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YOUR EYES AND EARS ON THE ORGANIZED ELECTRIC MARKETS

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EPSA Summit Held with ISO/RTOs in the Middle of the Political Debate

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Wholesale power markets are at a crossroads, and EPSA would like to preserve the construct on which its members have built their businesses. Speakers at EPSA's annual Competitive Power Summit said changes are needed so that rising demand is met without overburdening consumers.

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SPP MISO

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In this week's issue

Data Centers Don't Cause Rate Increases but Would Still be Wise to Supply Own Power

By Kristen Walker


Kristen Walker

In a notable move at the State of the Union, President Donald Trump *announced*, "We're telling the major tech companies that they have the obligation to provide for their own power needs."

Several Big Tech players met at the White House on March 4 to sign an agreement to build their own electricity supply. Data centers have *become* the whipping boy of high electric bills; consumers believe they are paying higher rates because of these power-hungry server farms. (See related story, *Trump Gets Tech Execs to Sign 'Ratepayer Protection Pledge'*.)

However, it is not that simple. Plenty of other variables factor into electricity rates, making it difficult to point the finger directly at data centers. If anything, data suggests otherwise.

Take Virginia and Texas, which *lead* the pack and together account for one-fourth of all U.S. data centers, at 663 and 405, respectively. According to the U.S. Energy Information Administration, the *average* residential electricity rate in Virginia is 15.94 cents/kWh and Texas is 16.04 cents, both of which are below the national average of 17.24 cents/kWh.

Loudoun County, Va., — considered the Mecca of data centers — *has* experienced a modest rate increase recently, but Dominion Energy *asserts* the cost is "largely attributed to inflationary pressure, not the demand of data centers." Labor, equipment and materials prices have increased. The county's *14.25 cents/kWh* is still well below the national average.

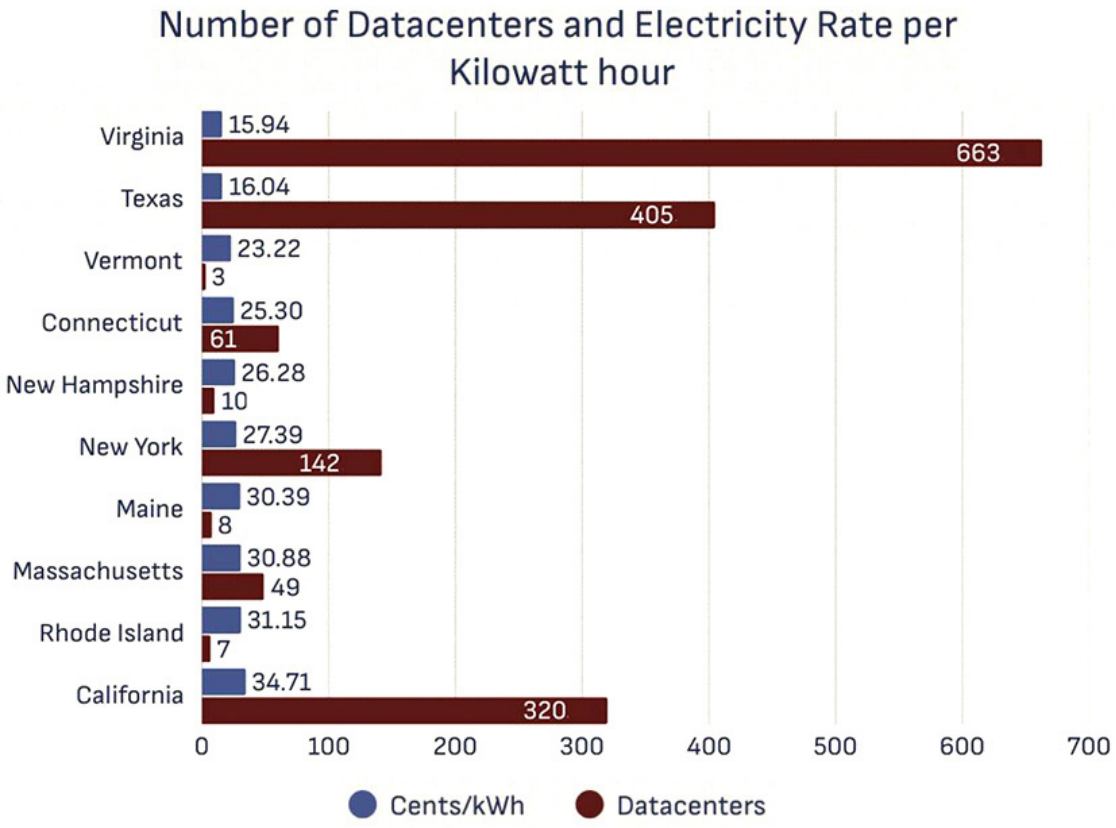
On the flip side, California's average 34.71 cents/kWh consistently ranks as the highest electricity prices in the continental U.S. Their number of data centers is roughly half of Virginia's: 320.

Most Northeast states also consistently rank in the top 10 for electricity rates. Yet their data center counts pale in comparison to the top dogs: Connecticut (61), Maine (eight), Massachusetts (49), New Hampshire (10), New York (142), Rhode Island (seven) and Vermont (three).

Why do all these states suffer not only from soaring electricity costs but rates that have increased much faster than the national average?

Why This Matters

The combination of AI-driven load growth, interconnection delays and political pressure is making self-supply the new default model for hyperscale expansion. It is a win for tech companies, utilities, politicians and consumers.



| ACI

State Policies Contribute to Higher Prices

State policies and decisions have much more to do with electricity prices than simply load growth. Most states referenced above have *ambitious* standards that eventually require 100% power generation from renewable energy. The Northeast states *participate* in the Regional Greenhouse Gas Initiative, which regulates energy sources, as well as have policymakers who *block* natural gas pipeline infrastructure. These actions contribute to higher electricity prices for consumers.

The math doesn't exactly

compute for a correlation between data centers and electricity prices. So far.

A Virginia state-commissioned *report* that found residential ratepayers were not subsidizing costs for larger users also says that scenario could change unless mitigated. It asserts that significant new generation and transmissions will need to be built, energy demand will outpace supply and heavier reliance on imported power is susceptible to spikes in energy market prices.

But all that remains to be seen, especially in the other 49 states. After all, Virginia is home to an impressive 663 data centers (and counting) and has yet to experience rate increases because of them.

It does not, however, negate the reality that communities continue to *worry* about paying for data centers' energy use. Data center operators no doubt hope to mitigate some of the public's concerns by building off-grid.

As more state *legislation* designed to pause, slow or deter data center construction increasingly materializes throughout the country, Big Tech must proactively secure sufficient power for these warehouses. Moratoriums and delays would be a death sentence for the AI race. And it is unfair to sideline the industry. Needing to get on-line sooner rather than later, data centers don't have time for politics or the ever-growing interconnection *queues*.

Many hyperscalers are past waiting; they've already *begun* producing their own electricity.

Operators Seeking Alternative Energy Supply

Operators increasingly are using natural gas, solar, batteries and fuel cells to supply their power, with the latter constituting the fastest-growing off-grid option. The 90-day installation and nearly 100% reliability are enticing *one in three* data centers to go off-grid by 2030.

Modular natural gas turbines and reciprocating engines also are *growing* in popularity. Resembling small power plants co-located with the data center, these systems can be deployed within weeks or months.

Multiple Big Tech companies even *announced* plans to go nuclear, through either revitalizing nuclear plants or incorporating small modular reactors.

With today's political climate, regulatory barriers, time constraints and affordability concerns, in-house energy generation makes sense. Data centers are embracing self-generation as a core part of their expansion strategy. They are now actively building off-grid and self-powered data centers, signing federal pledges to do so and investing in dedicated generation at a scale that resembles private power grids.

The combination of AI-driven load growth, interconnection delays and political pressure is making self-supply the new default model for hyperscale expansion. It is a win for tech companies, utilities, politicians and consumers. ■

Kristen Walker is senior policy analyst and manager for energy and transportation with the American Consumer Institute, a nonprofit education and research organization.

