processes would allow new load and DERs connecting to the distribution system to agree to face curtailment in certain circumstances, allowing them to reduce interconnection costs and delays.

Why This Matters

The bill introduced by the Healey administration will likely serve as a starting point for negotiations among Massachusetts lawmakers over the coming months.

The administration has also proposed lowering the value of net metering credits for new large resources, estimating that this would save ratepayers \$380 million over 10 years. This proposal could face opposition from solar developers, and some in the industry have already expressed concern that this would make some projects non-viable.

The bill would also phase out the state's Alternative Portfolio Standard (APS), which incentivizes alternative energy resources including combined heat and power plants, biomass generation units and fuel cells. The administration said the APS "costs ratepayers up to \$60 million per year and is set to increase."

Larry Chretien, executive director of the Green Energy Consumers Alliance, said the APS "never really made sense, and really doesn't now." He said the state should focus on incentivizing heat pumps and Class I renewables, which include wind, solar, hydropower, geothermal and some biomass resources.

Competitive Electricity Supply

The legislation would also add consumer protection regulations to the residential electric supply market. It includes proposals to ban automatic renewals and cancellation fees, limit changes to rates, prevent suppliers from selling clean energy products that do not qualify for the state's clean electricity standards, and increase transparency and oversight requirements.

"The language proposed by the administration is good and tough," said Sen. Barrett, who has previously supported a full ban on direct-to-consumer electricity supply vendors.

A potential ban on retail suppliers gained some traction during the previous



The Massachusetts State House in Boston | Shutterstock

legislative session, with support from the Attorney General's Office, the city of Boston, the Healey administration and the Senate, but it was ultimately left out of an omnibus bill passed in late 2024 because of opposition in the House. (See *Mass. Clean Energy Permitting, Gas Reform Bill Back on Track*.)

Barrett said he does not mind a "legitimate compromise" but emphasized the importance of ensuring the administration's proposal is not diluted.

Chretien said he still thinks the data justify a ban on residential suppliers but said the provisions in the bill "would minimize harm and abuse" and would push some predatory companies to leave the market.

A *2025 report* by the AGO found that residential competitive supply customers experienced \$73.7 million in net losses from July 2023 to June 2024, with the greatest losses experienced by lower-income customers.

Chris Ercoli, CEO of the Retail Energy Advancement League, said in a statement that "while this bill is attempting to improve consumer protections, we want

to be certain the measures don't impair cost-saving options or product innovation."

Rate Reduction Bonds

The bill would also allow gas and electric utilities to issue rate reduction bonds to help pay for some of the initial costs of the energy transition. The administration estimated that this could save \$5 billion over the next decade.

United's Burnham said these bonds could be an "important tool to manage some of those upfront costs that can be a bit of a shock for ratepayers."

Some other stakeholders expressed skepticism about whether the method would provide overall savings.

"You want to make sure that you're doing cost reduction and not cost deferral," Barrett said. He added that he would be concerned about interest expenses associated with deferring costs and stressed the importance of thoroughly studying how the proposal would affect long-term ratepayer costs.

Accountability

The Healey administration also proposes

a series of regulatory changes intended to increase utility accountability.

The bill would explicitly ban utilities from using ratepayer funds for lobbying or advertising. It would also give the Department of Public Utilities authority to audit utility management and require changes based on audit findings.

On the transmission side, the bill would give the state increased authority over asset-condition projects. It would require transmission companies to file with the state's Energy Facilities Siting Board (EFSB) "any proposed reconductoring, replacement or rebuilding of a transmission facility or group of transmission facilities on an existing transmission corridor that has an estimated cost of at least \$25 million."

After a project submission, the EFSB director could require the company to undergo the full application process for a consolidated transmission and distribution infrastructure facility permit. This decision would be informed by project need, near-term reliability risks and whether alternatives, including advanced transmission technologies, were considered. ■

FERC Rejects MISO's Interconnection Queue Fast Lane

Commission Says Ambiguous Link to RA, Unlimited Applications Weak Spots in Filing

By Amanda Durish Cook

FERC has refused MISO's proposed special pathway in its interconnection queue for generation projects labeled necessary by state regulators.

The commission said MISO's proposal lacked direction to advance resource adequacy, and the fast lane ran the risk of becoming inundated with an unlimited number of generating facilities ([ER25-1674](#)). FERC said it rejected the proposal without prejudice, leaving MISO free to file for another express lane design in its queue.

MISO filed in mid-March for the temporary measure to usher generation projects crucial to an adequate supply through its interconnection queue faster. MISO's intention for a 90-day processing for "shovel-ready" projects with a stamp of approval from state regulators would have been far removed from the upward of three years that most interconnection customers must wait in the regular queue.

New capacity seeking expedited treatment would have had to come equipped with a permission slip from its relevant regulator; a \$100,000, nonrefundable deposit; a refundable milestone payment of \$24,000/megawatt; a designated commercial operation no more than three years from its interconnection request; and proof of land rights.

Opponents of the plan said it effectively would have allowed vertically integrated utilities' gas plants to cut the interconnection line while hindering independent power producers' proposals. They also raised concerns over how the proposal would include Illinois and Michigan's retail choice areas. (See [MISO Fast Lane Proposal Disadvantages IPPs, Retail Choice States, Critics Tell FERC](#).)

Eight former FERC commissioners even warned sitting commissioners via a joint letter that greenlighting the plan would threaten FERC's open access transmission tenet and would have provided an opportunity for self-dealing among utilities to advance their affiliated generation.

The commission in its May 16 order said MISO's decision not to place any limit

Why This Matters

This version of MISO's proposed fast track in its interconnection queue for select generation projects is a no-go. FERC said it was uncomfortable with MISO placing zero limits on the number of interconnection requests and failing to detail exactly how the plan would bolster resource adequacy.

on the number of projects or specify a megawatt maximum could culminate in an oversaturated process with lengthy processing times, eventually resembling MISO's existing, beleaguered queue. The commission said MISO would be hard-pressed to meet resource adequacy and reliability targets with a bogged-down fast track.

FERC said MISO itself acknowledged the "shortcoming" of unlimited projects by stating it "could not guarantee the timeline ... if multiple requests are submitted in the same quarter in the same area of the grid due to the serial nature" of the specialized studies.

The commission said MISO's plans to open up to 14 quarterly submission windows across the handful of years the fast lane would be in operation opened the door for a "volume" of interconnection requests "untethered to reliability or resource adequacy needs." It said it questioned whether MISO's proposal could get critical resources interconnected on an expedited schedule and whether the design was "narrowly tailored to fix the problem."

Beyond that, FERC said MISO didn't establish how the process would assemble and study only key interconnection requests for projects that would aid reliability.

FERC said similar proposals like PJM's Reliability Resource Initiative and CAISO's Interconnection Process Enhancements

were more custom-built to address resource adequacy in their regions. PJM proposed to study no more than 50 projects on a one-time basis with stipulations on location and deliverability, the commission said, while CAISO laid out system needs criteria to determine which projects advance to study zones that are capped.

FERC said MISO failed to strike a similar balance that would have projects that improve resource adequacy and reliability processed in a timely manner.

"MISO has not demonstrated that the proposed tariff language is tailored to ensure that only those resources capable of addressing identified near-term resource adequacy or reliability needs are eligible for expedited study," FERC said.

The commission said while it's appropriate for regulatory authorities to size up their resource adequacy needs and throw support behind certain projects, MISO must ensure that its fast track respects FERC's "open access principles in an objective and transparent manner in order to meet the [Federal Power Act's] requirements that rates be just and reasonable and not unduly discriminatory or preferential."

"MISO has not done so with this proposal," FERC wrote.

Christie Willing to Trade Vagueness for Desperately Needed Megawatts

However, FERC Chair Mark Christie said he was ready to give MISO the benefit of the doubt in exchange for an uptick in resource adequacy.

Christie said though he "fully" understood other commissioners' qualms with a lack of detail and personalization in MISO's proposal, he was willing to "extend to both the states and MISO a trust that they would implement the ... proposal in a manner that would promote the construction of badly needed generation capacity that serves resource adequacy and reliability."

"One thing we know with no need for further proof: This country, including MISO, is heading for a reliability crisis caused by early retirements of dispatchable re-

sources coupled with the failure to construct sufficient equivalent capacity, all while demand rises at an unprecedented pace largely driven by data center growth," Christie warned in a dissent.

Throughout the order, FERC invoked NERC's 2024 Long-Term Reliability Assessment, which shows MISO could confront a 4.7-GW capacity shortfall by 2028 if resource generations go off as planned.

Christie furthermore said he didn't think FERC should "block the states" from designating priority generation plans to ensure resource adequacy within their borders. He noted that states "are sovereign entities with the inherent police power under our constitutional structure to regulate the utilities in their state."

Two commissioners, however, wrote separately to say that MISO's omissions were too glaring to ignore.

Commissioner David Rosner said while rejection wasn't an "easy decision," MISO's expedited lane as described "risks replicating the same backlogs and delays plaguing MISO's existing generation interconnection queue, which are what put MISO in its current situation in the first place." He also said that MISO's

insufficient limits on study requests risked a court finding that the fast lane is unjust and discriminatory and striking it down, "leaving MISO worse off than taking no action."

"While MISO clearly intends to design a process that considers only 'tens' of interconnection requests per year, there is no guarantee that interest" will be limited, Rosner said.

Rosner said he believed FERC's order of rejection provided MISO enough direction to draft a second attempt.

Commissioner Lindsay See likewise encouraged MISO to bring FERC a more workshopped proposal.

See said she couldn't overlook that MISO's plan left out retail choice states Illinois and Michigan and would bestow undue preference on resources connecting in vertically integrated states.

"Because the commission should remain evenhanded when it comes to our state partners, a proposal that discriminates among the states themselves gives me serious pause," See said.

See also said MISO should require the states to explain how they decided

certain projects are essential for reliability or resource adequacy. See said although MISO promised its fast lane would be "open, competitive [and] technology/fuel agnostic and ... not involve MISO favoring or selecting certain projects over others," nothing in the tariff explains how it will live up to those goals."

"Simply put, the commission cannot evaluate criteria that do not yet exist, that will vary state-by-state when they do and that MISO does not plan to police," she wrote.

MISO Prepped for Positive Outcome

Meanwhile, MISO had begun preparations to start project acceptance.

MISO posted an *informational guide* on the fast track in anticipation of a favorable FERC order. Through an email to stakeholders, MISO said if the proposal was not accepted by the commission, it would remove the guide from its website.

MISO planned to open an application window for the first quarterly fast-track study treatment through May 22. It planned to accept submissions for the first expedited cycle through an email dedicated to interconnection issues, and launch a submission portal this summer



A rendering of Ameren Missouri's planned Castle Bluff gas peaker plant at the site of the former Meramec Energy Center. The generation plans likely won't use the MISO expedited queue. | Sargent & Lundy

for upcoming cycles.

MISO planned to process quarterly study classes until the end of 2028. The next application deadline would have come due in mid-August.

During an Organization of MISO States' Resource Adequacy Summit May 13, MISO CEO John Bear said MISO didn't yet have projects lined up for the fast lane and said he couldn't offer an overview of the resource mix that would have become the first entrants in the express lane.

"Fixing the queue is not a challenge. Clearing the queue is a challenge. You've got a 130-GW system with 350 GW in the queue. ... You can't even model that," Bear said of the regular queue lineup. He predicted it would take MISO about three years to get a handle on its stockpile of proposals.

In response to an audience question on whether some of the queue volume would drop off naturally, Bear said he didn't want to guess how many generation projects might not be realized. He said developers have put a lot of mon-

ey and planning behind their projects, and MISO's newly higher fees, stricter land use requirements and stepped-up withdrawal penalties mean projects have been subjected to more scrutiny than in the past.

Win for Clean Energy Groups

Clean energy organizations are likely to rejoice at the ruling.

In a statement, Earthjustice said the proposal would "sideline generation projects that have been waiting years to connect and send everyday consumers the bill for fast-tracking projects hand-picked by special interests." The group said the expedited process would discriminate illegally against competitive clean generation developers. It also said MISO risked backsliding into "inefficient, serial interconnection studies."

"FERC rightly rejected the proposal from MISO to fast-track connection of utility-owned methane gas projects over the queue of clean energy projects that have been waiting years to connect to the grid. FERC's role as an independent agency is to protect consumers and ensure reliable

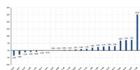
affordable energy. The best way to do that is [to] let clean energy compete fairly and openly," Earthjustice attorney Christine Powell said in a statement following the decision.

Clean Grid Alliance similarly criticized the proposal in a [blog post](#) prior to FERC's ruling: "The trouble with [the Expedited Resource Addition Study (ERAS)] is, in short, ERAS as currently proposed doesn't play by the rules. At least not the rules everyone else must play by. There doesn't seem to be any other reason to allow this process than to create a pathway for adding new natural gas and enable 'queue jumping,' which allows certain projects to bypass the current interconnection queue process and skip ahead of projects that have been waiting in the queue for years."

States outside of Michigan and Illinois, however, had urged FERC to approve the expedited queue lane.

In similar, recent letters to FERC, Mississippi Gov. Tate Reeves (R) and Arkansas Gov. Sarah Huckabee Sanders (R) called the proposal "essential" and cited the risks posed by rising load. ■

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MISO IMM to State Regulators: Good Intentions Behind LRTP Criticism

Monitor Says Tx Oversight Should be in Purview Due to Market Interdependencies; MISO Files for Declaratory Order on IMM's Authority

By Amanda Durish Cook

ROSEMONT, ILL. — MISO Independent Market Monitor David Patton addressed the recent controversy surrounding his longstanding criticism of MISO's latest, \$22 billion long-range transmission portfolio at the Organization of MISO States' Resource Adequacy Summit.

Patton began a May 13 unscripted talk to regulators by joking that the "ominous" red light background on stage wasn't doing him any favors. He told regulators that he was on their side despite some states being disappointed that he condemned many of the underpinnings of MISO's second, \$21.8 billion long-range transmission plan (LRTP) portfolio.

Patton said he was only trying to "weaponize the markets" to spur the most reliable and economic dispatch decisions while respecting states' policies.

"By the way, I love transmission," he joked. At another point, Patton teased that he "wasn't allowed" to speak out on transmission planning, referring to MISO leadership asking FERC whether it's appropriate for the IMM to analyze the value of proposed transmission portfolios in addition to markets. (See *MISO Intent on Answers as to IMM Role in Tx Planning*.)



MISO IMM David Patton at the OMS RA Summit |
© RTO Insider

Patton's comments come about a week after MISO petitioned for the declaratory order with FERC ([EL25-80](#)). The RTO's stakeholders are split on whether the IMM should independently assess the value of transmission projects. Patton continues to take issue with several of MISO's estimates of the second LRTP portfolio, including its underlying capacity expansion modeling and the value of resolved reliability benefits, the amount of new generation that can be avoided and environmental benefits through the new transmission.