California's Anxiety is not About Seams; It's About Control

By Nick Myers


Nick Myers

When institutions are confident, they don't rush out carefully framed messaging two days before a major regional symposium. They don't suddenly rediscover the dangers of "fragmentation." And they don't rely on allied advocacy groups to circulate modeling that conveniently reinforces their preferred outcome.

Yet that's exactly what California is doing.

Just days before a scheduled SPP Markets+ Seams Symposium, CAISO released *a blog post* warning about the dangers of new "seams" and market fragmentation. The timing was conspicuous.

Why This Matters

Proponents of CAISO's EDAM have expressed concerns over seams, but Nick Myers of the Arizona Corporation Commission argues that their real concern is Markets+ offering an alternative to California-centric governance.

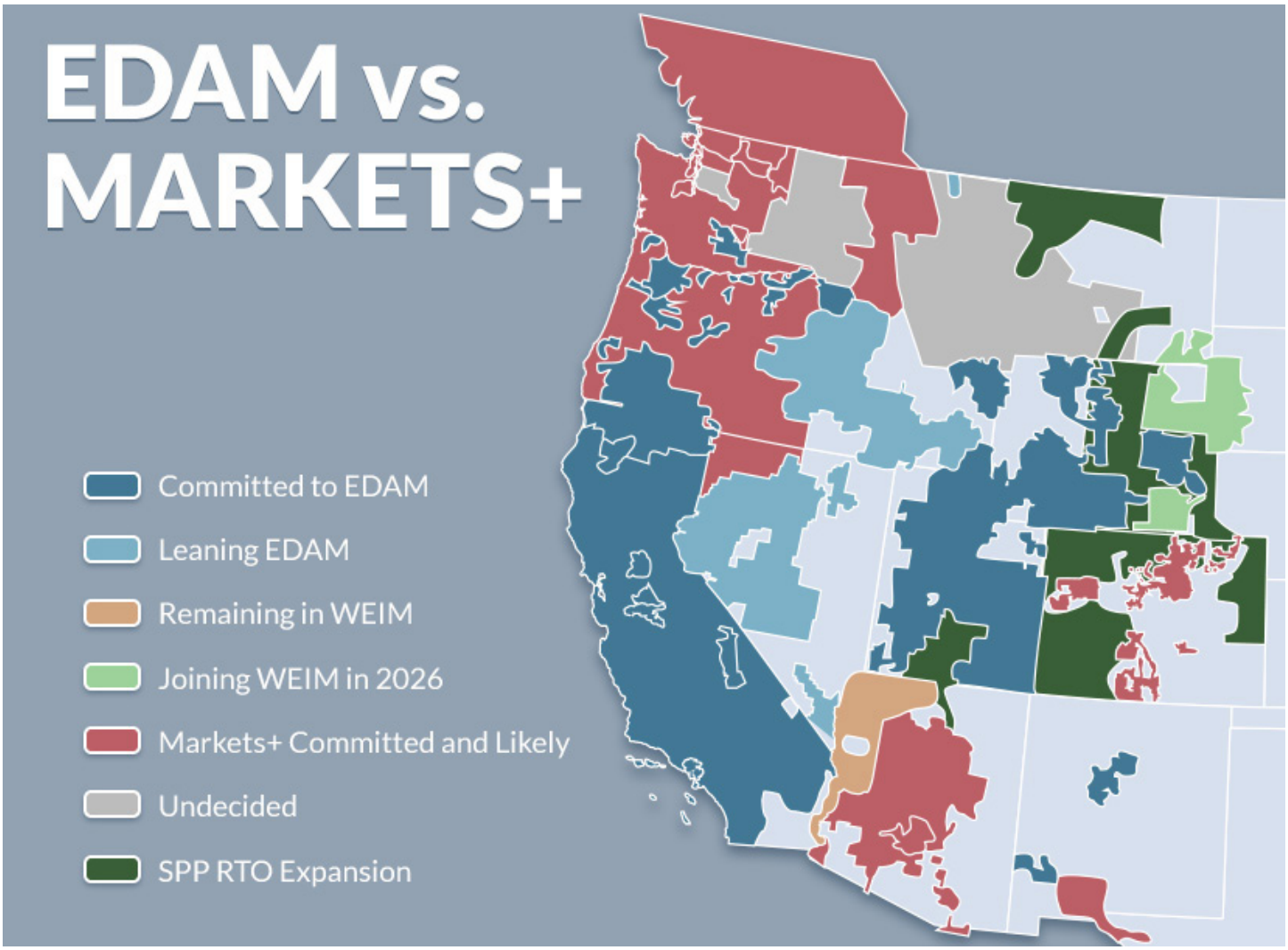
It was not accidental. It was strategic.

Because for the first time in years, California's grip on Western market design is genuinely at risk. (See *CAISO Unveils Principles for Western Seams Coordination*.)

California Built a System that Depends on the West

California's grid does not operate in isolation. It relies heavily on imports during evening ramping hours, leans on regional flexibility to manage renewable over-generation and depends on diversity across the West to maintain reliability at a reasonable cost.

The Western Energy Imbalance Market (WEIM) provided measurable benefits, but it also reinforced something



Map of committed and likely EDAM and Markets+ participants | © *RTO Insider*

California would prefer not to admit: Its system increasingly depends on access to resources outside its borders.

As utilities and states consider anchoring their day-ahead participation in Markets+ rather than California's Extended Day-Ahead Market (EDAM), that dependency becomes a vulnerability. If enough states choose Markets+, California's leverage shrinks. Trade patterns shift. Institutional influence weakens. Governance becomes less California-centric.

That is what's driving the urgency.

Seams exist everywhere. The irony of CAISO's sudden focus on "seams" is difficult to ignore. Seams are not unique to Markets+. They exist within EDAM as well. Different balancing authorities, governance boundaries and interconnections with other markets create friction points regardless of the market that is chosen.

No market expansion eliminates seams; it simply manages them. Portraying Markets+ participation as inherently "fragmenting" the West ignores the reality that EDAM itself operates across multiple jurisdictions with inherent boundary issues. Market design always involves coordination challenges. The question is not whether seams exist. It is how they are governed and who controls the rules.

The Aurora Study and Strategic Modeling

At the same time CAISO is amplifying its messaging, the Environmental Defense Fund *released a study* conducted by Aurora Energy Research comparing regional market outcomes. The modeling emphasizes friction costs and inefficiencies associated with certain participation pathways, while reinforcing the economic case for EDAM alignment. (See *APS Would See Greater Savings in EDAM, Analysis Finds*.)

Modeling assumptions drive outcomes. Inputs determine results. When an advocacy organization commissions such work during active market competition, the timing is intentional.

Environmental advocacy groups understand that California's aggressive climate policies benefit from broad regional integration under structures California influences. A smaller footprint makes renewable balancing more difficult. This reality doesn't invalidate the study, but its ideological perspective should be taken into account.

Governance is the Real Issue

Strip away the rhetoric about seams and fragmentation, and the core issue is governance. EDAM remains rooted in California's regulatory structure and political environment. Markets+ offers a governance model that many Western states view as more regionally balanced and less tied to one state's policy priorities.

That distinction matters.

California has not always played well with its neighbors. During WEIM's rollout, governance control remained tightly anchored in California. Some states participated despite, not because of, the governance structure, largely because the operational benefits outweighed its objectionable governance. Now those same states are being invited to extend deeper into California-centered day-ahead governance. Unsurprisingly, some are reconsidering.

What Happens if California Loses Control?

If California no longer anchors the dominant Western day-ahead market, consequences follow:

- Reduced ability to shape regional market rules.
- Less influence over transmission prioritization.
- Greater exposure to import price volatility.
- Diminished leverage in balancing renewable intermittency.

California's grid strategy has quietly assumed continued regional integration under its framework. If those assumptions do not materialize, California faces difficult tradeoffs: higher costs, tighter reserve margins and reduced flexibility. That is the backdrop behind the sudden surge in messaging in support of EDAM.

Markets should compete on their merits. If EDAM offers superior economics, governance and reliability, it should win without resorting to strategically timed blog posts and new studies. If Markets+ offers stronger regional balance and autonomy, states should be free to choose it without being accused of fragmenting the West.

The West is not fracturing. It is deciding. Perhaps the clearest signal of all is this: Institutions panic only when they fear losing something they've come to rely on.

California's anxiety is not really about seams. It's about control. ■

— Nick Myers is chair of the Arizona Corporation Commission.

EPSA Summit Held with ISO/RTOs in the Middle of the Political Debate

By James Downing

WASHINGTON — Electricity markets increasingly are in the political spotlight, and that includes attention from the biggest figure in politics over the past decade.

"I'm frequently reminded about how consistently the president talks about co-location," White House National Energy Dominance Council's (NEDC) Peter Lake said March 3. "He'll mention co-location twice a week, which means I hear about it twice a day."

Sometimes Lake will get a call from the West Wing on a day without any NEDC events because President Donald Trump brought up the concept at a speech on healthcare, Lake told the crowd at EPSA's Competitive Power Summit. The president's focus on co-locating generation with large loads shows how focused he is on meeting the data center demand driven by artificial intelligence, a technology he says the U.S. needs to dominate.

"Power is the big constraint on unleashing this generational technology," Lake said. "And just like the combustion engine or the microprocessor, this is one of those technologies where America cannot afford not to be No. 1."

With leading tech firms planning to spend hundreds of billions of dollars a year on data centers, AI has brought demand growth. Higher power prices, especially in PJM where the capacity market cleared short again, have attracted Trump's attention. That led the White House and 13 governors of PJM states to jointly call for a backstop procurement auction to get more supply online for large load customers. (See *White House and PJM Governors Call for Backstop Capacity Auction*.)

White House National Energy Dominance Council's Peter Lake addresses the EPSA Competitive Power Summit. | © *RTO Insider*

"As a stakeholder group, we would ask you all, sincerely and enthusiastically, to please work with PJM to help reform the regular capacity market and the regular energy market," Lake said. "The focus, rightly so, is a lot of time on the reliability backstop auction, but we very much intend for that to be one time only."

Ideally, PJM will hold the backstop auction and two previously scheduled Base Residual Auctions in 2026, and then in 2027 the markets can get back to normal — where existing generation is maintained, new units are incentivized and prices are reasonable, he added.

Lake spoke a day before Trump gathered tech executives to sign a pledge where they promised to pay for any power costs their data centers cause. (See related story *Trump Gets Tech Execs to Sign 'Ratepayer Protection Pledge'*.)

"We can build enough power supply to meet the demand of AI and maintain affordability," Lake said. "And this is where the president's leadership has been truly extraordinary, in cutting the deal with the PJM governors to set up a framework in which we have a clear line of sight on how to build the new baseload and build big power in America again."

The 13 governors represent PJM states across the political spectrum, but they agreed on the basic framework to address the issues the RTO faces, he added.

"My assumption when I took this job was that if the White House figures out what FERC is, you may not be in this role anymore, and [if] the White House knows what PJM is — oh my gosh, what happened?" FERC Commissioner David Rosner said earlier in the day. "And both are true, and we're OK."

The stakeholder process in PJM is messy and complicated. Hearing views from some new parties and the resulting political attention has been fine, Rosner said.

"I think that, at a high level, this is very positive, because it wasn't so prescriptive," Rosner said. "They didn't know all the answers, but they brought people together on some concepts, and … we have to work with everybody in this room to make sure those concepts turn into steel in the ground."

The only way rising demand can be met is if "the force of capitalism" is unleashed to meet it, which means getting the market design right.

"I know a lot of people like to talk about PJM as a problem, but my sort of opening statement is, PJM, as it currently exists, saves people billions of dollars," Rosner said. "And we should work on the problems and make it better to meet the moment."

Political attention on markets can lead to changes. Now that politicians are increasingly focused on affordability, that could lead to some knee-jerk reforms, said Wolfe Research Senior Analyst Steve Fleishman.

"Obviously, they do need to get elected, and they're focused on that, but it does require a lot of us in the market seeing through a lot of noise, which is not easy," he added. "It's hard, hard for our investors, particularly the ones that aren't in weeds on everything to assess."

Why This Matters

Wholesale power markets are at a crossroads, and EPSA would like to preserve the construct on which its members have built their businesses. Speakers at EPSA's annual Competitive Power Summit said changes are needed so that rising demand is met without overburdening consumers.

So far, much of the posturing on affordability has been more bark than bite, said Fleishman.

"Now we're in the middle of everything, and AI and data center focus is the No. 1 thematic," Fleishman said. "So, this is a real change for us, and I think it puts everybody at a higher level of alert."

The demand comes at a time when the costs are growing; a new natural gas plant that recently cost $800 million to build now costs $2 billion, he added.

Affordability is a Concern Outside of ISO/RTOs

While PJM dominated the discussion at EPSA given its membership and the RTO's recent attention from the White House, the entire country is dealing with affordability. NARUC President Anne Rendahl of the Washington Utilities and Transportation Commission said communication helps deal with the issue.

"We talk to the governor's office," Rendahl said. "We talk to the legislators. We have a good relationship and try to explain what we do and how we do it. But we need to do a better job with our utilities' customers."

Regulators need to explain that utilities not only have fair rates, she said, but rates that are enough to maintain a reliable system. "We can't just cut the ROE [return on equity], cut the CEO pay — that's not what we do," Rendahl said.

If regulators can explain how they balance those sometimes-competing issues to lawmakers and consumers alike, that can help, she said. It also would help if utilities and the broader industry did the same, she added.

In North Carolina, Chris Ayers feels the same political pressure. Ayers is the public staff executive director of the utilities commission.

EPSA President Todd Snitchler hosts a conversation with NARUC President Anne Rendahl and FERC Commissioner David Rosner. | © RTO Insider

"I can tell you that I've taken more calls from legislators over the last six months than I have probably in the last several years combined in terms of why are rates going up, and are they going to continue to go up?" Ayers said. "What's driving it, and why? You know, why can't we do something about this?"

Most of North Carolina is served by Duke Energy with its own balancing authority, but part of the northeast is served by PJM member Dominion Energy.

How will the Market and Policymakers Respond?

Affordability has been a major issue in PJM, but the capacity market started reflecting the data center boom only about 18 months ago. Suppliers need more time to fully respond to that price signal, said Stacy Doré, Vistra Energy's chief strategy and sustainability officer. Still, some 11 GW of new supply is at various stages of development.

"You do need to see sustained and durable price signals to do merchant generation," Doré said. "And the minute that we had a high capacity clear, after years of having capacity clears of $30, the government put in price caps. So, I think we have to understand how the market was designed to work and let it work that way."

While Doré pushed back on some of the most bullish forecasts for load growth due to data centers, the White House NEDC's Senior Policy Adviser Nick Elliot said PJM has the most bullish case for data center growth in the world. And while, as his colleague Lake pointed out, the White House is focused on meeting that demand — affordability has taken center stage.

"I cannot understate how many times we get questions from the West Wing on affordability," Elliot said. "It is the single biggest thing that's flowing through the administration right now on power and on energy generally. I think that is universal. It is across blue states. It's across red states. You know, it is a really big deal. I don't think it's going away."

The hyperscalers have an "insatiable demand" for power, and Elliot said he was unsure where the new capacity to quench that would come from.

"Something has to give to fix the supply side," Elliot said. "Otherwise, this is my impression, it's going to become a re-regulated market, because universally, you got a whole bunch of Democratic governors and some Republican governors to sit down with Donald Trump to agree that we need to add more supply. If you want more of a signal that there's unified political opinion — maybe that should be it."

Van Welie: Keep Political Interventions Temporary

New England has comparatively anemic demand for data centers, but it has its own issues with reliability. Recently retired ISO-NE CEO Gordon van Welie said he thinks states need to reassert themselves in resource adequacy to ensure reliability going forward.

"I think that will drive lots of good behaviors," van Welie said. "The market, I think, has worked really well to attract hundreds of billions of dollars' worth of private investment. But if you look at what's happened in recent years, there's lots of frictions in the system that are impeding the ability of the market to respond."

It makes sense for load to be responsible for resource adequacy, he said, and the states represent mass market customers (with restructured jurisdictions having large customers served by retail marketers).