MISO anticipates a benefit-to-cost ratio of between 1.8:1 and 3.5:1 over the first 20 years of the LRTP projects' lives through reliability improvements, production cost savings, capacity that won't have to be built and environmental benefits. The IMM has pinned the value of LRTP II closer to a 0.3:1 benefit-to-cost ratio and has advocated for a condensed portfolio.

Patton said transmission planning and functioning markets are intrinsically linked and should be evaluated independently.

"We have to understand that when we make bad planning decisions, we undermine the market," Patton told attendees. He again said the 20-year future MISO relied on to recommend the portfolio of mostly 765-kV lines is impractical and doesn't represent the resource mix that will be built.

Patton said MISO is overbuilding the transmission system at the cost of the market incentivizing the construction of battery storage and developing other dispatchable technologies. It's "very important" that MISO be realistic about the generation mix that's on the horizon, Patton said, pointing out that many utilities remain committed to building new gas generation despite MISO allowing for very little in the future it used to plan the second LRTP.

"If we plan for a fictional system ... we're going to either pay higher costs or have an unreliable system," Patton said.

Why This Matters

While its IMM made a case for it assessing transmission portfolios in addition to market operations, MISO filed with FERC to request the IMM cease providing paid opinions on its transmission blueprints.

In its filing, MISO asked FERC to "confirm" that the IMM's "unsolicited transmission planning and monitoring activities are outside the scope" of its engagement rules with the IMM under its tariff and that it "has no obligation to reimburse Potomac [Economics] for such unsolicited transmission planning and monitoring activities at the expense of tariff customers."

MISO's Board of Directors in mid-February directed RTO leadership to freeze all payments to the IMM for work related to transmission planning.

MISO said its request did not preclude it from relying on an independent transmission monitor in the future. It also said it wasn't seeking to "limit the activities of Potomac, such as participating in stakeholder processes, separate and apart from its role as the hired IMM for MISO." Essentially, MISO said the IMM should size up transmission, pro bono and on the side as an interested stakeholder.

MISO said it needed to "remove uncertainty" around the IMM's authority and figure out which services its customers should be paying the IMM for.

The grid operator ended by saying it plans to hire an independent, third party to assess the benefit estimates of future LRTP portfolios and the 20-year scenarios it devises to justify them. ■

MISO CEO: Slim Reserves Not Necessarily Bad

Other Speakers at OMS RA Summit Offer Ideas on Data Center DR and Batteries

By Amanda Durish Cook

ROSEMONT, ILL — MISO CEO John Bear put a positive spin on the grid operator making do with little cushion in its supply.

During the Organization of MISO States' annual Resource Adequacy Summit May 13 in Chicagoland, Bear said it's not necessarily a bad thing that MISO has only thin excesses on top of its margins. Other speakers posed ideas on how to beef up supply.

Bear said even though NERC and the industry might say MISO is "on fire" in terms of resource adequacy, MISO is managing nicely while operating ever closer to its planning reserve margins.

"Being glass half full, I'd say we're pretty efficient," Bear said.

Bear said last year, the RTO and the Organization of MISO States' joint resource adequacy survey "gave us some warning lights" and members reacted accordingly to avert a potential 2.7-GW capacity deficit the survey showed arriving as soon as summer 2025. (See [OMS-MISO RA Survey: Potential 14-GW Capacity Deficit by Summer 2029](#).)

Nevertheless, Bear said MISO and the stakeholder community must get comfortable with enacting market and planning changes swiftly to continue to be resource sufficient.

"Eighteen months to redo the futures is incredible. We've got to do it in six," Bear said, referencing the several months MISO has set aside to update the set of 20-year scenarios it relies on to chart big-ticket transmission projects.

MISO Vice President of System Planning Aubrey Johnson said MISO was inspired to add its supply-constrained fourth future to its existing trio of scenarios because staff noticed a few years ago that generation was not coming online as scheduled. (See [MISO Forming 4th Tx Planning Scenario Based on Supply Chain Barriers](#).) Johnson said to finish the futures, MISO needs to "move," meaning MISO gets its futures information in front of stakeholders and makes sure they understand and are mostly comfortable with them before finalizing them.

"Those that are not quite there, we can't let them hold up the pace of change," Johnson said.

Bear acknowledged that achieving the

Why This Matters

Speakers at the Organization of MISO States' 2025 Resource Adequacy Summit had plenty to say on small margins getting the job done, the spring Iberian outage, data center DR possibilities and opportunities for batteries and untapped interconnection service.

cooperation to move fast is "tough" across the country right now. But he added that MISO would be challenged even if load growth continued at a docile 1% per year and data center projections didn't jump exponentially.

"We've got a lot of old power plants that aren't performing well. That's changing, by the way, thankfully," he said. "We're going to have to get more energy on the system ... even if the data centers don't show up."

Bear said MISO is poised to double its 13-GW solar fleet over the next two years. However, he cautioned that MISO must be thoughtful about balancing its inverter-based resources. He said the risk posed by inverter-based resources is very real, exemplified by the frequency issues that likely were the culprit behind the late April blackout in Portugal and Spain.

MISO has noticed it increasingly encounters challenging operations in spring and fall on days when renewable energy output is high, Bear said. He said MISO is keeping tabs on its changing needs and will investigate adding frequency products or accrediting resources differently around frequency and inertia.

Bear also said MISO's proposed fast track in the queue for proposed generators deemed indispensable to resource adequacy by state authorities should get key projects online sooner. (See [MISO Fast Lane Proposal Disadvantages IPPs, Retail Choice States, Critics Tell FERC](#).)



Alliant CEO Lisa Barton takes questions at the 2025 OMS RA Summit | © RTO Insider

Bear said MISO has devoted considerable time to planning transmission so wind and solar can be dispatched efficiently across the footprint. He pointed out MISO doesn't need to track a significant number of curtailments, like the graph CAISO maintains.

MISO Independent Market Monitor David Patton asked the audience if anyone was surprised by the capacity auction's \$666.50/MW-day clearing price for the upcoming summer. MISO's capacity auction left all but 300 MW of offers unused. (See [MISO Summer Capacity Prices Shoot to \\$666.50 in 2025/26 Auction](#).)

He was met with silence.

"If you haven't been tuned in, capacity prices went up manyfold from past years," Patton said.

Patton said MISO buying 2% beyond the absolute summer minimum capacity standards is good for the health of the system.

"It was a bargain to buy it. ... It's not a bad thing that we bought beyond the minimum requirement," he said. Patton also said states were instrumental in getting the auction clearing on a sloped demand curve.

"We saw how powerful I was, recommending this for 10 years," Patton joked.

However, Patton said the "full" signal to build generation won't arrive until MISO institutes its new, availability-based capacity accreditation beginning in mid-2028. He said the accreditation will deliver a final puzzle piece and allow the footprint to better meet long-term resource adequacy objectives.

Under the new accreditation, most resources' capacity values are set to fall, as evidenced by MISO's [evaluation](#) of this year's supply had the accreditation been in place.

"It's going to change how people plan, it's going to change how merchant generation is built, how [integrated resource plans] are made," Patton said.

IMM: Problem Remains with 'Not Real' DR

However, Patton said he remains deeply concerned about demand response gaming MISO's markets. He said MISO's recently filed suite of stricter demand response rules should close some



MISO CEO John Bear (left) interviewed by Minnesota Public Utilities Commissioner Joseph Sullivan | © RTO Insider

loopholes that allow demand response to collect payments for doing nothing. (See [Stakeholders Ask FERC to Soften MISO's Proposed DR Accreditation](#).)

He said MISO is right to "aggressively" confirm that. He said if MISO does that, demand response should function more like MISO traditional generation, which responds when called up. Patton said MISO carrying only authentic and responsive demand response ultimately should reduce costs.

Patton hinted at more referrals to FERC's Office of Enforcement. He said an audit of MISO's demand response fleet turned up a retail customer that was registered under multiple market participants and a data center that has offered demand reductions and collected payments for about two years despite not yet being built.

"If you look at the site, it's a really pretty greenfield with weeds," Patton said. "We cannot allow people to sell us something that's not real."

Other Perspectives

Other speakers at the OMS meetup had plenty to say with resource adequacy risk at MISO's doorstep. Alliant CEO Lisa Barton struck a decidedly graver tone in her keynote address.

Barton said she was sure the audience "was glued to their phones on April 28," tracking the Iberian outage as it unfolded. She said she was sure attendees are focused on "making sure what happened there doesn't happen here."

Barton said industry players should be dedicated to at least holding up or bettering today's levels of reliability and resiliency. She said "one of the unfortunate things" is people eventually forget grid disasters like Winter Storm Uri.

"We need to remind ourselves that's out there," Barton said.

Barton said there's value in assessing events that "might not have happened in our backyard" and committing to learning from them. She said Spain and Portugal are dealing with a \$1.7 billion fallout and a handful of deaths from just "one day of the lights not being on."

Barton said the event should reinforce the idea that resource adequacy takes all kinds of generation, with some types more consequential than others.

Barton praised MISO for proposing an interconnection queue fast lane to get select generation online faster.

"I know it's not a universally popular decision, but it's action," Barton said, adding

that "not acting is a far greater risk."

"I remember saying to my daughters, 'Not making a decision is a decision.'"

Barton said it can't be ignored the U.S. population is benefiting and living on grid investments made decades ago. She said no matter your politics, nearly all can agree the industry needs to expand generation to support American innovation.

"What I think we can agree on is, we have to win the technology war," she said.

Barton said MISO members should be insistent on striking flexible load arrangements to handle incoming large loads. She warned that it "all can't be fixed with transmission."

Finally, Barton said it's not a good idea for data centers to strike out on their own and secure their own generation construction. She said data center developers likely would seek components that utilities also are vying for, likely exacerbating supply chain problems. Barton said independent generation construction is reminiscent of a pre-RTO world, where utilities planned in isolation and transmission and generation redundancies existed. It's possible, Barton said, to work in protections for ratepayers while still offering attractive rates to data centers.



From left: Wisconsin Public Service Commissioner Marcus Hawkins, Aidan Tuohy of EPRI and Tyler Norris of Duke University | © RTO Insider

Data Center DR?

Despite the IMM's indication to expect more enforcement against demand response double-dealing, some are bullish that data centers are a new frontier in demand response.

Duke University fellow Tyler Norris said the idea that data centers are strictly inflexible and need firm service 24/7 isn't true, as evidenced by a 2024 [report](#) from the Secretary of Energy's Advisory Board. He said there could be some load flexibility found when the system needs it most.

"Outside of the 15 to 20 hours across the year ... during cold snaps or heat waves, there's a lot of headroom" on the system, Norris said.

He said Duke's recent research found that if data centers could curtail load annually at just 0.25% of their potential maximum use, it could allow the existing grid to support about 76 GW of new load across the U.S., with 11.6 GW of that in MISO. (See [US Grid Has Flexible 'Headroom' for Data Center Demand Growth](#).) Some in the industry are skeptical those figures can be achieved without co-located generation.

Norris pointed out that the country's grid is built around the "few hours per year of extreme demand" and outside of

demand peaks, about half of generation capability can go unused. Norris said while regulators might think data centers are running at a 100% utilization rate, they're more likely to be running in the order of 40 to 50%. He said some of the unrealized use stems from data centers' tendency to overstate interconnection needs.

"There's a lot of potential there," Norris said, but added that the flexibility from data centers will look different from traditional demand response. He said grid operators will need to "get creative" to design different service tiers of demand response to accommodate them.

He also said flexibility tradeoffs are being hammered out between data center developers and power suppliers.

"We know that those negotiations are happening, but on a purely bilateral basis, without a tariff," Norris said. He said regulators might decide to outline some regulations for use agreements.

Nevertheless, Norris acknowledged the industry is in a "real crunch for the next five to seven years" to get generation built. He said construction probably will be more difficult because of the Trump administration's repeal of Biden-era tax credits.

Surplus Interconnection Service and Batteries

GridLab's Casey Baker said in MISO, there's a possible "double-digit energy and capacity" solution in MISO in the form of using surplus interconnection across the sites of the RTO's approximately 50 GW of renewable energy. He said members could build companion battery storage across those sites or, conversely, build wind or solar resources at some of MISO's seldom-used and aging peaker plants to make the most of their little-used interconnection service.

Baker said building to use more interconnection service wouldn't require network upgrades or the intense study and permitting that greenfield construction would require.

"We have this perception that the grid is tapped out, and that's true in certain hours, but that's not true in most hours," Baker said.

Baker called batteries the "Swiss Army knife" of resources and said they can

bolster resource adequacy, work as a transmission asset and provide inertia and grid-forming services, if customers are willing to pay for those models.

Mia Adams, of Ulteig Engineering and a MISO alum, added that MISO needs better participation rules for energy storage. She said though most believe that lithium-ion batteries have a four-hour limit, some can last up to 16 hours now.

"If you have the need, there's a solution if you're willing to pay for it," she said. However, she added that most storage projects "in MISO don't pencil out because of the market design."

Adams said a 100-MW battery could be built within four months. Along with companion wind and solar generation, Adams said the footprint could host inexpensive, dependable new generation quickly.

Adams asked the audience to embrace new technologies sooner. She warned that data centers aren't the only ones lining up for load treatment, noting that heavy industry like aluminum smelters and steam crackers are looking to electrify.

And Adams said political instability in the form of will-they-won't-they tariffs is upending plans for new generators.

"It's not just batteries that come from China. It's a very intermingled supply chain," she reminded the audience.

Laura Schepis, an executive director at the National Electrical Manufacturers Association, agreed the volatility wrought by tariffs is anathema to planning and building resources.

Electric Power Research Institute's Director of Power Systems Aidan Tuohy agreed that data centers aren't the only growth the industry is facing, invoking increasingly electrified transportation, electrification of heat and reshoring of manufacturing.

"We know we can't necessarily build fast enough to meet that demand," he said and offered demand flexibility and grid-enhancing solutions as ways to maximize the grid and get a breather on adding new generation.

Sparkfund CEO Pier LaFarge said the industry is navigating a moment not seen

since the Industrial Revolution, where the data center explosion is coinciding with geopolitical tensions.

Xcel Energy Vice President of Supply Chain Murray Sanderford seconded the echoes of the Industrial Revolution.

"In my career, I've never seen something so daunting from a supply chain standpoint," Sanderford said. He said he and his peers estimate that just 60 to 70% of planned generation won't get built due to lack of labor and lack of equipment.

MISO's Aubrey Johnson reminded attendees that about 30 GW of MISO's 53 GW in generation projects that have signed generator interconnection agreements but have *yet to come online* are more than two years behind their commercial operation deadlines.

Johnson also noted the industry is grappling with a growing shortage of technicians specializing in inverter-based relay systems, another obstacle to meeting demand and reliability targets simultaneously. ■

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Indiana Tries to Spur New Capacity, Delay Retirements with New Law

By Amanda Durish Cook

Indiana has a new law aimed at motivating new capacity in the state to serve rising load and restricting when utilities can shut down plants.

The legislation expedites the Indiana Utility Regulatory Commission's approval process on utilities' generation plans to serve large-load customers like data centers. It also creates cost recovery processes for utilities to recover the projects to accommodate big-need customers and makes it more difficult for utilities to retire their existing generation.

Finally, the law provides for a 20% state tax credit for in-state producers that manufacture small nuclear reactors.

Gov. Mike Braun (R) signed the bill into law May 6. House Republicans advanced the bill April 22 in a 63-23 vote along party lines ([HB 1007](#)).

The law defines a large-load customer as one requesting new electricity demand

greater than 5% of the utility's peak load or 150 MW.

The law mandates customers requiring a big grid buildout to make "significant and meaningful financial assurances" for the projects they need, covering at least 80% of costs and shielding other customers from picking up the bill.

It also compels public utilities to annually report to the IURC any generating units of at least 125 MW that they plan to retire. The IURC then would initiate an investigation into the withdrawing generation. If the commission finds that a utility cannot reliably meet demand without the unit or is unable to meet its planning reserve margin requirement, it would block the plant closure or direct the utility to acquire or build equivalent capacity. The law dictates that utilities must have replacement plans of "approximately the same accredited capacity" as the retiring unit within their RTO.

Per Indiana's existing law, any utility not meeting at least 85% of its peak load

must provide the IURC with capacity projections for the next three years.

A fiscal analysis from the legislature found that the SMR state tax credit could cost taxpayers about \$280 million. It also found that the new retirement investigation provisions will increase the IURC workload. Indiana lawmakers are not dedicating more resources to the IURC to handle the added work.

Indiana's Republican representatives said the law is necessary to incentivize capacity additions. Democratic representatives voiced concerns the measures would keep coal plants online longer and have taxpayers spending too much to subsidize small modular reactors.

The Sierra Club said the law would "increase electric bills and spew more pollution throughout the state."

Rep. Ed Soliday (R-Valparaiso), who authored the bill, told local news outlets that Indiana is in competition with other states to entice large-load customers. ■



AES Indiana's coal-fired Petersburg Generating Station | AES Indiana

N.Y. Moves to Boost Lagging Clean Energy Development

Procurement Guidelines Revised; Utility Ownership of Renewables not Ruled Out

By John Cropley

New York is tweaking its approach to clean energy development as it works to get its lagging decarbonization ambitions back on track.

The Public Service Commission *approved an order* that will, among other things, change onshore and offshore renewable solicitations, revise the credits that subsidize those renewables, consider whether to continue nuclear generation subsidies and open a dialogue to better inform the question of whether to allow utility development and ownership of renewable generation.

The May 15 decision came as part of the biennial review of New York's Clean Energy Standard (CES) submitted as a draft July 1, 2024. (Case [15-E-0302](#))

The draft acknowledged that the state's clean energy transition is likely to miss its first mandated target — 70% renewables by 2030 — by a potentially wide margin and suggested ways to address the slow progress.

The 6-0 vote by the PSC *finalizes that draft*, with some of the suggested changes adopted and some rejected.

Two years ago, New York had a large portfolio of contracted renewable projects, but soaring prices made those contracts untenable and many were canceled. More recently, a president highly supportive of renewable energy was replaced by a president who is highly supportive of fossil fuels and is actively working to hinder renewables development.

The order cites seven key factors — mostly negative — affecting New York's progress toward the goals mandated by the landmark Climate Leadership and Community Protection Act of 2019:

- Global interest rates, inflation and supply chain pressures;
- transmission inadequacies;
- interconnection delays;
- NYISO's changes to its capacity accreditation;
- federal initiatives including IRA funding

Why This Matters

The Clean Energy Standard is being revised because current practices are not producing results to meet growing load demand.

and tariffs;

- siting and permitting processes that are long and complicated and likely to get more so; and
- expected increase in the statewide electric load.

Marco Padula, director of the Department of Public Service Office of Markets and Innovation, summed up the situation as he presented the DPS staff recommendations to the PSC members:

"The draft order recognizes that New York is in a pivotal moment where we have not seen the expected level of success from our current processes and are faced with massive amounts of new load growth and rising need for new clean firm electric capacity on the grid."

The changes suggested in the draft drew a wide array of comments giving support, explaining opposition and suggesting tweaks.

The PSC rejected some proposed changes to the CES, including strike-price adjustments due to certain black swan events, those risks unforeseen at time of contract awards.

But it directed several notable changes:

- The New York State Energy Research and Development Authority can increase the average annual solicitation of Tier 1 RECs (renewable energy certificates for large-scale onshore facilities) from 4,500 to 5,600 GWh, and its procurement authority is extended to 2029.
- NYSERDA will establish a minimum maturity threshold in all RFPs to attract projects far enough advanced that they have a higher likelihood of achieving

commercial operation in a relatively short period of time; at a minimum, they must have completed NYISO's Phase 1 cluster study and be eligible for the final phase.

- The maximum term of offshore REC contracts is extended from 25 years to 30; NYSERDA will be allowed to extend Tier 1 REC contracts from the current maximum of 20 years to 25 on a case-by-case basis.
- NYSERDA is authorized to take greater flexibility on commercial operation milestone dates with Tier 1 and offshore projects and no longer is required to include a right of termination for failure to come online by a certain date.
- DPS staff will develop separate criteria for repowering baseline hydroelectric resources and submit a recommendation to the PSC.
- While it still supports the rationale for banning utility ownership of generation during deregulation in the mid-1990s — fostering competition and preventing vertical market control — the PSC also said much has changed in 30 years, and utility ownership of generation now must be reconsidered as a way of accelerating the renewables market. The PSC took only the first tentative steps in this direction, however, laying out 15 questions that would help frame what is certain to be a contentious debate.
- DPS staff will create a process to define and identify "clean energy zones" that can be incorporated into the PSC's planning processes and renewable procurements. The zones will be a way to align generation development with planned transmission expansion and economic development as a means of cost and risk reduction.
- DPS staff will prepare a white paper evaluating how the zero-emission credit program that subsidizes nuclear plants would be structured if it is continued.

Moving Forward

There is a disconnect between the amount of policy support New York provides to renewable energy development

and the amount of renewables connected to the grid.

Only 23.2% of customer load statewide was met with renewable energy in 2023, down from 25.1% in 2022 — and most of that came from decades-old hydropower facilities, rather than the new solar and wind generation the state has been trying so hard to encourage.

Generation and transmission development in New York is slow and expensive in the best of times, and there always is concern about heaping additional costs onto ratepayers who already pay some of the highest electric rates in the nation.

Then there are other factors beyond PSC control to consider.

At the May 15 meeting, PSC Chair Rory Christian quoted boxer Mike Tyson:

"Everybody has a plan until they get punched in the face."

Christian was speaking about another matter before the PSC that day, but his point applies equally to renewable energy development, which has been rocked back on its heels by President Donald Trump.

How best to foster renewable energy development in New York in this environment remains to be seen, but there is room to adapt — the next biennial review of the CES is only a year away.

With the 2024 biennial review finalized, two advocates for energy developers and operators shared their thoughts with *RTO Insider*.

Marguerite Wells, executive director of Alliance for Clean Energy New York, said she is cautiously optimistic that the CES update will move the needle on New York renewables.

There have been three primary friction points, she said: interconnection, permitting and offtake.

NYISO and the new Office of Renewable Energy Siting largely have addressed interconnection and permitting, respectively; the CES update will help address offtake in a few ways, Wells said, but questions remain.

Uncertain in her mind are which black swans will be eligible for price revision and which ones will not.

Increasing the size of procurements is good, provided there are enough projects to fill the list.

The project maturity threshold potentially is a solution to the issue of developers not familiar with New York bidding proposals at unrealistically low prices and winning contracts, then not being able to follow through once the cost of doing business in the state becomes apparent.

To address this, ACE NY had advocated reducing the weight NYSERDA assigned to bid prices as it awarded contracts, but the PSC opted to retain the emphasis on low prices to protect ratepayers.

Developers that go through Phase 1 cluster studies presumably will have a better sense of what their costs will be, Wells said, so that might discourage lowball bids.

She also is aware of the passage of time.

"I was waiting for this report with bated breath since last July," Wells said, and when it finally arrived, after 10.5 months, it only kicked the can down the road on some questions, such as utility ownership of generation.

She thinks of the phrase "analysis paralysis" at times, but said, "I do think it's meaningful. ... I think they've done what's in their own scope to fix for now, and we will just keep tweaking. I'm also looking forward to the fact the next CES review is just next year."

Independent Power Producers of New York CEO Gavin Donohue saw many positive aspects in the decision, including the movement toward continued nuclear subsidies, the increased procurement targets and the repowering of hydropower.

But the fact that the PSC did not open generation ownership to utilities — only sought to frame a possible future discussion — was the most important single aspect of the order for IPPNY and its members, Donohue said.

He feels there were missed opportunities as well.

"The fact that they recommitted to having zero-emitting resources and clean energy into the future is a positive outcome, but the complexities, the details about reliability, affordability, are really important today," Donohue said.

The 2019 climate law mandated 100% zero-emissions resources by 2040, but the PSC still has not defined zero-emissions, making investment decisions much more complicated. How does an investor approach a project that might be threatened with a phaseout a few years after it goes online?

"I'm frustrated because that's really, to me, where the rubber meets the road on the practicality of this law," Donohue said.

"To me, that is a bigger hurdle, in some ways, than building the renewables because of the capacity factor and the amount of megawatts involved. And also the magnitude of change that has to occur in the overall infrastructure of pipelines in the transmission system to make that happen."

"One of the things you can't do is legislate or regulate economics and physics." ■



Standard Solar's 11.5-MW solar array in northern New York benefited from funding through the state's NY Sun initiative. | Standard Solar

Community Opposition Still a Hurdle for Storage in N.Y.

State Working to Counter Local, Federal Obstacles as Conference Convenes

By John Cropley

ALBANY, N.Y. — The annual New York energy storage conference came with excellent timing this year, as progress at the state level was matched by looming obstacles at the federal level.

As the 2025 edition of *Capture the Energy Conference & Expo* kicked off, the on-again-off-again global trade war had been paused, removing for now the threat of crushing tariffs on battery components.

But given the mercurial state of affairs, and the ongoing debate over tax credits, few people expect the picture for energy storage and the batteries it relies on to be settled.



Iola Hughes, Rho Motion | © RTO Insider

effects.

There is no immediate way around tariffs, she added: "Even by 2026, we're only looking at around 20% of demand being met by domestic cells, based on the current pipeline of gigafactories being built out."

The May 13-15 conference was the 15th and the largest yet for the New York Battery and Energy Storage Technology Consortium (NY-BEST).

As its name implies, NY-BEST supports the development and deployment of all storage technologies. But batteries account for the vast majority of storage

"I think every analyst's favorite word at the moment is 'uncertainty,'" Iola Hughes, head of research at Rho Motion, said as she launched into a rapid-fire update on tariffs and their



A featured presentation at NY-BEST's Capture The Energy Conference & Expo in Albany, N.Y., on May 14. | © RTO Insider

capacity being added to the grid, so the conversation at Capture the Energy tends to be focused heavily on them.

"In 2024 we saw lithium-ion battery demand surpass 1 TWh for the first time," Hughes said. "This was a milestone narrowly missed in 2023, and I think, really, that's just a sign of how much this market has progressed over the last few years."

Doreen Harris, president of the New York State Energy and Research Development Authority, delivered a keynote address assuring an audience of hundreds that the state remains wholly committed to energy storage deployment, as storage will be needed in the tens of gigawatts if New York is to accomplish its transition to a grid heavily reliant on intermittent renewables.

But Harris had to cut herself short so she could catch her flight to Washington and continue to lobby for saving the policies that will help make that sort of buildout possible.

Amid the federal uncertainty, New York continues its part, with orders from the Public Service Commission pushing the process forward and \$200 million awarded to support construction so far.

"And now, rounding out this trifecta, just yesterday we issued a draft [request for proposals] for our bulk energy storage solicitation," Harris said.

New York's first energy storage target is 1.5 GW by the end of the year. It has doubled its 2030 goal to 6 GW of new storage.

In June 2024, the PSC approved the road-map for reaching 6 GW ([Case 18-E-0130](#)). It approved the implementation plans for storage projects totaling 5 MW or less in February 2025 and for bulk storage (greater than 5 MW) in March 2025.

Just recently, the Department of Public Service issued a progress report showing the state of storage in New York as of the end of March: 509.2 MW deployed, and 893.3 MW awarded or contracted.

The average total installed project cost ranges from \$524/kWh (for bulk projects serving wholesale markets and receiving incentives) to \$1,198/kWh (for customer-sited standalone behind-the-meter projects used for peak load reduction).

Supply chain constraints, inflation and high demand for cells drove up costs, the report notes, and these high costs

Why This Matters

The discussions shed light on the challenges facing BESS development in New York and possible strategies for overcoming those obstacles.

have been a continuing barrier to timely buildout of storage in New York.

But right up there with cost is public opposition.

Battery energy storage system (BESS) fires, while rare, leave a strong negative impression, amplified by the fact that most people know nothing about grid-scale batteries or the risks associated with them.

New York has a strong home-rule tradition, and that fear of the unknown has translated into numerous moratoria on BESS development.



John Zahurancik,
Fluence | © RTO Insider

John Zahurancik, president of the Americas for Fluence, said BESS fires have developed an outsized profile as a result of the unfamiliarity and insecurity public officials and their constituents have with these facilities.

"We don't call a news conference when a transformer blows up, even a big transformer. We don't close highways when transformers blow up," he said. "But we've done some of those things with energy storage recently."

There is uneven quality control by some manufacturers, Zahurancik added, and it is incumbent on developers to not just rectify that but to prepare for all contingencies in the event of a fire, right down to emergency phone numbers going missing or not being answered.

"Another one of our revelations was, people don't always do what you expect them to do in a moment of crisis," he said. "That may not seem like a very deep revelation, but there's a lot of truth to it. And so you can't really control all the actors, so you have to design systems that are overly safe against people, and you have to drill and constantly talk about, 'What are you going to do in these events?'"

An entire panel discussion was devoted to winning over community support for BESS proposals.

"Our knee-jerk response as an industry has been to talk about facts, to bring in technical studies and peer-reviewed reports and know that the facts are on our side, and sort of flood the misinformation

with the facts. And unfortunately, that's not a great strategy," said Lauren Glickman, vice president of policy and communications at Encore Renewable Energy. "It's really important to build bridges by coming around and [connecting] with individuals and bringing empathy to a lot of these conversations and finding shared values."

Nadia Pabst, senior vice president of government and corporate affairs at Aypa Power, said she defines success as community members having a better understanding of what energy storage is and how it fits into the broader energy transition. "Ultimately, we're all working towards a decrease in blackouts and brownouts across the country and increased grid reliability."

Without a compelling narrative, Pabst added, it is hard to compete with the prevailing misinformation.

Sam Brill, vice president of strategic development at NineDot Energy, said developers should make local officials their first point of contact for a new proposal — because they will not appreciate learning about it through word of mouth but also because they can suggest who best to talk to in the community.