"Whether you achieve that through bilateral arrangements, or setting up power authorities, or asking your utility to build stuff — in the end, accountability has to rest with the states," van Welie said. "And I think then that drives positive behaviors around siting and permitting, because once you feel accountable, you'll do something about it."

While states need to take some ownership of resource adequacy, eliminating the markets and the "enormous" efficiencies they have unlocked through centralized dispatch would be foolish, he added.

"There's an imperative to try to contain pricing — that is going to require a whole bunch of workarounds … outside of the market in order to get the result," van Welie said. "And my point here would be, 'OK, that's what we've got to do for a while — let's make sure that it's temporary.' And so, the thing that most heartened me earlier today was Peter Lake saying, this is temporary." ■

Trump Gets Tech Execs to Sign 'Ratepayer Protection Pledge'

By James Downing

President Donald Trump gathered seven tech company leaders at the White House to sign a "Ratepayer Protection *P ledge*" that they will pay all the costs associated with the boom in construction of data centers.

"We follow through on an announcement I made in my State of the Union address last week, as America's largest tech companies officially signed the Ratepayer Protection Pledge," Trump said. "It's a big deal and going to have a tremendous impact on electricity costs. We're bringing down all of the costs."

The event included other administration officials, including Energy Secretary Chris Wright and most members of FERC. While Wright was talking about how FERC needed to speed up its processes, Trump asked the commissioners to stand.

"Because, you know, they're the most powerful people in the country," Trump said as they stood. "I have had more people say, 'Do you know FERC?' I said, 'Do I know FERC? What about FERC?' And I learned so much about you, and you are the most powerful people in the country, so we want to be very nice to you. Please get us approvals. Please get us those approvals. OK?"

The pledge was signed by senior executives from Google, Meta, Microsoft, OpenAI, Amazon Web Services, Oracle and xAI.

"Data center infrastructure is the foundation of the internet, cloud computing and artificial intelligence, and supports our economic and national security," the pledge says. "As that infrastructure grows and the related electricity demand increases, the American people should not be footing the bill for the benefit of private companies. Instead, the data center boom should be leveraged to address affordability and benefit all American households and businesses."

Trump called on hyperscalers and AI companies to "build, bring or buy all of the energy needed for building and operating data centers, paying the full cost of their energy and infrastructure, no matter what."

That includes paying for the full cost of power plants and any required delivery infrastructure upgrades, whether the data centers wind up using the power or not. The pledge calls on data centers to make a more resilient grid by making their backup generation resources available at times of scarcity to prevent blackouts and power shortages in their communities.

"Basically, we're building massive amounts of electricity, and you're not paying for it at all," Trump said. "And the companies want to do it because … otherwise they couldn't build. I mean, the option really was not about cost, it was about there's no way of possibly taking the old grid and doubling it in a matter of months or years."

Wright said that, during one of his first meetings at the White House, the president told him the country must lead in AI.

"And the old energy policies that were going on would not lead in AI," Wright said. "We need to lead in AI. … The government's a bureaucracy. It's always in the way of things. It's been in the way of AI. We've got to run the government like a business."

President Donald Trump presides over the signing of a ratepayer protection pledge with seven leading companies behind the data center boom at the White House on March 4. | *The White House*

'Durable' Solution Needed

Electric industry trade groups said they were ready to work with the Trump administration and hyperscalers to make the pledge a reality.

"We appreciate President Trump's focus on ensuring that our nation can drive innovation while also protecting Americans who need affordable, reliable energy," Edison Electric Institute CEO Drew Maloney said. "Our industry has built a strong record of working with the tech community on responsible agreements that benefit local communities and help strengthen the grid for the future. We are excited for the next phase of American innovation that will support jobs, help families and drive economic growth."

EEI also released a *snapshot* of publicly announced data center and other large load projects being developed with investor-owned utilities.

"America has an opportunity to lead the world in artificial intelligence and the digital economy, and that leadership will require reliable, abundant, cost-effective electricity," Electric Power Supply Association CEO Todd Snitchler said in a statement. "Competitive power generators are ready to deliver the energy needed to power that growth while ensuring that the costs associated with new data centers and rising power demand are borne by investors and private capital, not ratepayers. EPSA is confident that the competitive generation industry will meet this pivotal moment."

Notable Quote

"I have had more people say, 'Do you know FERC?' I said, 'Do I know FERC? What about FERC?' And I learned so much about you, and you are the most powerful people in the country, so we want to be very nice to you. Please get us approvals."

-President Donald Trump

EPSA members have announced their own agreements to power data centers without shifting investment risk to consumers. They have *announced* also more than 12 GW of additional generation capacity in PJM, where, according to the RTO's Independent Market Monitor, data center demand has pushed up capacity prices by $23 billion in recent auctions.

Speaking at EPSA's Competitive Power Summit a day before the White House event, Virginia State Corporation Commissioner Kelsey Bagot said the coming announcement, and others like it from the White House on the grid, are a helpful use of the bully pulpit.

"But I think at some point, all the smart people in this room and the states and at FERC need to really be the ones to solve the problem in a way that's durable and isn't going to change in three, four, five years' time," she said. ■

FERC's LaCerte Clears Committee Vote on Nomination for a Full Term

By James Downing

The Senate Energy and Natural Resources Committee advanced FERC Commissioner David LaCerte's nomination for a new, full five-year term by a vote of 12-8.

The vote largely was along party lines, though LaCerte did win backing from Sen. Angus King (I-Maine), who caucuses with the Democrats. That gave him a slightly larger margin than the two nominees he was paired with; Stevan Pearce for director of the Bureau of Land Management and Kyle Haustveit to be under secretary of energy both cleared the committee on 11-9 votes as King voted against them.

The March 4 votes came more than a week after the committee took testimony from the three nominees. (See: *LaCerte: FERC Focused on Winning AI Race*.)

"At last week's hearing, each of the nominees demonstrated that they're committed to ensuring the United States can meet rising electricity demand, prepared to advance reliable, affordable energy by backing domestic production, ready to exercise disciplined regulatory judgment over transmission, wholesale markets and natural gas infrastructure," said committee Chair Mike Lee (R-Utah).

David LaCerte | *FERC*

Lee added that he looks forward to supporting each of the nominees when they are being considered by the full Senate.

Ranking Member Martin Heinrich (D-N.M.) softened his tone on LaCerte compared to his previous confirmation hearing, when he argued the nominee lacked experience in economic regulation. That has changed with on-the-job experience.

"I was encouraged by his strong commitment to ratepayer protection, affordability, reliability, resource neutrality and commission independence at his confirmation hearing," Heinrich said. "I also acknowledge that he has faithfully served on the commission for the past five months. But as I said when I voted against Laura Swett's nomination last fall: These are not normal times."

The Trump administration is "creating a grid crisis," killing union jobs, and raising electricity prices with its back-to-the-past energy policies, he added.

"Until this administration respects the will of Congress, I cannot in good conscience support its nominees," Heinrich said. ■

Questions Raised over Ratepayer Protection Pledge

Powering AI Conference Addresses Rising Costs in Texas

By Tom Kleckner

DALLAS — Figures in the energy industry are casting doubt on the White House's proposal to shield ratepayers from the costs of interconnecting large loads, saying it ignores the jurisdictional responsibility between regulatory authorities.

The *Ratepayer Protection Pledge* secured commitments from developers to pay for the full cost of power plants and any required delivery infrastructure upgrades, whether the data centers use the power or not. The pledge asks the data centers to strengthen the grid's resilience by making their backup generation resources available during times of scarcity to prevent blackouts and power shortages in their communities.

Leaders of seven large Big Tech companies signed the nonbinding pledge during a March 4 ceremony in Washington. (See related story *Trump Gets Tech Execs to Sign 'Ratepayer Protection Pledge'*.)

Rob Gramlich, president of the D.C.-based consulting firm Grid Strategies, said during the Federal Reserve Bank of Dallas' Powering AI conference March 4-5 that there was a "deal to be had between the richest corporations the world has ever known" and the power sector and its end-use customers.

He found gathering regulators in the same room with the tech companies and getting the companies to agree on a "political level" to paying their "fair share" was "quite impressive."