Glickman also stressed that community relations should not end when the project reaches commercial operation status. "Trust is something that's earned, but it's also something that can be lost. So if you earn it, but then disappear, you're not going to be seeing it."

Key Capture Energy provided speakers for the panel discussions during the conference and maintained a table at the expo portion of the event. Senior Director of Development Kolin Loveless told *RTO Insider* he sees two sources of community opposition: individual uncertainty and actively spread misinformation.

New Yorkers' uncertainty about fire safety grew from three unrelated BESS fires in rapid succession in three widely separated parts of the state in 2023, as well as a horrifying spate of e-mobility battery fires in New York City that had nothing to do with BESS except that both types of batteries contained lithium.



Lauren Glickman,
Encore Renewable
Energy | © RTO Insider

Loveless hopes the fire safety review panel the state convened after the 2023 fires will calm the uncertainty or fears. Until then, the permitting structures in New York will make the fears more impactful here than elsewhere.

"Part of that is home rule and the way that is structured, and a part of that has been [in] a lot of the other states where we are operating, they either don't have major permitting regimes — Texas does not require permits in a significant way, and so there's not that same question — [or there are] state-run processes for energy projects."

KCE started in Albany nine years ago, and its headquarters is just down the hill from the event venue; its operational projects are all in New York and Texas, but its development pipeline stretches from Maine to California. So it is exposed to a wide range of public policies and popular sentiments.

Loveless made a point Zahurancik also made: Execution is important. A lot of the fires have been in first-generation BESS projects, and a lot can be learned from them.

"We're already rolling out Gen 3, 4 and 5. And what we've done, actually, as an industry, pretty well, is learn from what happened before and implement those things into all the different codes that we follow. The next step is basically forcing the market to follow."

An entire bucket of community opposition in the state has been hesitation more than opposition, he said, as some local officials await the results of the New York Inter-Agency Fire Safety Working Group's efforts.

A key recommendation was that project permit applications undergo a peer review. That might ease the hesitation, but it might not.

"In a way you're effectively asking every town in New York to be able to make its own assessment," Loveless said. "The idea behind what the Fire Safety Working Group has worked out is a peer review process, so they don't need that expertise. But I don't know that jurisdictions are all fully comfortable. Some are, some are not. So that's the challenge that we're all working through. And unfortunately, for projects, that's a binary outcome." ■

Stakeholders Urge NYISO to Change Performance Penalty Proposal

By Vincent Gabrielle

Stakeholders expressed confusion and concern with the most recent *updates* to NYISO's operating reserves performance penalty proposal during the Installed Capacity Working Group meeting May 13.

Members seemed unclear as to the rationale for the proposed performance thresholds and unimpressed with the proposed penalty.

"I'm just curious as to why you wouldn't have a much higher requirement to be considered a good performer," asked Howard Fromer, representing Bayonne Energy Center.

The ISO outlined its proposed metrics for identifying different types of poor performers at a previous ICAP meeting in late April. (See *NYISO Details Proposed Metrics for IDing Poor Performers in Reserve Market*.) Resources that fail to respond or provide the requested energy during Reserve Pickup (RPU) events and audits would be subject to potential removal from the market for at least 30 days, increasing to 90 days on repeat offenses. The "expected performance" threshold is 70% and the "energy performance" threshold is 50%.

In the previous meeting, stakeholders had asked for more clarity on how these thresholds had been decided and for stronger penalties for offenders. The ISO provided different data to justify them.

Katherine Zoellmer, NYISO's market design specialist for the project, said that only 10% of resources drop below the expected performance threshold, and 9% fail the energy performance threshold. Under both metrics, most resources are performing and providing energy as

expected, she said.

"We found that this proposal was effective at capturing those resources that both the NYISO and the [Market Monitoring Unit] have identified as poor performers," Zoellmer said.

Stakeholders asked repeatedly why the energy performance threshold had been set at 50%, meaning a resource is only required to provide half of the energy expected. They said it was strange that a resource producing 55% of what was requested was rated as "good."

Zoellmer said that she didn't think that a resource performing at 55% was performing well, merely that the threshold captured most poor performers.

Several stakeholders said they wanted to see RPU performance data in a graph or histogram so that they could judge for themselves if the threshold made sense. They also said it was strange that the energy performance threshold was so much lower than the expected performance threshold.

"I think we're imposing a more rigorous test on the units that are routinely called upon to provide reserves and respond," said Fromer. "I don't think that's fair that, because I am a good provider, I am subject to a much more challenging definition than if I was a unit that hardly got called upon."

He then asked if Zoellmer would be comfortable dropping the expected performance threshold to 50%, saying that he did not think she was. Zoellmer did not respond directly to this comment.

On the actual penalty for poor performance, stakeholders questioned why there was no mechanism resetting penalties for resources that had fixed their performance issues; all prior offenses would be held against a resource. Stakeholders representing large customers, New York City and transmission owners all said they would accept both increased penalties and a forgiveness mechanism for resources that cleaned up their operations.

Another stakeholder mentioned that



Danskammer Energy Center in Newburgh, N.Y. | Danskammer Energy

as currently calculated, if a generator missed the mark, the metrics incentivized overgeneration to compensate and avoid being disqualified. They asked if it would be difficult to exclude overgeneration from the way the metrics are calculated.

Zoellmer said the ISO would not be proposing changes to their methods for accessing resources during RPUs and audits.

"If what you're saying is you put these metrics down and you're not going to consider changes, then why do we have this process?" asked Kevin Lang of Couch White, representing New York City. "Stakeholders are raising some legitimate concerns about what you're proposing, and the whole point of this process is to refine proposals."

Zoellmer did not respond.

Pallas LeeVanSchaick, vice president of Potomac Economics, the MMU, chimed in and said he agreed with the "common sense suggestions" and that the ISO had not engaged with stakeholders. He said he also wanted clear justification for the proposal. "We have been talking about having some sort of incentives for like eight years now." ■

Why This Matters

In previous meetings, the ISO identified 550 MW of generation that fails to meet expectations for reserve pickups.

NYISO Solar Generation Hit Record in April

ISO Says Ready for Summer

By Vincent Gabrielle

New York solar generation set an all-time peak [record](#) April 17, generating 4,809 MW in the noon hour, NYISO told the Operating Committee on May 15.

Wind generation also nearly beat its all-time peak record of 2,309 MW set last December with 2,211 MW on April 16.

NYISO staff showed off a new format for their monthly operations reports at the meeting. The presentation featured infographics and graphs to show how the New York grid fared over the prior month.

A stakeholder asked whether the ISO would consider adding back the monthly spot market prices and price delta

information to the report. Staff said they would consider it.

April proved to be a normal shoulder month this year. Load peaked at 18,836 MW on April 8, with a minimum load of 11,061 MW on April 20.

NYISO Prepared for Summer Demand

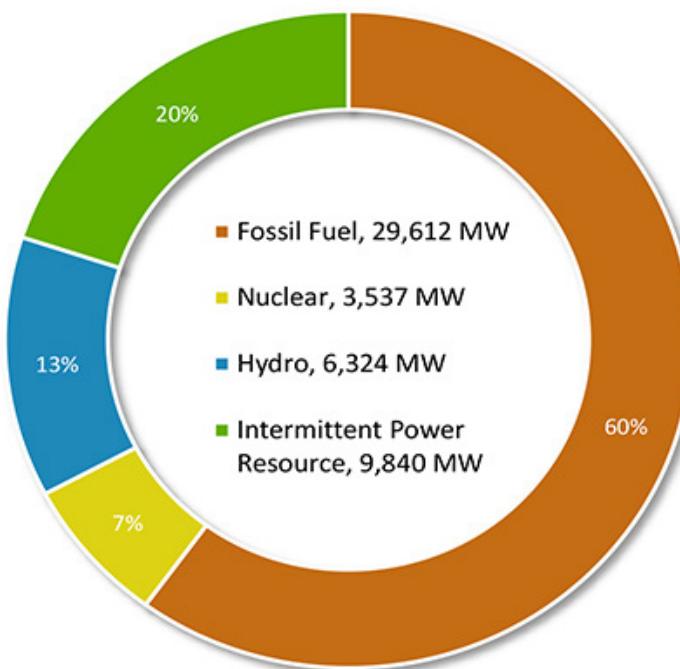
In a [press release](#) put out May 13, NYISO said 40,937 MW of resources will be available to meet an expected peak demand of 31,471 MW.

"While our summer assessment shows that we'll be able to operate the grid reliably under forecasted conditions, we remain concerned about a variety of

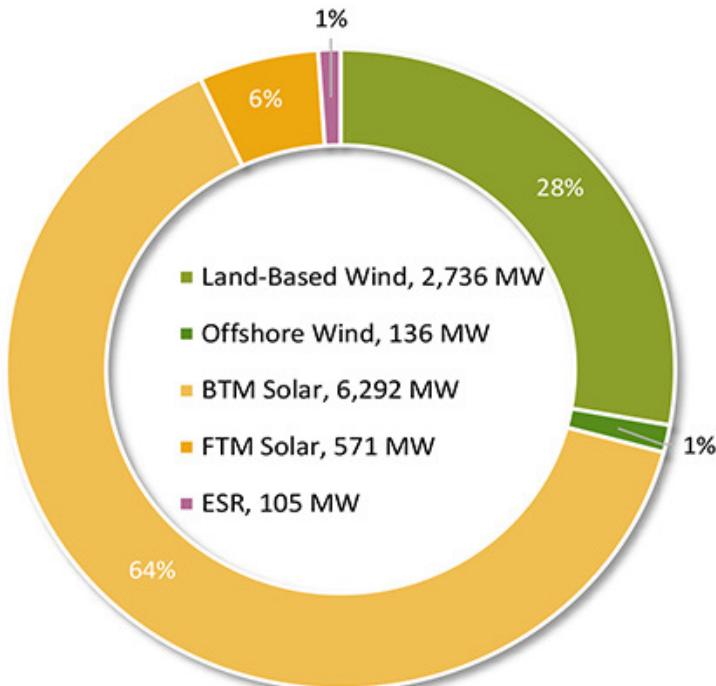
risk factors that could impact the grid," Aaron Markham, NYISO vice president of operations, said in the release. "We will continue to coordinate with generators, utilities and other stakeholders as we monitor and respond to system conditions as they arise throughout the summer season."

The reliability margin under baseline conditions is 997 MW. The ISO expects that under an extreme heat wave with an average daily temperature of 95 degrees Fahrenheit lasting three days or longer, it would be deficient 1,082 MW, declining to 2,768 MW with an average of 98 F. NYISO said it can dispatch up to 3,159 MW through emergency operating procedures in these extreme cases. ■

Generation Nameplate by Fuel Type



Intermittent Power Resource Nameplate



Note:

Hydro includes pumped storage hydro
ESR includes LESR

FERC Commissioners Split on Incentives for Valley Link Transmission

By James Downing

FERC on May 13 approved transmission incentives for Valley Link Transmission, which is building a portfolio transmission project to bring more power to serve data centers in Virginia ([ER25-1633](#), [EL25-77](#)).

Valley Link is a joint venture between Dominion Energy, FirstEnergy and Transource Energy, the last of which is its own joint venture between American Electric Power and Evergy. The lines will connect the AEP system in western PJM to Virginia and include two greenfield, multi-zonal 765-kV transmission lines and four greenfield substations.

The \$3 billion portfolio represents 417 miles of new transmission and will cut across Maryland, Virginia and West Virginia with Valley Link subsidiaries set up in each state. It was approved by PJM under the 2024 Regional Transmission Expansion Plan to help deal with load growth from data centers.

Valley Link proposed forward-looking formula rates, a base return on equity of 10.9%, an abandoned plant incentive allowing developers to recover all costs if the project fails, a 100% construction

work in progress (CWIP) incentive, a 50-basis-point adder for participating in PJM and recovery of all prudently incurred precommercial costs.

Though it approved the portfolio's incentives, FERC established hearing and settlement judge proceedings to examine the proposed formula rates for the venture's subsidiaries, saying it had not shown they were just and reasonable.

The Potomac-Appalachian Transmission Highline, a project in the same region that was also meant to increase west-to-east power flows but ultimately canceled in 2011, came up repeatedly in the case. Both were 765-kV lines that crossed the same three states, and developers of the failed project invested significant ratepayer funds before even winning approval from states. One of the sections of Valley Link follows a path similar to the older project. (See [Christie Blasts FERC Transmission Incentives in PATH, Brandon Shores Orders](#).)

Some protesters argued Valley Link could suffer the same fate as PATH if projected data center demand comes in lower than expectations, or more local generation is built to serve that load.



Why This Matters

The transmission projects in the case are meant to serve load growth in northern Virginia from data centers, and the policies being debated show two commissioners' positions on whether and how FERC's transmission incentive policies should be changed.

"Like with PATH, PJM approved Valley Link to solve a static snapshot of speculative need, and that long-term and uncertain planning, combined with overly generous transmission incentives, is what cost ratepayers more than \$250 million in the PATH case," FERC said in summarizing the arguments of [Keryn Newman](#), a citizen activist who successfully challenged AEP and FirstEnergy's cost recovery for the abandoned project.

Valley Link said waiting to grant the abandoned plant incentive until it gets state permits goes against the Federal Power Act and FERC's regulations. Comparisons to PATH are without factual basis, it argued: The only similarity is both projects are designed to improve west-to-east flows.

FERC rejected the company's hypothetical capital structure of 60% equity and 40% debt, but it also set the matter for settlement hearings. The commission found that the 60/40 proposal would not ensure just and reasonable rates.

Valley Link's request was approved by just three of the four FERC commissioners, with Lindsay See not participating, and Chair Mark Christie and David Rosner filing partial dissents. Christie, who has protested transmission incentives since joining the commission, opened his with a Yogi Berra quote: "It's like *déjà vu* all over again."

"As I have said repeatedly over the past four years, it is long past time for this

commission to do its job of protecting consumers by cutting back on its unfair practice of handing out 'FERC candy' without any serious consideration of the impact on consumers already struggling to pay monthly power bills," Christie wrote. "The statute simply does not mandate such lavish generosity to developer interests at the expense of consumers."

Specifically, Christie dissented against granting the CWIP, the abandoned plant incentive and the RTO participation adder.

"The present case graphically illustrates the fundamental unfairness of the commission's practices regarding incentives," Christie said. "First, it is noteworthy that in this case — just as in PATH — no necessary state approval to construct has been awarded to the project."

The majority justified handing out "candy" because FERC has previously found that projects approved through regional transmission planning will help solve reliability and/or congestion issues.

"Reliance on regional transmission planning in lieu of state approval to construct is a significant problem with FERC's policy," Christie said. "This practice is indefensible and always has been."

Beyond the lack of regard for states that have siting authority, Christie said granting incentives has become a check-the-box exercise at FERC.

"Every transmission developer seems to cite the same reasons for the same incentives — e.g., the CWIP incentive mitigates the impact on the developer's financial metrics, and the abandoned plant incentive mitigates regulatory risks, etc.," Christie said. "Coincidentally, this is

one of the reasons identified in Order No. 679 and parroted by developers in every proceeding."

He repeated his argument that it is time for FERC to change its incentive policies under a workable compromise that balances consumer protection and developer interests. That would involve granting them to projects that have been approved by states "because the project would have been deemed needed and cost-effective in a serious state CPCN proceeding, and, should it ultimately not be built due to reasons beyond the control of the developer, recovery of the costs of the project to date along with incentives would presumptively be fair to the developer who proceeded with due diligence to build the project with the state's imprimatur," Christie said.

Rosner's dissent was over the proposed capital structure, saying he would have approved it because it made sense for a newly formed joint venture entity and calling the rejection a departure from precedent.

"Rather than adhering to that precedent, today's order appears to introduce a new evidentiary standard for approving a hypothetical capital structure, without prior notice to the applicant that it would be subject to new criteria, and applies that new standard to reject Valley Link's request," Rosner said. "Further, the majority departs from precedent even though it is unclear if a majority of commissioners will agree to do so for the next similarly situated request."

Rosner said he agrees that FERC can grant incentives in a way that ensures just and reasonable rates, but that only enforces his arguments about precedent.

Changing policies on a one-off basis with no notice and underdeveloped records is not the way to do it, he said.

"I do not support changing the commission's transmission incentives policies piecemeal, without fully understanding how those changes may affect investments in transmission infrastructure — particularly when many projects that request these incentives are needed to maintain reliability," Rosner said. "Doing so introduces regulatory uncertainty and risks undermining Congress' purpose in enacting FPA Section 219, all at a time when it is clear that the nation badly needs significant investments in new transmission infrastructure to meet the largest demand growth that the country has seen in a generation."

The Valley Link portfolio is meant to avoid disturbances on the grid, which heighten the risk of power outages that could occur if the load growth shows up without the transmission, Rosner said.

"Reliability benefits cannot be much clearer than this," Rosner said. "Thus, to carry out the commission's paramount duty entrusted to it by Congress — to ensure the operational reliability of the bulk power system — and to satisfy Congress' directive in FPA Section 219 to unlock investments in transmission projects that enhance reliability, it follows that the Valley Link project portfolio should be eligible for incentive-based rate treatments, including, among others, a hypothetical capital structure within the range that the commission has previously granted to numerous similarly situated projects. Yet, today, the majority changes course and singles out this project portfolio to be its test case for a novel policy change." ■

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Consumer Advocates, Environmentalists Lay out Priorities to PJM

Capacity Costs, Reliability, Renewable Treatment Top the List

By Devin Leith-Yessian

LANDSDOWNE, Va. — PJM's Public Interest and Environmental Organization User Group voiced mixed views on the RTO's policy trajectory, praising advances in generation interconnection over the past year while raising concerns about rising costs and transparency.

Speaking at PJM's Annual Meeting on May 14, representatives of the consumer advocate wing of the group largely focused on how rising capacity and transmission costs are affecting ratepayers and long-term reliability, while raising questions about whether the RTO is overly influenced by large transmission and generation owners.

Environmentalists worried that improvements to the interconnection study process, which could speed renewable development, could be outweighed by decisions to allow more resources into the queue and the effects of PJM's long-term transmission planning proposal under FERC Order 1920.

Brian Lipman, director of the New Jersey Division of Rate Counsel, said consumer advocates are for the first time growing concerned about how the PJM capacity market can manage both sides of the objective of delivering reliability at the least cost. While advocates have long focused on impacts to consumers' rates, reliability has become a growing issue as industry participants discuss the increasing risks of brownouts and rolling blackouts.

Lipman used the concept of a Venn diagram to describe the decreasing overlap between the prices consumers are willing to pay and the revenues generation owners report they need to earn to maintain and develop resources. Legislators, governors and voters trying to understand how PJM decisions will affect rates and should impact policy are also frustrated by the lack of cost-impact analysis around the RTO's proposals and market outcomes, he said.

"The anger at PJM outside this room is probably at an all-time high. ... I think you

Why This Matters

Consumer advocates and environmental groups underscored the importance of PJM's independence in the wake of a series of votes ousting two Board of Managers members.

saw that over the last few days," Lipman said, referring to a May 12 Members Committee vote to oust two members of the RTO's Board of Managers who were up for reelection. (See related story, [PJM Stakeholders Reaffirm Board Election Results](#).)

Lipman expressed surprise that PJM didn't anticipate the outcome, given the amount of dissatisfaction that some stakeholders have expressed to the RTO.

He argued that PJM should conduct more outreach to understand where member states stand and to establish more avenues for them to learn about changes being contemplated by the RTO or its members. Too often, he said, key decisions have already been made when proposals are brought to stakeholders. He pointed to the proposal to shift filing rights over the Regional Transmission Expansion Plan from the RTO membership to the Board of Managers, which was filed at FERC after stakeholders voted in opposition, as well as the settlement with Pennsylvania Gov. Josh Shapiro to set a minimum capacity price and lower the maximum, which was not voted on by the membership.

"PJM must work on its transparency; much of its work is shrouded in secrecy," Lipman said.

Maryland People's Counsel David Lapp said PJM has argued that the considerable increase in clearing prices seen in the 2025/26 Base Residual Auction (BRA) was the result of tightening supply and demand, which he said misses the impact of RTO market design decisions

that have limited supply.

Lapp noted that, while some of those have been changed for subsequent auctions, such as modeling the output of generation operating on reliability-must-run agreements as capacity, leaving them in place for the 2025/26 auction will cost consumers over \$5 billion. (See [Maryland Report Details PJM Cost Increases for Ratepayers](#).)

Lapp said also that including intermittent and storage resources in the requirement that resources holding capacity interconnection rights (CIRs) must offer into BRAs was another step forward, but an exception remains for demand response resources.

"There's a lot PJM can do to move those circles together if not overlap; those are the assumptions and parameters that PJM controls," Lapp said, referring to Lipman's Venn diagram concept.

Lipman said PJM market design decisions often undermine states' clean energy policies and efforts to build offshore wind in the footprint. That has created an impression that the RTO is more political than previously realized.

PJM CEO Manu Asthana strongly pushed back on that assertion, saying one of his proudest efforts was the use of the State Agreement Approach to facilitate the transmission planning necessary for meeting New Jersey's offshore wind targets. He noted that other projects are proceeding in Virginia and said that the high accreditation offshore wind carries makes it an ideal resource for meeting PJM's capacity needs.

"It's not fair to come to us and say, 'PJM, you're against offshore wind.' We did everything we could to get it, and we need it now," Asthana said. "I can't be accountable for a supplier in Denmark who walked away."

Asthana said one of his core goals before stepping down from his role at the end of the year is to rebuild the bridge with consumer advocates, which he said have an important voice in the stakeholder pro-

cess. He said consumers must ultimately pay these costs, and he is very sensitive to that hardship, so PJM and advocates will have to work together to figure out how to serve consumers at a price they can afford. (See [PJM CEO Manu Asthana Announces Year-end Resignation](#).)

Asthana said each of the major capacity market changes the RTO has filed at FERC since December is expected to reduce clearing prices. While prices in the last auction were very high, he disagreed with the position that they were unreasonably high from an economics perspective. He said several different principles are conflicting with each other around sending price signals that attract needed generation while remaining cost-effective. PJM's modeling shows more generation is needed, Asthana said, and much of the generation that can be built in the region comes out to around \$650 MW/day to construct.

Board of Managers member David Mills said he plans to propose adding a standing agenda item to future MC meetings stipulating that attending board members would commit to staying for the full day so they can discuss items of importance with stakeholders, including possible FERC filings the board is contemplating.

Environmental Orgs Promote Streamlining Interconnection, Planning

The explosion of data center load growth has caught PJM on the back foot as it works to transition to a new mode of studying generation interconnection requests that aims to break through its application backlog by the end of 2026, said Claire Lang-Ree, an advocate with the Natural Resources Defense Council's Sustainable FERC Project. While the new cluster-based approach carries the potential to speed renewable development, she said other decisions PJM has made recently would undermine that progress.

In particular, she faulted the Reliability Resource Initiative (RRI), which added 51 projects to Transition Cycle 2, with the aim of allowing more generation to get built by the end of the decade to address a possible capacity deficiency PJM has identified.

Rather than advancing the development of more fossil fuel generation, which was the big winner in the RRI, PJM should



PJM Board of Managers member David Mills speaks during the May 14 Public Interest and Environmental Organization User Group meeting. | © RTO Insider

focus on throwing its weight behind existing queue projects while improving queue processing timelines, Lang-Ree said. She cited PJM's surplus interconnection service and generation replacement processes as two major improvements the RTO has made over the past year.

Lang-Ree said the RRI showed PJM is capable of moving quickly and effectively on priorities it has identified, a capability she thinks should be leveraged to position itself as a partner to states advancing their own energy policies.

Mike Jacobs, of the Union of Concerned Scientists, said one such area for collaboration is meeting the battery and renewable portfolio targets several PJM states have set. PJM has taken steps to improve the process for installing batteries at underused points of interconnection and transferring CIRs from deactivating generation to storage on the same site, but the market rules remain murky for combining renewable and storage resources as a hybrid seen as a single unit. He argued PJM should meet with those states to make constructive contributions to their goals and how they can be achieved.

Asthana said he was glad to see 2.3 GW of storage projects selected for expedited interconnection studies through the RRI and added that another 20 or 40 GW of batteries would make resource adequacy planning a lot easier. Studies

conducted by The Brattle Group found that battery installations remain very expensive, a factor that has been overcome in other regions by the resources' ability to arbitrage fluctuations in energy prices caused by higher intermittent penetration — a development that has yet to materialize in PJM.

Earthjustice attorney Nick Lawton said a long-term, regional planning model that complies with FERC's Order 1920 will reduce risk and conflict for PJM. Enhancing backbone transmission can facilitate new entry, advance state clean energy policies and lower rates for consumers, while the RTO's continued reliance on building local projects will raise interconnection costs for new generation and add up to higher rates once the multitude of smaller, inefficient projects are added up.

He argued that PJM's proposal to comply with Order 1920 would continue to rely on supplemental and generation interconnection projects by splitting the benefits it considers when evaluating regional projects into core and additional needs. He said that would miss out on projects that would better prepare the grid for generators deactivating for economic reasons and new resources entering the market to support state renewable portfolio standards. Inserting PJM in the position of determining which state policies would be planned for would also be an inappropriate usurpation of state authority, he said. ■

PJM Stakeholders Reaffirm Board Election Results

By Devin Leith-Yessian

LANSDOWNE, Va. — The PJM Members Committee on May 13 voted against reconsidering whether to reelect Terry Blackwell to another term on the Board of Managers. (See [PJM Stakeholders Vote Out 2 Board Members](#).)

The vote came the day after the committee voted against reelecting Blackwell and then-Chair Mark Takahashi to the board. Exelon brought the motion to reconsider immediately after, and the committee went into recess to allow members to prepare for another vote.

At the opening of the May 13 meeting, PJM CEO Manu Asthana told the MC that Takahashi had withdrawn his name from consideration.

"He has made significant contributions to the organization," Asthana said. "Frankly, I am proud to have served with Mark."

The motion to reconsider whether to elect Blackwell failed a simple majority vote with only 42.9% support. The committee did vote to suspend the rules and direct PJM to not produce a voting report on how each member and sector voted on the motion. The MC meetings were part of PJM's Annual Meeting, which coincides with when board terms end, leaving two vacancies on the body.

Constellation Energy's Adrien Ford said she was sorry that Takahashi felt it necessary to resign and that she was further disappointed that the committee wasn't able to reconsider Blackwell's nomination. Now that there are two board vacancies, she asked if the Nominating Committee is prepared to fulfill the Operating Agreement requirement to bring candidates to the MC's meeting scheduled for June 18.

Calpine's David "Scarp" Scarpignato told *RTO Insider* the company supported reelecting Takahashi and Blackwell and is hopeful that the board is moving in a direction to have more dialogue and transparency with membership. He noted that Manager David Mills told the MC on May 12 that an agenda item will be added to the committee's monthly meetings for attending board members to speak with stakeholders and that they will stay overnight to allow for more conversation.



The PJM Members Committee voted against a motion to reconsider whether to reelect Terry Blackwell to the Board of Managers. | © RTO Insider

In an email, Exelon's Alex Stern said, "Obviously, I am disappointed that the membership got to the point of thinking this message needed to be sent. I think Exelon's focus remains on ensuring cost-effective reliable service to the 67 million customers in the PJM footprint and particularly the 10 million customers Exelon serves. I look forward to working with the remaining PJM board members as well as the membership to pursue new candidates that can help us ensure that paramount goal continues to be met."

Speaking to the MC, PJM General Counsel Chris O'Hara said board members have resigned shortly before previous Annual Meetings, and the RTO has received waivers from FERC relieving it of the Operating Agreement's requirement that a replacement be voted on at the following MC meeting. He said the prospect of the Nominating Committee finding two candidates for the board in little more than a month could prove challenging, but a FERC waiver would allow the MC to vote at a later meeting.

O'Hara said the Nominating Committee went through two rounds of discussions with candidates to replace retiring Manager Dean Oskvig before landing on Matt Nelson, principal of regulatory strategy at Apex Analytics. He received 90.8% support in the May 12 elections and was not voted on again the next day.

Returning to the same list of candidates considered by the Nominating Committee may not be appropriate, O'Hara said, as the expertise and attributes of the board members have changed with the members who have been lost. It's also

unclear if candidates who were not nominated by the seat taken by Nelson would still want a position on the board.

Paul Sotkiewicz, president of E-Cubed Policy Associates, told *RTO Insider* he disagrees with other stakeholders who said the board members up for reelection were caught up in dissatisfaction with the board as a whole. If other members who had been making more of an effort to improve communication and openness with stakeholders had been on the ballot, it could have been a different outcome, he said.

Both Takahashi and Blackwell were two of the four board members on the committee overseeing the search for a new CEO once Asthana leaves office at the end of this year, which Sotkiewicz said provides an opportunity to break a "cultural narcissism" in the RTO's executive leadership. He said PJM needs a CEO with an understanding of the mission of RTOs, deep understanding of the power industry stemming from varied commercial expertise and the ability to communicate with stakeholders on an "honest and nonconfrontational basis."

After Exelon made the motion to reconsider during the May 12 meeting, Asthana said PJM would respect the committee's wish to not produce the results if it voted that way, but he noted the RTO has a policy of nonretaliation. Sotkiewicz said he took that as a "passive aggressive threat."

"This was a referendum on Manu's tenure, in my opinion," Sotkiewicz said.

In an email, PJM spokesperson Jeff Shields said, "We have had productive discussions with our members over the

past two days. It's difficult to understand how saying that we have a policy of nonretaliation is somehow a threat of retaliation."

Going forward, Sotkiewicz said the board's priority should be to make more of an effort to listen to stakeholders. Board members should also show more curiosity and not simply accept what they are told by PJM staff, he said.