"That's an important step," said Gramlich, who served as an economic adviser to Pat Wood during the latter's FERC chairmanship. "I know from my eight years being in a regulatory agency that having policymakers agree to, 'Here's the deal. Here's kind of what we're trying to achieve,' and then go work out the details … that's an important step.

"Those first two components are important and check two boxes," he said. The third phase, implementation, is "really complicated … with a whole new set of complications," Gramlich said, pointing to jurisdictional issues between the federal government and the states.

Grid Strategies' Rob Gramlich says regulatory jurisdictional issues could hamper the Ratepayer Protection Pledge. | © RTO Insider

"Every market structure is different. Every state has a different arrangement of who's responsible for transmission, generation, the planning and the cost allocation in 'FERC land' outside of Texas," he said. "The retail-wholesale split is extremely complicated. FERC can't right now just go and say, 'Oh, data centers, you pay for this thing.' Those are retail customers. FERC can't tell what one retail customer versus another retail customer can do without the state saying that's the way."

Gramlich said FERC could assert jurisdiction over the states and go through seven years of litigation. "But there's not seven years to go through that process," he warned.

Andrew Schaap, CEO of developer Aligned Data Centers, said he is a firm believer in the necessity of the U.S. winning the artificial intelligence race.

"A lot of our adversaries are not having [these discussions]. They're just doing it. They're just going to go as fast as possible," he said, noting China is building 1.5 TW of solar power a year.

"The fair rate pledge is a way to give latitude to operators like ourselves and hyperscalers to do behind-the-meter generation. I build my own power plant; I build my own systems," Schaap said. "Is that the most efficient way to do it? Probably not. The most efficient way is to do it with the grid."

Schaap did allow that the pledge is a "good incentive to get there faster."

"One of the things that we're all struggling with is there's just not enough capacity fast enough," he said.

Nick Elliot, who recently left the Department of Energy's Grid Deployment Office to join the White House's National Energy Dominance Council as a senior policy adviser, was in the room where the pledge was signed before he took a red-eye flight through thunderstorms to Dallas.

The transmission piece of the pledge was the hardest component "to get right," he said holding a cup of coffee. The large load will have to cover 100% of the direct cost for a tie line, he explained, but connecting large generation to the facility is going to affect the entire system's upgrade requirements.

"They will benefit you, but they're going to benefit everyone else," Elliot said. The hyperscalers are "willing to engage" in innovative regulatory structures, paying "full freight" or over time.

"We'll build the highway," Elliot said,

speaking for the large loads. "And to the extent you end up building a whole bunch of other hotels on the highway, allocated to those other people later, we will backstop, and we'll take the risk."

"I certainly understand why Nick says that transmission is harder, because it's harder," said Stu Bresler, PJM's executive vice president of market services. "The benefits of transmission do flow to many customers once it's built. I think the challenges with allocating the cost of new generation on the system are equally difficult to transmission when there's so much uncertainty about how much load you're actually building for and who the customers will actually be. We have to get through all these cost allocation issues. They're extremely foreign."

Texas Addresses Rising Costs

Google was one of the seven companies that signed the pledge. Doug Lewin, who recently left his consultancy to join the company as the Texas lead for energy market development, made it clear that Google wants to be connected to the grid.

"You have several advantages to that, both from the data center side and from the public side," he said. "We just have to have a historical perspective here and remember that for the entire life of the grid, over 100 years back to the earliest days, system use matters.

"It's a simple division problem, right? Whatever your fixed costs are, can you spread that across as many users as possible that lowers the unit cost?" Lewin added. "That's the basic economics of the grid as it has existed since the 1910s, and that principle still holds. So, we think it's not only good for us to be connected, and this would go for any data center, but also for all customers."

Google and Lancium, an energy technology and infrastructure firm, have filed *joint comments* on the Texas Public Utility Commission's proposal to set interconnection standards for large loads (*58481*). They argued the proposal requires "large, upfront and nonrefundable financial commitments without providing clear study outcomes, defined interconnection timelines or a predictable path to energization."

Google's Doug Lewin and Emerald AI's Arushi Sharma Frank share a laugh during their panel discussion. | © *RTO Insider*

"This sequencing shifts significant risk onto customers before system feasibility and deliverability are known," the companies said, referencing a flat $100,000/MW nonrefundable interconnection fee they said may result in overcollection beyond true costs.

Instead, they have suggested a five-year, 50% minimum demand charge to fund infrastructure builds and share in costs. Lewin said that is a "very tangible way" large loads can shift around costs based on ERCOT's Four Coincident Peak (4CP) program. Under the program, industrial customers are charged a fee for 4CP based on the amount of electricity consumed during a defined period in the previous year when demand on the grid was at its highest.

"Large loads can get away from paying a transmission charge," Lewin said. "We have come forward with other partners and said, 'We want a minimum transmission charge.'"

Emerald AI's Arushi Sharma Frank, Lewin's partner on the panel, applauded the Google-Lancium proposal.

"As the load comes in, it pays for the transmission upgrades, and if the load comes before that, great," she said. "But if upgrades come first, then the loads need to still be there to foot the bill because they are going to eventually use it."

ERCOT General Counsel Chad Seely said these discussions are part of policy issues being discussed in Texas.

"We're trying to figure out what the best process is to study [large loads] reliably and make sure that we're making the best decisions as far as building out the transmission infrastructure and making sure that they have enough skin in the game," he said. "This is really a pivotal year for ERCOT and our stakeholders to kind of put forward these policy frameworks that will have long-lasting implications as we move forward to manage this tremendous amount [of load]." ■

West news from our other channels

Ariz. Commission Axes State's Renewable Energy Standard

NetZero Insider

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

Searchlight Report Calls for Infrastructure Fund for Data Center Development

By James Downing

The Searchlight Institute released a *report* arguing that the data center buildout should be taken advantage of to pay for the expansion of the grid.

The think tank was established in 2025 by a group of Democrats who want to come up with policies most Americans support, and it dives into the growth of data centers as their impact becomes a top issue in politics. (See related story *EPSA Summit Held with ISO/RTOs in the Middle of the Political Debate*.)

"Seizing the Data Center Buildout for Grid Modernization" is written by Searchlight Senior Fellow Jane Flegal and was released March 9. It notes that the grid is aging and the clean, firm capacity needed for a reliable system is nowhere near built.

"Meeting national goals, from powering economic growth to enhancing our industrial competitiveness to advancing our national security, requires building a dramatically larger, more capable electricity system," the report said. "Fixing this problem was always going to be expensive and politically difficult."

The U.S. is competing with China on artificial intelligence, and a key constraint is the grid's ability to serve the data centers needed to train and deploy AI.

"Data center demand could be an opportunity to fix the underlying problem," the report said. "Data center operators want fast access to reliable power, certainty and fair treatment from policymakers. Policymakers and grid advocates can benefit from what those data centers can provide: capital, load growth that justifies long-needed grid investments and tax revenue."

There is a narrow window through which policymakers must steer the grid buildout for optimal data center development. The report warns that window will close soon.

"The response to data center demand thus far has been *ad hoc* and inadequate," the report said. "The structural failures underlying this dynamic, from interregional planning deadlock to permitting barriers to fights over cost allocation, require major policy change."

The report suggests setting up an "American Grid Infrastructure Fund" to ensure spending associated with data center growth also enables grid modernization and maximizes benefits such as increased local tax revenues and construction employment.

"Participation agreements that require true cost causation commitments would deliver ratepayer cost savings that no voluntary commitment currently produces," the report said. "An insurance pool backstopping stranded cost risk would unlock proactive transmission investment that can't get built today without exposing ratepayers to downside. Procurement aggregation would convert hyperscaler equipment purchasing into a domestic manufacturing demand signal that no company negotiating alone can generate."

Such a fund could be set up to be voluntary at first, but the report calls for a new federal law eventually.

"A fund can convert data center capital and political weight into an organized force for grid reform," the report said. "Even if a fund failed to solve the political economy problem, it would generate more public benefit than the current, *ad hoc* approach."

The fund would offer data centers cheaper financing, a standard participation agreement to accelerate interconnection, procurement aggregation to address grid bottlenecks and access to clean firm power at scale.