"That takes effort; that takes time; and frankly as a board member, it should be part of your damn job," he said.

PJM Broaches Allegation of Nominating Confidentiality Breach

O'Hara also informed the MC there have been allegations that Nominating Committee members have made statements about its votes, which could violate its confidentiality rules.

The committee is chaired by board member Jeanine Johnson, who is joined by Mills and one representative from each of the five membership sectors.

Sotkiewicz said a very serious accusation had been made without evidence, adding to the churn and angst of the mem-

bership and candidates to be nominated to the board. He pushed back against arguments that the Nominating Committee's membership should be reconstituted, saying the sitting members are already steeped in the list of candidates.

O'Hara said he had no firsthand knowledge of the claims and that moving forward, there must be the utmost integrity in the business of the Nominating Committee.

Shell Energy's Sean Chang, who was elected to the Nominating Committee on June 27, 2024, said any additional information PJM has about the allegation should be shared with the membership.

Constellation's Ford said if there has been a breach of Nominating Committee confidentiality, it could call into question whether the current committee is up to the task of selecting two new board members.

Exelon's Stern also argued that given the change in circumstances, sectors should have the opportunity to select new representatives.

"Given that this nominating process is

going to have to start fresh and with different criteria for consideration of candidates, each sector should have the right to determine for itself next steps and who it wishes to serve as the nominating starts fresh," he said. "Unlike the one prior instance referenced by PJM, in this instance we are not dealing with one board member who resigned just prior to the Annual Meeting. We are dealing with two board members recommended by the Nominating Committee in the completed annual cycle that were not reelected by the membership."

Vistra's Erik Heinle said there should be a pause in the search process, and the sectors should have an opportunity to reconsider the representatives they have and how the Nominating Committee should move forward.

Gregory Poulos, executive director of the Consumer Advocates of the PJM States, said he is concerned about the precedent that could be set by reorganizing the committee. He said the Nominating Committee is already established and if it is proceeding with a job that it is capable of fulfilling, it should be allowed to continue. ■

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Ohio Governor Signs Utility Law Aimed at Enhancing Competitive Market

By James Downing

Ohio Gov. Mike DeWine signed [House Bill 15](#) into law, eliminating the use of "electric security plans" (ESPs) for the state's utilities and requiring them to rely on market forces to maintain adequate generation.

"EPSA applauds Ohio policymakers for enacting Substitute HB 15 — legislation that sends a clear message: Ohio is open for business," Electric Power Supply Association CEO Todd Snitchler said in a statement May 15. "By shifting financial risk away from captive ratepayers and enhancing transparency, this bill further enhances a competitive energy market that benefits consumers and attracts investment."

Competitive markets lower costs and emissions without sacrificing reliability, Snitchler argued. The law provides a strong model for other states to attract the needed investment to meet higher demand from artificial intelligence, data centers and advanced manufacturing.

"This shouldn't be viewed as just an Ohio win; it's a roadmap for energy policy across the country," Snitchler said. "Ohio chose competition, accountability and innovation, without subsidies to specific

types of resources."

The law passed out of the Legislature on April 30 with unanimous approval by the state Senate and by a 94-2 margin in the House of Representatives.

Ohio law previously gave utilities two options to establish their standard service offer (SSO) rates: an ESP that covered several years, or a market rate offer (MRO). ESPs have been widely used since a 2008 law allowed them. In addition to EPSA, the Office of the Ohio Consumers' Counsel supported their elimination.

"The legislation restores the General Assembly's vision in 1999 to deregulate power plants to bring the benefits of electric competition to Ohio utility consumers," Consumers' Counsel Maureen Willis testified earlier this year as the law moved through committee. "That vision was impaired by the 2008 energy law, when so-called electric security plans were created with their increased involvement of government regulators."

The ESP will be fully eliminated once currently effective plans expire. The law requires utilities to switch to the MRO to establish SSO rates for customers who do not shop for competitive suppliers.

Why This Matters

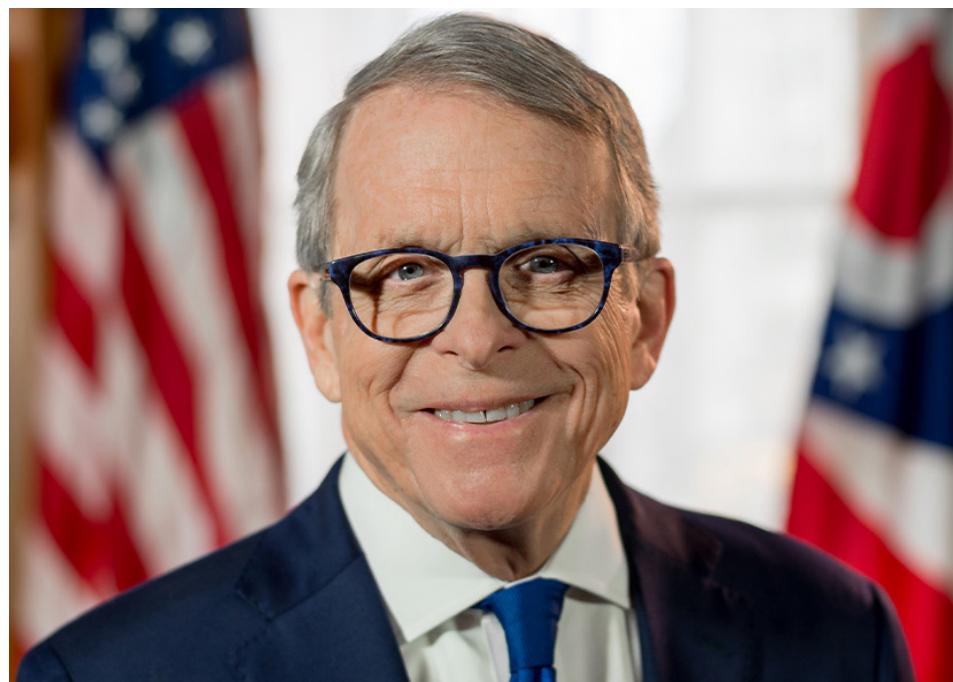
Supporters of the new law say it will enhance competition while attracting more resources as the state seeks to attract data centers and advanced manufacturing.

About 40% of the state's customers still get default service from the utilities under the SSO, but they represent less than 20% of the state's load, according to [statistics](#) from the Public Utilities Commission of Ohio. The new law requires PUCO to ensure that any MRO does not have an adverse effect on large-scale governmental aggregation, which allows municipalities and counties to combine their residents' power demand and purchase supply at bulk for them.

The law also bans utilities from creating competitive retailers of their own, which is something of a *fait accompli*, as regulated utilities in Ohio and beyond have spun off their competitive operations over the last decade. It also changes the definition of an electric delivery utility to specifically say they cannot own generation.

Another part of the law repeals utilities' ability to recover costs associated with the Ohio Valley Electric Corp., which was set up as a joint venture in the early 1950s to own coal plants to supply a uranium enrichment facility that has long since shut down. That part of the legislation was championed by Rep. Sean Patrick Brennan (D), who said in a statement after it passed that it had been one of his goals since joining the House in 2023.

"The inclusion of my proposal that will save Ohioans hundreds of millions of dollars is an overwhelming accomplishment that many said would never get done," Brennan said. "Protecting Ohio's electric customers should be a goal of all public servants. To that end, I am happy about the bipartisan support for my proposal and the bill." ■



Ohio Gov. Mike DeWine (R) | State of Ohio

New Jersey Opt to Explore Nuclear Options

NJ BPU Issues Request for Information

By Hugh R. Morley

The New Jersey Board of Public Utilities is looking into the feasibility of building a new nuclear electricity generator as a way to meet the expected chronic energy shortfall over the next decade.

A *May 6 request for information* says the state is looking to "explore the role and opportunity to develop new nuclear energy resources to advance the state's affordability, resource adequacy and clean energy goals."

The state's draft *Energy Master Plan*, released March 13, predicts a 66% increase in electricity demand by 2050 if the state pursues current policies and a far greater increase if the state uses a more aggressive strategy of electrification.

Public reaction has been intensified by a 20% increase in the average electricity bill starting June 1, stemming from the state's basic generation services (BGS) auction in February. State officials say the auction outcome largely was shaped by the PJM capacity auction in July 2024, which concluded with prices in some cases 10 times higher than in the previous auction.

New Jersey officials, and those in other states, have blamed PJM for failing to ensure the pipeline of new generating plants is sufficient to meet growing demand. PJM argues the expected shortfall stems from a sudden surge in demand — due to the needs of artificial intelligence data centers, EVs and other uses — that the RTO could not have foreseen. In addition, state decisions have closed fossil fuel plants at a faster rate than new, mainly clean energy plants have opened.

Christine Guhl-Sadovy, president of the New Jersey Board of Public Utilities (BPU), in a statement announcing the request for information plan, said "New Jersey, and the region, need more electricity, and since Day 1 of the Murphy administration, our commitment to supporting our existing nuclear fleet has never waned."

"As we work to push PJM to improve [its] interconnection queue to allow more resources like solar and storage to be built in the short term, expanding our nuclear fleet offers the Garden State an opportunity to add new generation to our resource mix, improving reliability and affordability for ratepayers in the long-term," she said.



PSEG's Hope Creek and Salem nuclear plant | Peretz Partensky, CC BY 2.0, via Wikimedia Commons

Why This Matters

New Jersey blames PJM for failing to ensure new generating plants will meet growing demand. PJM says the sudden surge in demand from data centers and other uses could not have foreseen, and that fossil fuel plants are closing too fast.

Exploring New Sources

The PJM 2025 Long-term Load Forecast predicts electricity demand in the region will grow by nearly 40% in the next 14 years.

Gov. Phil Murphy (D), said in a press release that "as part of my administration's all-of-the-above energy strategy, we continue to explore ways to bring online new sources of electricity generation and improve and expand our nuclear fleet to grow the supply of resources as the U.S. faces increasing demand."

Nuclear-generated electricity accounts for about 40% of the state's power and 85% of the state's emission-free power. The state has three existing nuclear generators — Hope Creek, Salem 1 and Salem 2 — in South Jersey. The state has paid \$100 million a year since 2019 under the zero-emission certificate (ZEC) program to ensure they remain open. Hope Creek is operated by Public Service Enterprise Group (PSEG), which operates the other two with Exelon. (See *NJ Legislators Consider \$300M for Grid Upgrades*.)

The state closed the ZEC program in February 2024 after PSEG and Exelon, the only nuclear plant operators in the state, opted to apply for more lucrative subsidies under the federal Inflation Reduction Act. (See *NJ Closes Nuclear Subsidy Process as PSEG Looks to Feds*.)

Questions on Location, Size, State Role

The RFI asks respondents to answer questions in six categories, ranging

from "the role of nuclear in New Jersey's electricity production" to "nuclear safety and nuclear waste" to "the role of state government."

Among the questions posted in the RFI are these:

- What roles should various scales of nuclear power play in New Jersey?
- Large-scale nuclear facilities (>300 MW)
- Small modular reactors (51 to-300 MW)
- Microreactors (1-50 MW)
- How could thermal energy from such facilities (fission-based or fusion-based reactors) be beneficially used?
- What areas, regions, categories of sites or specific sites in New Jersey might be suitable (or unsuitable) for siting new small-scale or microreactor nuclear facilities?
- What actions, if any, should the state take to facilitate the development of new nuclear electric generating capacity in New Jersey?

- What stakeholder processes are needed to support the responsible development of nuclear electric generating capacity in New Jersey?

Questions on Location, Size, State Role

The possibility of New Jersey expanding its nuclear fleet has been much discussed. While Republicans have floated the idea frequently, analysts say the time needed to build a new generating plant is several years longer than for other electricity-generating facilities. Cost overruns and delays are common. Supporters say small modular reactors can be built more quickly.

The state draft energy master plan anticipates nuclear energy production increasing under the three electrification policies modeled in the plan, with a rise of 50% over the current level by 2050. At least two of the five Republicans seeking the party's nomination in the state gubernatorial race have backed greater use of nuclear plants to generate power.

At a legislative hearing in March, Guhl-Sadovy said she asked the U.S. Department of Energy if the Oyster Creek Nuclear Generating Station, a 1,930-MW reactor in South Jersey that is being decommissioned after closure in 2018, "could be repowered."

"Unfortunately, the decommissioning is too far along," she said.

The Assembly Telecommunications and Utilities Committee on May 5 unanimously backed a bill, [A5517](#), that directs the BPU to work with the New Jersey Department of Environmental Protection and New Jersey Economic Development Authority to study the possibility of developing small modular reactors in the state. The bill appropriates \$5 million from the state general fund and authorizes the BPU to obtain additional funding.

"Small modular reactors offer a carbon-free, safe and scalable energy solution that complements the state's energy and environmental goals," the bill states. ■

PJM MRC Preview

Below is a summary of the agenda items scheduled to be brought to a vote at the PJM Markets and Reliability Committee meeting. Each item is listed by agenda number, description and projected time of discussion, followed by a summary of the issue and links to prior coverage in *RTO Insider*.

RTO Insider will cover the discussions and votes. See next week's newsletter for a full report.

Consent Agenda (9:05-9:10)

B. Endorse proposed *revisions* to Manual 1: Control Center and Data Exchange Requirements to reflect NERC Standard EOP-8 and the PJM TO/TOP Matrix. The changes would update the Generation Scheduling Service table with data requests through the Generation Periodic eDART system and the Cold Weather Checklist.

C. Endorse proposed *revisions* to Manual 3: Transmission Operations drafted through the document's periodic review.

D. Endorse proposed *revisions* to Manual

6: Financial Transmission Rights, Manual 11: Energy and Ancillary Services Market Operations, Manual 28: Operating Agreement Accounting and Manual 29: Billing to codify PJM's market suspension rules as approved by FERC in [ER23-1431](#). (See "First Reads on Manual Revisions," [PJM MRC/MC Briefs: April 23, 2025](#).)

E. Endorse proposed *revisions* to Manual 36: System Restoration written through its periodic review.

Endorsements (9:10-10:00)

2. ELCC Data Transparency and CETL (9:10-9:40)

A. PJM's Dan Bennett and Josh Bruno will *present* a proposal aiming to make the RTO's effective load-carrying capability (ELCC) process more transparent by publishing more information about data inputs and assumptions. (See "PJM Presents Proposal to Add Transparency to ELCC," [PJM MRC/MC Briefs: April 23, 2025](#).)

The committee will consider endorsing the proposed solution and corresponding manual revisions.

Issue Tracking: [Capacity Market Enhancements - Data Transparency](#)

B. Tom Hoatson, of Rolling Hills Generating, is set to motion to defer consideration of an *issue charge* brought by LS Power seeking to align the winter-skewed risk modeling in ELCC with the summer-focused capacity emergency transfer limit (CETL) analysis. (See "LS Power Seeks Issue Charge to Align CETL Calculation with Winter Risk," [PJM PC/TEAC Briefs: Oct. 8, 2024](#).)

Issue Tracking: [Capacity Market Enhancements - CETL](#)

3. Storage Integration (Phase II): Transmission Asset Utilization in Operations (9:40-10:00)

PJM's Dave Anders will present a *problem statement* and *issue charge* that would open a stakeholder process to consider establishing rules for deploying battery storage as a transmission asset (SATA). (See "Stakeholders Resume Discussions on SATA," [PJM OC Briefs: March 6, 2025](#)). ■

— Devin Leith-Yessian

N.J.'s Power Future Clouded by Data Center Uncertainty

Conference Speakers Search for Solutions to Power Shortfall Forecast

By Hugh R. Morley

The amount of stress to the electric grid posed by data centers is so uncertain it could hamper New Jersey's effort to plan and execute new electricity generation and grid upgrades, speakers at a clean energy conference said.

Preparing for an unknown amount of data center demand means some tough decisions on where to invest, speakers said at the Clean and Sustainable Energy Summit 2025. Some decisions could mean a pragmatic departure from the state's 100% clean energy commitment.



New Jersey BPU
Commissioner Marian
Abdou | © RTO Insider

event was held May 14 at Montclair State University.

The state's draft *Energy Master Plan* released in March says data centers will increase electricity demand by more than 65% by 2050. PJM predicts the 2023/24 demand of 134,000 MW in the 13 states it serves will grow to 160,000 MW by 2034, a 20% increase, Stu Widom, senior manager of regulatory/legislative affairs for the RTO, said at the conference. (See *NJ Releases Electrification-focused Energy Master Plan*.)

Also driving demand is greater electric vehicle use, building electrification and the growth in manufacturing due to reshoring, Widom said. The stress on

Why This Matters

Matching supply with demand will require a dramatic expansion in generation capacity and a major upgrade in the state and regional grid.



From left: Michael Palmer, FuelCell Energy; Steve Goldenberg, Giordano, Halloran and Ciesla; Erik Ford, Stevens & Lee Public Affairs; and Paul Youchak, New Jersey BPU | © RTO Insider

the grid is further compounded because old, fossil-fueled facilities are closing at a faster rate than replacement sources—mainly clean energy—come online, he said.

Matching supply with demand will require a dramatic expansion in generation capacity and a major upgrade in the state and regional grid, conference speakers said.

But the expected future load from data centers is key, Widom said. At present, they account for about 4% of PJM's load. The RTO forecasts data centers will account for 12% in 2030 and 16% in 2039, he said.

Overstated or on Target?

"We know the data center surge is real. I think that's unquestionable," Abdou said. She asked panelists for insights into how big the demand surge would be.

Michael Palmer, director of business development at FuelCell Energy, a clean technology and manufacturing company, said that given the high cost of electricity in New Jersey, "we don't believe the number's going to be that high."

"What I hear from a lot of developers, they're looking for low-cost power, period. So they can locate out in the middle of Nevada, down in the Southeast, where it's cheap power. Virginia is a hot lead

right now. Why? Because, well, it's a lot of coal-based power down there, to be honest, and it's cheap power."

"For New Jersey to attract those businesses, something needs to change."

He dismissed the suggestion the state would attract "hyper-scale, huge facilities" requiring 500 MW of power, saying those are uncommon. Instead, the state might see smaller, 300,000-square-foot facilities requiring 35 to 50 MW of power.

But Steve Goldenberg, chairman of the energy, climate change and public utilities practice at Giordano, Halloran and Ciesla, a New Jersey law firm, said there already are 70 data centers in the state and "the interest in New Jersey is sincere."

"They're aware of all the warts," he said, but data center developers and entrepreneurs are attracted to the state by the intensity of demand that drew offshore wind companies.

"Look where New Jersey is, vis a vis all the load that's on the East Coast," he said. "We're in the mix."

Avoiding Redundancy

Verifying to what extent that is true, and how much load New Jersey-based data centers will require, is critical to the state's decision making, said Paul Youchak, deputy attorney general.

PSEG, which serves North Jersey, says it's received interest from data centers totaling 4.5 MW of capacity. Atlantic City Electric, in South Jersey, has reported 3.5 MW of interest, Youchak said. But "some of that may be double counting. Some of that may be speculative," and the state and region need rigorous evaluation standards to determine actual load, he said.

"We don't want to be in a world where we build twice the amount of transmission that we need," he said. "We don't want to be in a world where we have built a nuclear power plant" that doesn't sell much energy and is a burden on ratepayers, he added.

One solution is for data centers to accept "load flexibility," he said. Solar and storage projects can be developed relatively quickly to help a data center's immediate needs. But a nuclear power plant, which can meet much of a data center's power need, would take much longer to build, potentially coming online years after a data center starts operating.

Flexibility means in the short term, a data center would "accept curtailable load," so that when the state faces peak demand, the center would reduce the amount of energy it draws, he said.

Isolating Data Centers

Some legislators have suggested requiring data centers looking to move into the state to "Bring Your Own Generation." In a similar vein, Palmer suggested ratepayers could be insulated from the heavy infrastructure investments for data centers by having them operate their own behind-the-meter generator or a microgrid.



Sen. Andrew Zwicker | © RTO Insider



Fred DeSanti, New Jersey Solar Coalition | © RTO Insider

"Give them some way of doing that on their own, without having to rely on the grid," he said.

But Youchak said that likely wouldn't help the state much.

"We live in a regional grid," he said. It doesn't mean much "if New Jersey has a Bring Your Own Generation requirement if Maryland, Virginia, Pennsylvania don't. Their load burden is going to affect how we deal with prices for electricity in the state of New Jersey."

Making a keynote speech later, state Sen. Andrew Zwicker (D) rejected the suggestion that perhaps the state should stop pursuing data centers and leave them to other states.

"It won't alleviate the problem," he said. Data centers account for 5% of the state load and are predicted to account for only 10% in the future. "The problem of supply, demand, energy prices going up rapidly is already there."

Protecting Ratepayers

PJM and BPU officials say demand outpacing supply already has had an impact. The \$270/MW-day price of electricity in the PJM capacity auction in July 2024 was about nine times higher than the previous auction. That helped shape the New Jersey Basic Generation Services auction in February 2025, setting prices that will take effect June 1 with a 20% increase in the electricity bill of the average ratepayer.

In a panel called "Seeking Positive Ratepayer Outcomes," Fred DeSanti, executive director of the New Jersey Solar Coalition, warned the audience

that the "people of New Jersey have no understanding" of the magnitude of the task the state is facing and that it will cost tens or hundreds of billions of dollars in the long term to fix.

"I am not a climate change denier. I am a climate change realist," he said. "I think we're in the right path on a lot of this stuff, but we have not had the conversation with the people of New Jersey. We're going to have to pay."

He offered three changes in the state's approach to clean energy that would help.

He said the state needs to eliminate the renewable portfolio requirement that 35% of the state's electricity in 2025 come from Class 1 sources with a renewable energy certificate. Because the state has no wind power, the requirement means the state spends \$800 million in buying clean Class 1 energy out of state, he said. That purchase supports out-of-state projects and provides no benefit to improving New Jersey's infrastructure, he said.

DeSanti also suggested the state should withdraw from the Regional Greenhouse Gas Initiative (RGGI) because it no longer is effective, and "leakage" from the system means New Jersey pays about \$580 million in "tax," much of which "goes to pay premiums to Pennsylvania coal generation."

Under the [RGGI system](#), which includes New Jersey and 10 other states, the coalition sets a steadily declining regional cap on carbon dioxide emissions. Certain plants that exceed the cap must pay for a "RGGI CO₂ allowance" for every short ton of CO₂ emitted. New Jersey gas plants are more efficient than those in non-RGGI states, such as Pennsylvania. But because Jersey plants are controlled by the RGGI rules, power from non-RGGI states is cheaper and is imported into New Jersey, he said.

"RGGI worked for us well" and has made New Jersey plants cleaner, he said, but it has "hit a point of inflection. ... It doesn't work anymore."

He also encouraged the state to re-evaluate its energy efficiency programs, saying the easy work had been done and the efficiency improvements now were expensive for much less savings. ■

Panel Discusses Data Center Load Growth at PJM Annual Meeting

By Devin Leith-Yessian

LANSOWNE, Va. — Experts in the data center field discussed the challenges of meeting accelerating computational load during the PJM Annual Meeting, held in the core of Northern Virginia's Data Center Alley.

Panelists were united in their belief that data centers and other large load additions are likely to continue to proliferate in PJM and across the U.S., posing reliability risks and cost assignment challenges.

PJM Executive Vice President of Market Services and Strategy Stu Bresler, who moderated the May 13 panel, said load is not only expected to increase at an unprecedented pace, but it would also act uncharacteristically compared to traditional consumption by following a novel profile.

Brian George, Google's head of global energy market development and policy, said data center load is sure to grow, but there is risk inherent in any predictions about the future. Ensuring that load can be reliably served without costly over-building will require a load forecast that weeds out duplicative projects being proposed at multiple locations.

"I can tell you not all of it is real; if we look a few years out, that forecast is wrong," he said.

Dan Thompson, principal research analyst for S&P Global Market Intelligence, gave the example of two developers seeking to build a data center for the same customer at different locations within Georgia Power's territory. That caused the projected load to appear

Why This Matters

Data center development has been a core pillar driving tightening supply and demand in PJM, contributing to a potential capacity deficiency.

twice in the utility's forecast, none of which manifested after the customer backed out of the project.

Tech Companies Adjust to New Interconnection Reality

George said the tech industry has long benefited from an overbuilt grid and has developed an assumption that power would always be available from utilities. Adjusting to a new reality where new transmission, and possibly generation, must be built before data centers can come online is a hard reality that the sector will have to adjust to.

Google is pivoting to that paradigm shift by putting more skin in the game when negotiating tariffs with electric distribution companies, he said.

"We are now in a position where we have to go back to our executives and say we are now imposing this cost on the grid," George said. "We have to come to terms with the fact that energy is not risk free."

Thompson said utilities are increasingly passing interconnection costs down to data centers, particularly as investors grow more willing to finance large projects. It used to be hard to find capital to develop projects beyond 24- or 36-MW buildings, but the scale is now growing to the hundreds of megawatts. As that continues, developers will have to grow more accustomed to building to spec and accounting for substation and interconnection needs and costs.

Data Center Characteristics Pose Reliability Challenges

Mark Lauby, NERC senior vice president and chief engineer, said properly modeling how data centers may act on the grid is critical to ensuring they do not cause the sort of voltage issues that caused 1.5 GW of load to go offline July 10, 2024.

When the sensitive devices housed in data centers switch off suddenly, they can rock the frequency and voltage of the entire grid. (See [NERC Report Highlights Data Center Load Loss Issues](#).)

Thompson said data center operators in ERCOT showed they are capable of flexible operations by curtailing their load



Mark Lauby, NERC | © RTO Insider

when the grid operator asked consumers to cut back while ice storms were hitting Texas. Overall, however, he said their demand response potential remains largely academic because operators typically have contractual requirements to their customers to provide a predefined degree of service to their customers, hampering their ability to throttle servers or switch them offline.

Kevin Hughes, STACK Infrastructure senior vice president of public affairs, said installing backup generation for data centers has long been seen as an avenue for unlocking more flexibility, but regulatory and hard infrastructure constraints limit the feasibility of that approach.

Data centers are also a capital-intensive business, with land in Data Center Alley running about \$4 million/acre and the hardware costing between \$500 million and \$1 billion, Hughes said, adding that these are not assets that operators want to leave idle. ■

2025 'Challenging' Year for SPP, Exec Says

Winter Weather, Tight Conditions, Load Sheds Test System

By Tom Kleckner

OMAHA, Neb. — 2025 has turned out to be "quite a challenging year" for SPP, Bruce Rew, the grid operator's senior vice president of operations, said recently.

"I think every month we've had a challenging event," Rew said during the RTO's quarterly Joint Stakeholder Briefing May 5.

It began in January with several cold snaps that led to a conservative operations alert and 10 days of resource advisories. During Winter Storm Kingston in February, SPP set a new winter peak load record of 48.14 GW, exceeding the previous mark of 47.26 GW, set in 2022. Net load also surpassed 40 GW during the storm, reaching a high of about 43 GW.

Rew said forced outages were low during the storm, but several weeks later, low wind output of 3 GW caused the tightest conditions. With nearly all available generation online, SPP relied on non-firm imports to avoid declaring an energy emergency alert.

"We were close to an EEA. We were a

couple of small units away," Rew said.

SPP also survived high winds and wildfire concerns in the spring. However, during March, SPP had a small load shed in New Mexico and then two larger ones in Louisiana in April. Rew promised reports on the outages. (See [SPP Addresses 3rd Load Shed Since March 31](#).)

Rew said SPP is also looking into the Iberian Peninsula's mass blackout in April that plunged Spain, Portugal and part of France into darkness for 18 hours. Spain's grid operator has said the outages began with two separate generation losses.

(See [NERC Offered to Help with Iberia Outage Investigation, Robb Says](#).)

"We want to make sure that there's anything we learned from that event that we can apply to SPP, especially with the high renewable penetration levels that we see in SPP," he said, adding that the RTO wanted to determine "if it's something that we might need to be concerned about, not only for today but also in the future, if we continue to see the generation-dispatch change in the SPP footprint."

Carrie Simpson, SPP vice president of

Why This Matters

SPP's winter challenges left the RTO a 'couple small units away' from an energy emergency alert.

markets, said the RTO's Western expansion is on schedule but in a "yellow" status because the software development has been delayed and is currently 57% complete, she said.

Meanwhile, staff and vendors are building out the market systems. FERC has approved the RTO expansion's tariff, but SPP is waiting to hear back on its compliance filing.



Staff Losses at FERC

Matt Jackson, a former SPP staffer and now FERC's liaison to the grid operator, told stakeholders the agency has lost staff as part of the

new administration's push to slash federal jobs. However, he declined to give a number of lost jobs when asked by board member Steve Wright.

"Obviously, with the new administration, all agencies are being impacted in some capacity," Jackson said. "FERC has had individuals who opted to take the deferred retirement option. Without putting too much information out, the approach that we have been given to date is that leadership is looking at possible realignments without any agency shrinkage, per se."

As a senior energy policy and regulatory analyst for the commission, Jackson's role is to serve as the point of contact between FERC and the SPP region and to help communicate information and policy development between FERC, the RTO and state regulators.

"I had a military commander once tell me, 'Be brief. Be brilliant. Be gone,'" Jackson said in opening his report. "I will definitely try my best to do at least two."



SPP's Bruce Rew delivers his operations report to the RTO's stakeholders. | © RTO Insider

MMU's Draft Market Report

Carrie Bivens, vice president of SPP's Market Monitoring Unit, shared a draft version of the 2024 State of the Market report. It includes a discussion of the January winter weather event, an EEA alert in August, escalating load growth, increasing renewables penetration and resource adequacy.