"The fund would not solve all of the grid's problems on its own, but it could serve as part of a framework in which regulatory reform at the federal level, financing through the fund, and incentives for state action reinforce each other," the report said. "The fund's participation agreements, governance architecture and deployment strategy would aim to maximize the public benefit of data center demand growth while helping developers secure the certainty and speed they require." ■

Why This Matters

The report offers another idea to encourage beneficial expansion of the grid by leveraging the investments large data centers will have to make to modernize the system.

Aerial view of Microsoft's Fairwater data center campus in Mount Pleasant, Wis. | *Microsoft*

Wash. AG, PIOs Sue to Overturn DOE Order to Keep Centralia Plant Running

Order 'Untethered' from Northwest Reliability Situation, AG says

By Robert Mullin

Washington's attorney general and a coalition of public interest organizations have filed separate lawsuits to overturn the U.S. Department of Energy's order requiring TransAlta to continue operating the state's last coal-fired plant beyond its scheduled retirement.

Both suits were filed in the 9th Circuit Court of Appeals. They come after DOE on Dec. 16 directed TransAlta to continue running Unit 2 of the Centralia Power Plant until March 16, 2026, citing an energy "emergency" in the Pacific Northwest this winter, despite the fact that neither NERC nor WECC had identified any such emergency in their winter reliability assessments. DOE issued the order based on its emergency authority under Section 202(c) of the Federal Power Act.

The unit had been slated for closure Dec. 31 based on a 2011 Washington law and subsequent agreement between the company and the state. (See *DOE Orders Retiring Wash. Coal Plant to Stay Online for Winter*.)

"Trying to force Washington to restart a defunct power plant is not only illegal, but would also jeopardize public health," Washington Attorney General Nick Brown said in statement announcing his office's *suit*. "Washington state will not be bullied."

"Our region has moved beyond reliance on coal and this plant to meet our energy needs with cleaner sources," Patti Goldman, the Earthjustice attorney leading the suit, said in a different statement. "This illegal DOE order does the opposite of solving problems — it forces a decrepit coal plant to produce unreliable power while worsening pollution and inevitably raising energy rates for Washington residents."

Why This Matters

The Centralia order was one of a handful the Trump administration's DOE issued in 2025 to extend the life of retiring fossil fuel-fired plants, including ones in Michigan, Pennsylvania and Colorado.

The order was one of a handful the Trump administration's DOE issued in 2025 to extend the life of retiring fossil fuel-fired plants, including in *Michigan*, *Pennsylvania* and *Colorado*.

A month after the Centralia order, Brown and a coalition of environmental groups — including Earthjustice, NW Energy Coalition, Washington Conservation Action, Climate Solutions, Sierra Club and the Environmental Defense Fund — filed separate requests to rehear the 90-day order, which DOE declined. (See *Wash. AG, Environmental Groups Challenge DOE's Centralia Coal Plant Order*.)

"The groups' legal challenge asserts the Trump administration is unlawfully using Section 202(c) of the Federal Power Act, which allows DOE to order power plants to operate for short periods of time in response to imminent and unexpected shortfalls — in other words, real emergencies," the groups said in a press release. "This DOE order exceeds that authority and instead tries to impose the administration's preference for coal-fired power."

The PIOs contend that "other coal plants are experiencing extremely high costs to comply with similar DOE orders," a statement supported by the recent revelation that, in the last seven months of 2025, Consumers Energy incurred $135 million in net costs to maintain operations at J.H. Campbell coal-fired plant in Michigan, which was to retire in May 2025. (See *DOE Reups Campbell Coal Plant Emergency Ops; Losses Top $135M*.)

In his suit, Brown said DOE issued the order "for reasons untethered from any actual immediate or even long-range problem with the Pacific Northwest's grid."

He contended the order "presents no legitimate factual basis — let alone substantial evidence — to support its claim that maintaining Centralia as a coal-fired facility is necessary to 'meet' any emergency," but instead undermines "the very grid stability it purports to protect in a way that will be enormously detrimental to the Northwest's ratepayers."

TransAlta's Centralia Power Plant in Centralia, Wash. | *Earthjustice*

"In doing so, DOE both misreads and misrepresents the sources it cites as support for an emergency — to the point that DOE's order can only be explained as aimed to benefit the coal industry rather than at any true 'emergency' in the Northwest," Brown wrote in the suit.

The PIOs argue along the same lines in their suit, adding that "[s]tate authorities, regional entities and utilities have been carefully planning for Centralia's retirement for over a decade, securing replacement resources and continuously tailoring plans to evolving supply and demand conditions."

They argue also that DOE "must abide by the limitations Congress set forth in Section 202(c). This includes limitations on what the department can require even if the department substantiated its emergency claim (which it has not)."

They add that DOE's order must be consistent with state environmental laws to the greatest extent "practicable," minimizing "adverse environmental impacts."

"The department does neither," the groups wrote.

DOE did not respond to a request for comments for this article. ■

Ariz. Regulators Approve 2 Coal Plant Conversions

TEP's Springerville and SRP's Coronado Generating Units will Run on Gas

By Elaine Goodman

Two Arizona utilities received approval to convert coal-fired power plants to run on natural gas, projects they say will enhance grid reliability, reduce emissions and preserve jobs.

The Arizona Corporation Commission voted 5-0 on March 4 to approve an application from Tucson Electric Power to convert units 1 and 2 of Springerville Generating Station to natural gas. In a separate 5-0 vote, the commission approved Salt River Project's application to convert two units to gas at the Coronado Generating Station. The applications sought modifications to certificates of environmental compatibility (CEC) for the facilities.

The Springerville and Coronado stations are about 30 miles apart in Apache County, Ariz.

Why This Matters

Converting coal-fired power plants to run on natural gas may be a less expensive way to preserve generating capacity compared to other options.

Of the four coal-fired units at Springerville, TEP owns units 1 and 2, which have a combined capacity of about 800 MW. Unit 1 was slated for retirement in 2027, with Unit 2 to follow in 2032 "due to rising fuel costs, increasing delivery risks, anticipated mine closures, and environmental considerations and regulations," TEP said previously.

Terry Nay, TEP's vice president of energy resources, noted that the company did not propose repowering Springerville in its 2023 integrated resource plan because "the prospect of a [gas] pipeline was not feasible."

But since the IRP was filed, "we learned that a pipeline is feasible, making repowering Springerville the most economical choice for replacement gas generation," Nay told the commission.

In August 2025, TEP and SRP were among Arizona utilities that announced commitment plans for Transwestern Pipeline's Desert Southwest expansion project. The pipeline will transport natural gas from the Permian Basin in west Texas to Arizona. Construction is expected to be finished in late 2029.

SRP's Coronado Generating Station | *SRP*

Nay said gas conversion of the Springerville units would cost about $200 million. That would be less expensive than keeping the units running on coal at a cost of about $450 million, building a new combined cycle gas facility, or building new renewables with battery storage.

TEP expects to complete conversion of units 1 and 2 in 2030.

SRP expects the Coronado conversion to be finished in 2029. While the Coronado coal plant has provided baseload generation, SRP plans to use it as a peaking resource after the gas conversion.

"We think that converting to natural gas is a good long-term durable decision that will allow us to operate well into the 2040s, when other technologies will become available," said Bill McClellan, SRP's director of resource planning and development.

A new natural gas pipeline lateral is expected to serve Springerville and Coronado. An SRP spokesperson told *RTO Insider* that SRP has not finalized an agreement for the lateral to serve Coronado.

'Economic Backbone'

Proponents cited multiple benefits of converting coal-fired units at Springerville and Coronado to gas fuel. The converted gas plants will emit fewer greenhouse gases and other pollutants. Many of the power plant workers will be able to keep their jobs.

"These plants are the economic backbone of our area," said St. Johns Mayor Spence Udall, who works at the Coronado plant.

Representatives of the Sierra Club and Western Resource Advocates asked the commission to send the applications to the Arizona Power Plant and Transmission Line Siting Committee to better examine potential impacts and evaluate alternatives.

"Regulatory prudence points to the need for a new hearing for a CEC that has not been revisited since 1977," said Alex Routhier, a senior policy adviser at WRA.

Meghan Grabel, an attorney representing TEP, said the commission is "fully authorized" to rule on the applications. She said going to the line-siting committee for an evidentiary hearing would cost ratepayers hundreds of thousands of dollars. The committee would be required to hold the hearing near Springerville.

"It's logistically difficult, and it's expensive," she said.

Matt Derstine, an attorney representing SRP, said the commission has an evidentiary record in sworn declarations from the utility. The project is not a substantial change, he said, and it would provide a net environmental benefit.

Commission Support

Commission Chair Nick Myers said he saw "absolutely no reason to require another half a million dollars' worth of studies and process just to do something that's better than what's currently happening."

"This is a great opportunity for us to show the rest of the world what it's like for government to just get out of the way," Myers said.

Myers' comments came before the Springerville vote, but he reiterated them before voting to approve the Coronado conversion.

Commissioner Kevin Thompson said the Coronado power plant supplies about 10% of SRP's peak demand. The estimated cost to convert Coronado to gas and run it through 2045 would be $1.1 billion, he said, about $300 million less than replacing Coronado with a new natural gas plant for the same time frame.

"These plants are cornerstones of their local communities and, once converted to natural gas, will become a key pillar of long-term grid reliability versus being seasonally operated generating stations," Thompson said in a statement after the meeting.

Of the remaining two units at Springerville, SRP owns Unit 4. The SRP board of directors in November approved the conversion of the unit to run on natural gas.

Springerville Unit 3 is owned by Tri-State Generation and Transmission Association. It is slated for retirement in 2031. ■

BPA Job Posting Spurs Questions About Search for New Administrator

Sources Say DOE Seeking Candidate from Outside Federal Power Agency

By Henrik Nilsson

The Bonneville Power Administration opened the selection process for the agency's next administrator via an online job posting, prompting questions about the salary range and the level of input Northwestern lawmakers will have.

The Department of Energy *posted the job opening* March 2 on USAJobs.gov, a government website for federal job opportunities. The annual salary range is between $199,172 and $228,000 to lead the $4 billion agency responsible for roughly 70% of the Northwest's high-voltage transmission.

The job posting comes after outgoing Administrator John Hairston announced his exit from the agency to join the Eugene Water & Electric Board *in May*. (See *Hairston to Retire from BPA, Poised to Join EWEB*.)

Multiple sources in the Northwest have told *RTO Insider* DOE seems to be looking for a candidate from outside BPA, breaking from a pattern in which the past four administrators have been selected from the agency's ranks.

Former BPA Administrator Randy Hardy said DOE appears to intend to launch a competitive process to find its next administrator, which Hardy contended is a step in the right direction.

But finding qualified candidates might prove difficult given the salary offered, Hardy told *RTO Insider*.

"Anybody with this degree of responsibility should make double or triple that," Hardy said.

Outgoing BPA Administrator John Hairston. | *BPA*

He noted that the salary is dictated by federal guidelines, which is a "big problem in terms of attracting … qualified candidates to run the agency."

"You're going to lose a lot of … candidates who would be interested and very competitive, and I don't know who you'll get at that lower kind of salary," he added.

Historically, DOE has consulted with the Northwest congressional delegation to select the next administrator. Hardy said he assumes the agency will continue doing so.

Zabyn Towner, executive director of Northwest Requirements Utilities, likewise said he hopes lawmakers will get their say in who the next administrator should be to ensure the person understands the agency's mission of serving small and rural customers.

The delegation historically has acted as an "informal board of directors for Bonneville and has had a say in … selecting the individual who serves as the next administrator," Towner said. "And what we would like to see is that tradition continue."

However, "I haven't seen the level of engagement that I was hoping to see from the delegation so far," Towner said. "It's early in the process … I can't comment on what might happen in the future, and hopefully we'll see more engagement and direction from the delegation like we've seen in the past with previous selections."

Meanwhile, Public Power Council sent a letter to DOE in February, urging the agency to select a candidate who can uphold the principles of BPA.

PPC's Scott Simms told *RTO Insider* it appears the job posting included many of the "qualifications and expectations we would hope to see in the next administrator."

"I think we can definitely see … some of those elements, for instance, upholding statutory obligations of BPA, and, of course, statutory obligations for the country in general," Simms said. He noted also the importance of ensuring the administrator is "looking out for the interests of a wide array of stakeholders, from utilities to interest groups and tribes." ■

Why This Matters

The salary in DOE's job posting raises questions about whether BPA can find a suitable candidate to run the largest — and most politically complicated — power entity in the Northwest.

ROWE Bylaws Must Ensure Market Data Transparency, States Say

3 States Voice Concern About ROWE's Draft Bylaws

By Henrik Nilsson

Energy officials in Idaho, Utah and Wyoming have called on the West-Wide Governance Pathways Initiative to ensure that states with members in the Regional Organization for Western Energy have full access to data and market information, saying failure to do so risks infringing on states' rights and undermining public confidence.

The Idaho Governor's Office of Energy and Mineral Resources, Utah Office of Energy Development and Wyoming Energy Authority submitted joint comments on the ROWE's draft bylaws in a Feb. 10 *letter* to the Pathways Initiative. The letter first appeared on the Western Interstate Energy Board's website Feb. 23.

The ROWE is the product of the Pathways Initiative's multiyear effort to develop an independent governance structure for CAISO's Western Energy Imbalance Market and Extended Day-Ahead Market.

In their comments, the states contended the ROWE's bylaws must ensure members have access to data and market information "to assist states in better understanding how the existing and evolving market design would impact state energy policies and economic priorities."

Being able to analyze market data, independent of CAISO, which will still operate the markets, is "critical" for states' ability to assess how efficient the market is and whether it is working in favor of their constituents, the letter said.

The states noted that some data "may be commercially sensitive," saying the bylaws should "explicitly allow state entities to enter into confidentiality agreements to responsibly access and analyze this critical information."

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"Additionally, to strengthen oversight and build state-level expertise, we strongly encourage the allowance of third-party consultants to assist states in monitoring and interpreting market activities, provided they, too, are bound by confidentiality agreements," the states wrote. "This access is critical given the seemingly unilateral ability of the board to determine confidential information and how it is accessed."

Ensuring fair data access would improve market engagement while also ensuring that decisions within ROWE "reflect the diversity of state interests and the shared goals of transparency and reliability across the Western Interconnection," the states argued.

"The commitment to data transparency and access should be explicitly stated in the bylaws," according to the letter.

One goal in establishing ROWE was to remove what some in the Western power sector see as a barrier to wider participation in CAISO-run markets by ensuring they are not governed primarily by officials and stakeholders in California. (See *Pathways Co-chair Maps out 'Enhanced' Stakeholder Process for Western Markets* and *Pathways to Engage Broad Set of Stakeholders to Select Independent RO Board*.)

Call for 'Fully Independent' Framework

ROWE has been touted as an independent organization, run by stakeholders from a variety of sectors with the goal of ensuring states still have power to control their own energy policies.

But to ensure independence and build trust among stakeholders, ROWE must build a framework for "data access, evaluation and reporting that is fully independent of the market operator, the internal market monitor and other market experts," Idaho, Utah and Wyoming wrote in their letter to Pathways.

This, they argued, "would promote confidence that market decisions are fair, unbiased, don't infringe on state energy policy and are aligned with the public interest."

Why This Matters

The states' concerns about ROWE's data sharing practices raise questions about whether the organization goes far enough in its quest for independence.

It will be "extremely difficult" for states to set their own energy policies without stronger commitments in the bylaws. Under the existing structure, the ROWE board would control much of its own procedures with limited oversight and no "mandatory engagement or procedural consequences," according to the letter.

"Without strengthened provisions, there is a serious risk that market design and governance principles will infringe on state energy policy priorities, erode transparency and undermine public trust," according to the letter. "All Western states, including our three states, have unique and widely varying policy priorities and economic development goals that must be protected. We emphasize the importance of ensuring that state energy policies are on equal footing, are fully respected and equitably treated in the Western Market operated by … [CAISO]."

Kathleen Staks, ROWE's interim president, said in an email to *RTO Insider* that the organization appreciates the comments. (See *Pathways' ROWE Selects Interim Leaders*.)