Gas prices last year averaged \$1.81/MMBtu at the Panhandle Eastern hub, a 16% decrease from 2023. That contributed to a 4% drop in average real-time prices, from \$27.56/MWh in 2023 to \$26.18/MWh in 2024.

Wind resources' nameplate wind capacity stood at 34.81 GW at the end of 2024, accounting for 34% of installed nameplate capacity in the market. A little over 1 GW of wind capacity was added during the year. The generator interconnection queue contains about 30 GW of wind resources, which is overshadowed by the 83 GW of solar, battery and hybrid resources in the queue that could be

potentially added to the market.

The MMU has issued four new recommendations to go along with 19 existing proposals that date back to 2017:

- Ensure daily availability of adequate accredited capacity to meet daily load by using market-based or ex post solution mechanisms to incentivize capacity to be available.
- Use a transparent sufficiency valuation curve to ensure that the values used in developing the curve and the clearing price are published publicly.
- Adopt a requirement for market participants to identify affiliates registered in SPP's Integrated Marketplace.
- Address concerns that the cost-of-new-entry's value is outdated.

Membership Changes at RSC

Pat O'Connell, chair of the New Mexico Public Regulation Commission and president of the Regional State Committee, welcomed guest commissioners and

honored outgoing RSC members during the committee's meeting that preceded the quarterly briefing.

Wyoming's Mary Throne and New Mexico's Greg Nibert watched the RSC conversation and stayed over for the board meeting on May 6. Nibert will replace O'Connell on the committee when the latter's term expires at the end of 2025.

"Thanks for being at the table, and I think you'll see that it's an important table," CEO Lanny Nickell told the commissioners.

O'Connell and the RSC honored Iowa's Sarah Martz and Texas' Lori Cobos for their tenure on the committee. Martz is joining the Organization of MISO States and will be replaced by Josh Byrnes; Cobos resigned from the Texas commission and the RSC in 2023.

"You'll be in good hands with [Byrnes]," Martz told the RSC of her fellow Iowa Utilities Board commissioner. "As an engineer, I tend to get bored when things aren't challenging and changing all the time, and it definitely has been here." ■



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SPP 'Confident' in Meeting Demand this Summer

By Tom Kleckner

SPP says it expects it will have a "high probability" of enough generation to meet demand during peak-use hours this summer, despite predictions of a 40 to 60% chance of higher-than-average temperatures in the RTO's 14-state footprint.

The grid operator said there are similar chances that rainfall will be below average in most of its region. However, SPP's analysis does not consider the use of energy imports or demand response programs or the potential effects of voluntary conservation programs.

"Pending no unforeseen weather events, we're confident in being able to reliably serve demand over the summer months," Bruce Rew, SPP's senior vice president of operations, said during the RTO's biannual seasonal preparedness and emergency communications user forum

May 19. "We're ready for this summer and confident in our ability to keep the lights on."

Staff said weather models indicate persistent heat in much of SPP's footprint, with lower temperatures showing up in August.

Staff said SPP has nearly 68 GW of accredited capacity available, based on data submitted by load-responsible entities. With an expected net peak demand of 56.25 GW, the grid operator will be working with a 20.6% planning reserve margin this summer (June through September).

SPP's all-time coincident peak is 56.18 GW, set in 2023.

In preparing its twice-yearly assessments of the summer and winter seasons, SPP said it collects data from past grid events and applies lessons learned to better

prepare for future operational challenges. The analysis includes historical and predicted future electricity use, weather forecasts, variable wind energy availability, drought conditions, and generation and transmission outages.

NERC's recent summer reliability assessment included the SPP region among those facing an "elevated" risk, defined as the potential for insufficient operating reserves in above-normal conditions. (See *NERC Warns Summer Shortfalls Possible in Multiple Regions*.)

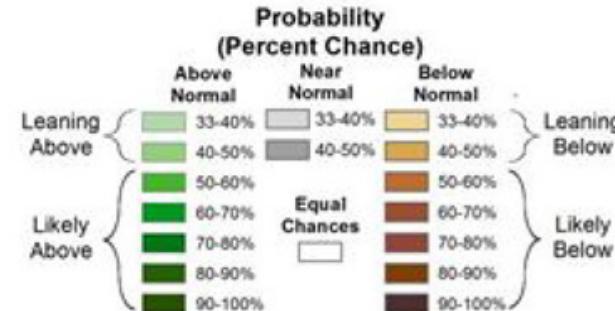
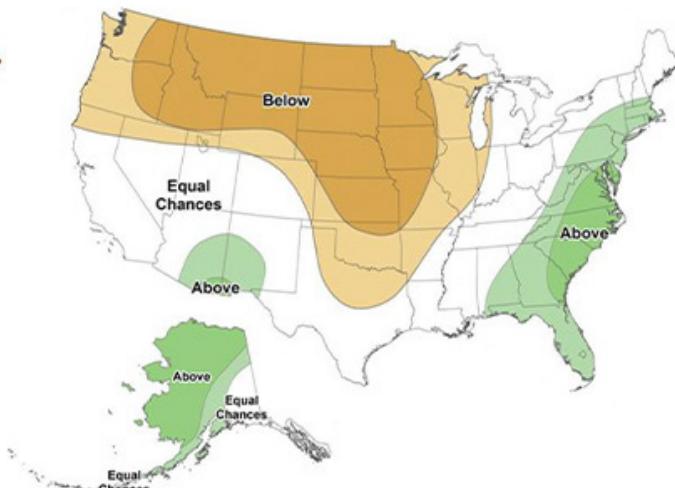
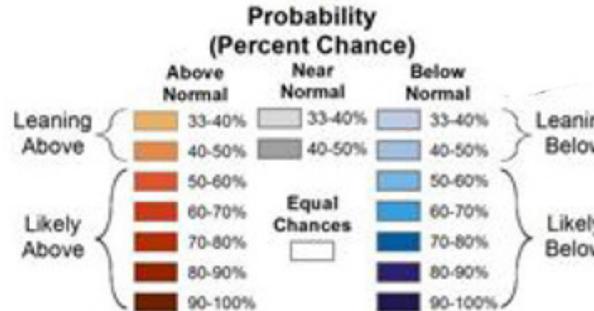
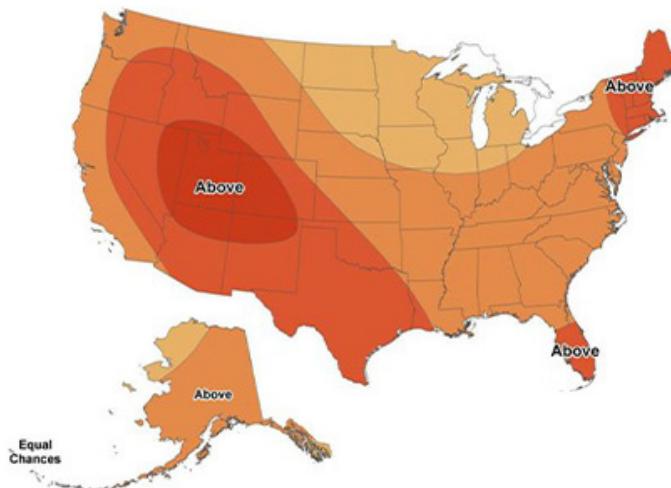
SPP spokesperson Derek Wingfield said NERC's forecast essentially aligns with the grid operator's.

"We have a high degree of confidence, but if there are unexpected conditions, it's always possible we could be looking at energy emergency alerts or load shed," he said. "We take those things seriously and prepare for it." ■

Seasonal Temperature Outlook Seasonal Precipitation Outlook

Valid: Jun-Jul-Aug 2025
Issued: March 20, 2025

Valid: Jun-Jul-Aug 2025
Issued: March 20, 2025



Company Briefs

India's Waaree to Double Solar Module Output at Texas Factory

Waaree Solar Americas, a wholly owned subsidiary of Waaree Energies, last week announced it will invest an additional \$200 million in battery energy storage at its Brookshire factory in Texas.

The move will add an additional 1.6 GW of solar module manufacturing capacity at the factory, bringing the site's total to 3.2 GW. The company did not indicate when the capacity increase would be complete.

The addition raises Waaree's total U.S. solar and storage investment to \$1.2 billion.

More: [Electrek](#)

EDF Renewables Abandons Washington Wind Farm



EDF Renewables last week notified Washington's Energy Facility

Site Evaluation Council it will give up its permit to build the Desert Claim wind project, saying it is no longer feasible due to market conditions.

A company executive told EFSEC in 2023 that the company had not been able to find a buyer for the electricity and that the 31-turbine project was hampered by "relatively low" wind speeds in the area. EDF has had the permit since 2010.

More: [Capital Press](#)

Blackstone to Acquire TXNM Energy



U.S. investment giant Blackstone last week announced it has sealed a \$11.5 billion deal to acquire local energy holding company TXNM Energy.

TXNM Energy operates through two subsidiaries, which provide electricity to about 800,000 homes and businesses in New Mexico and Texas.

The transaction is set to close in the second half of 2026.

More: [Renewables Now](#)

Federal Briefs

House Passes Bill to Study Hydro Loss at Glen Canyon Dam



The House of Representatives last week passed legislation that requires federal agencies to analyze the economic impacts of reduced hydropower generation at Glen Canyon Dam.

The bill requires the Bureau of Reclamation and the Western Area Power Administration to address the impacts that bypass flows at the dam have had on the Upper Colorado River Basin Fund. The legislation responds to the Biden administration's Colorado River Long Term Experimental Management Plan Record of Decision that mandated bypass flows intended to combat predatory small-mouth bass that threaten the federally protected humpback chub by sending cooler water downstream. The flows reduce electricity production because

water is diverted around the generators.

More: [Cowboy State Daily](#)

Report: Local Opposition Has Delayed \$64B in Data Center



Data Center Watch last week released a report that found \$64 billion worth of data center projects have been blocked or delayed amid local opposition over the last two years.

The report says between May 2024 and March 2025, \$18 billion worth of data center projects were blocked and an additional \$46 billion were delayed in the face of opposition from residents and activist groups. It said there are at least 142 activist groups across 24 states organizing to block data center construction and expansion.

A review of public statements by elected officials in districts with large data center

projects (greater than 50 MW) under consideration found that 55% of the politicians who had taken public positions against projects were Republicans and 45% were Democrats.

More: [Data Center Watch](#)

NOAA Seeks to Reassign Employees to Understaffed Offices

The Trump administration is seeking to reassign other employees to "critically understaffed" offices in the National Weather Service (NWS), according to an internal document.

The move to reassign these other employees comes after the administration fired hundreds of people at the National Oceanic and Atmospheric Administration, including some staff at the NWS. The service is looking to staff 76 positions, including meteorologists in disaster-prone areas.

A previously leaked budget document indicates the administration is eyeing significant cuts to NOAA, which in addition to the NWS includes oceanic and climate research programs and fishery management. That document calls for a 27% cut and the elimination of the agency's oceanic and atmospheric research office.

More: [The Hill](#)

State Briefs

CALIFORNIA

PG&E to Restart Moss Landing Battery Facility by June 1



PG&E informed the Monterey County Board of Supervisors it plans to reactivate its Elkhorn Battery Storage Facility in Moss Landing by June 1 after turning it off in January due to a fire at the nearby Vistra battery plant.

County officials expressed concern over the restart plans and said a required emergency action plan in compliance with SB 38 has not been finalized and remains under review by the county and other agencies. They also asked PG&E to delay reactivation and continue open dialogue.

More: [The Mercury News](#)

IOWA

Senate Passes Bill Restricting Eminent Domain

The state Senate last week voted 27-22 to pass a bill to limit the ability of carbon sequestration pipelines to use eminent domain. The decision follows four years of residents and House lawmakers pushing for eminent domain reform in response to the proposed Summit Carbon Solutions pipeline.

The bill changes the definitions of a common carrier, increases insurance requirements to cover any damages to property and reimburse landowners for increases in premiums due to the pipeline, sets requirements for the IJC and expands who can intervene in IJC proceedings.

It now heads to Gov. Kim Reynolds.

More: [Iowa Capital Dispatch](#)

MINNESOTA

Developer Suspends Wind Project, Cites Tariffs

National Grid Renewables last week said it is temporarily halting its Plum Creek Wind project due to tariffs, cost disagreements and interconnection delays.

State regulators had approved two key permits for the 230-MW, 77-turbine project that was set to begin construction

this fall.

The company said it still plans to complete the project, but its timeline is now uncertain.

More: [The Minnesota Star Tribune](#)

NEVADA

PUC: NV Energy Overcharged Customers Millions over 20 Years

NV Energy has overcharged tens of thousands of customers by millions of dollars since 2001, according to an investigation by Public Utilities Commission staff.

The investigation showed that between April 1, 2017, and April 1, 2024, the utility overcharged roughly 60,000 residential customers more than \$17 million by misclassifying their types of residences. The utility also overcharged an additional 20,000 multifamily customers during that time for an undisclosed amount.

The report also calls for the commission to open a formal investigatory docket to investigate whether the company's actions were unlawful. It is also recommending the PUC require NV Energy to fully refund all customers.

NV Energy has not identified a cause for all the misclassifications.

More: [The Nevada Independent](#)

NEW HAMPSHIRE

Senate Sends Cryptocurrency Deregulation Bill Back to Committee

The state Senate last week sent a bill that would deregulate cryptocurrency mining back to committee to give supporters more time to finalize the language.

If enacted, the bill would forbid state agencies and local officials from banning cryptocurrency mining and bar them from regulating mining based on sound, electric use or as an investment vehicle. They'd also be unable to prevent or impair people from using cryptocurrency to buy or sell goods and services.

More: [New Hampshire Bulletin](#)

SOUTH CAROLINA

Gov. McMaster Signs Wide-ranging Energy Bill

Gov. **Henry McMaster** last week signed



an energy bill affecting utility rates and interest rates.

The legislation, aimed at addressing growing demand, allows utilities like Dominion Energy and Santee Cooper to pursue expedited annual rate increases in addition to the standard multiyear rate case process. Currently, utilities must wait a few years before going to the Public Service Commission.

The bill also requires customers to start paying interest on new power plants while they're under construction.

More: [WCNC](#)

Sumter County Denies Rezoning for Solar Project

The Sumter County Board of Zoning Appeals last week unanimously denied a special exception to zone the White Palmetto Solar Farm.

More than 100 people voiced their opposition to the project, which would have stretched over more than 1,700 acres.

Developer Treaty Oak Clean Energy declined to comment on its future plans.

More: [WIS](#)

VERMONT

Gov. Scott Rolls Back Clean Vehicle Regulations



Gov. **Phil Scott** last week issued an executive order pausing the state's enforcement of its Advanced Clean Cars II and Advanced Clean Truck rules.

Scott said the impact of the sales ratios on dealers, combined with uncertainty from tariffs and lack of charging infrastructure in the state, made an 18-month pause necessary.

The rules required car manufacturers to ensure that 35% of the vehicles sold in the state in 2026 be zero-emission models. The percentages would gradually increase until gas vehicles would be completely phased out by 2035.

More: [Seven Days](#)