"As we have done with all of the comments we've received through the Pathways Initiative process, we are evaluating how we can address those comments through the ROWE implementation work," Staks added. ■

Battery Capacity, Coal Use Rise in WEIM in 2025

3 Large Transmission Projects on Track to Serve Market

By David Krause

CAISO's Western Energy Imbalance Market saw an increase in battery storage capacity and coal use in 2025 compared with 2024, although the total load across the market — which represents about 80% of the load in the West — did not increase over the year.

Battery capacity reached 25,600 MW by the end of 2025, up about 42% from the previous year, CAISO's Department of Market Monitoring (DMM) said in *memo* at the joint CAISO Board of Governors and Western Energy Markets Governing Body meeting held March 4.

Most of that battery capacity exists in CAISO's region — about 17,100 MW — with the rest of the WEIM containing about 8,500 MW.

During evening hours, batteries discharged about 2,500 MW more energy in 2025 than in 2024. This was due in part to a larger amount of solar generation on the system in 2025, which allowed the batteries to charge during the day and discharge at night, DMM said.

Coal-fired output in the WEIM increased by an average of about 800 MW during the hours between about 11 p.m. and 8 a.m. in 2025. In total, coal generated about 17,000 MW/hour in the WEIM over 2025.

The DMM specifically found that transfers out of the Intermountain West region increased during morning and evening non-solar hours in 2025 compared with 2024. This coincided with increased generation from coal resources in the region, DMM said.

Average total system load in the WEIM was the same in 2025 as in 2024 — about 78.3 GW. Load increased in the Pacific Northwest, Intermountain West and Desert Southwest regions but was down about 2% in California to 27.9 GW in 2025. Most of California's decrease occurred during mid-day solar hours and evening peak net load hours, DMM said.

Although battery and coal usage increased in 2025, natural gas and hydropower resources continued to be WEIM's primary resources, DMM said. Natural gas hourly generation averaged about 23,110 MW, down about 1,900 MW compared to 2024, while hydropower came in at 22,120 MW, an increase of about 920 MW in 2025.

Why This Matters

Although many states are planning for large load increases due to AI data centers and electrification, the WEIM area saw no increase in load in 2025 compared to 2024, and California actually saw a drop in total load.

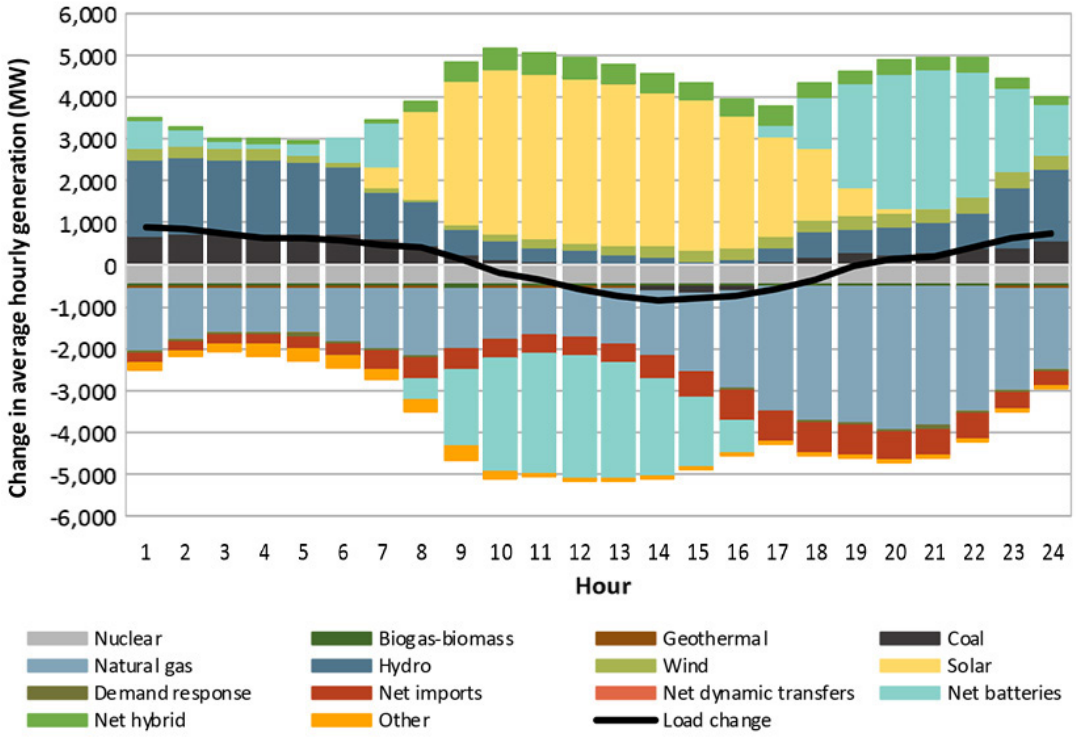
Big Transmission Lines on Schedule

Three important transmission projects in the WEIM are progressing toward completion, CAISO CEO Elliot Mainzer said in a *report* at the joint board meeting.

The SunZia project, a 550-mile line across New Mexico and Arizona, began its commissioning and testing phase, Mainzer said. The line's 3,650-MW capacity will deliver more than 3,000 MW of wind energy to the region.

The Southwest Intertie Project-North, a 285-mile line across Idaho, Nevada and California, is on track to open in June 2028, Mainzer said. Engineering and procurement are on schedule, with construction contracts signed and right-of-way requirements 99% secured.

The TransWest Express, a 732-mile line across Wyoming and nearby states, is on track to provide 3,000 MW of wind generation capacity by Q4 2031. Construction is currently happening at substations, transmission tower pads and access roads. ■



Change in average hourly generation by fuel type in 2025 compared to 2024 | *CAISO DMM*

EDAM Opening Schedule on Track Despite Lingering Testing Issues

CAISO Extends EDAM Testing Period with PacifiCorp

By David Krause

It's an "all-hands-on-deck" moment for CAISO to open its Extended Day-Ahead Market in less than two months, CAISO's CEO Elliot Mainzer said at a Western Energy Market Board of Governors meeting.

The EDAM is on track to open May 1 with PacifiCorp as the first participant, but the ISO needs to work through a few issues it observed during PacifiCorp testing.

"We are on the threshold of EDAM implementation, [which] reflects several years of hard focus work," Mainzer said at the March 3 meeting. "Our partners at PacificCorp are working so hard … they are going to be the first utility to join the new market just as they were the first utility to join the Western Energy Imbalance Market back in 2014."

PacifiCorp recently finished CAISO's market simulation and now is in parallel operations testing, which is divided into three parts, said Khaled Abdul-Rahman, CAISO vice president and chief information and technology officer. Each part does not take an equal amount of time: CAISO moves from one part to another depending on the results in a given part.

The final part of parallel operations testing should start in mid-March and will focus not only on the day-ahead market, but also on rolling results into the real-time system, Abdul-Rahman said. This final phase will be a full, end-to-end test, starting from the day-ahead market and moving into the real-time market and then watching how the system and resources and market results perform, he said.

CAISO added an extra month to PacifiCorp's parallel testing phase, pushing it to the end of April, days before EDAM opens. Typically, parallel operations testing takes about two months, but CAISO extended it to three months "to give us more time to work on any issues that are identified," Abdul-Rahman said.

Despite this extension, CAISO is on track. "Things are looking really promising in terms of meeting our deadlines," Abdul-Rahman said.

CAISO is using PacifiCorp's onboarding and testing process to "beef up our training for [future] EDAM entities," Abdul-Rahman said. "We are identifying issues and differences … between the real-time and day-ahead markets."

One challenge has to do with the accuracy of charge codes in the EDAM system. Software updates are required to fix these code inaccuracies, and the updates are "being tested as we speak," Abdul-Rahman added.

System scheduling issues arose because of differences between WEIM and EDAM. In particular, the real-time market uses the concept of a base schedule, which is not in EDAM. Instead, EDAM uses economic bids and self-scheduling, which will require more training,

WEM board member Robert Kondziolka asked if CAISO experienced challenges in working with PacifiCorp, since it has two balancing authorities.

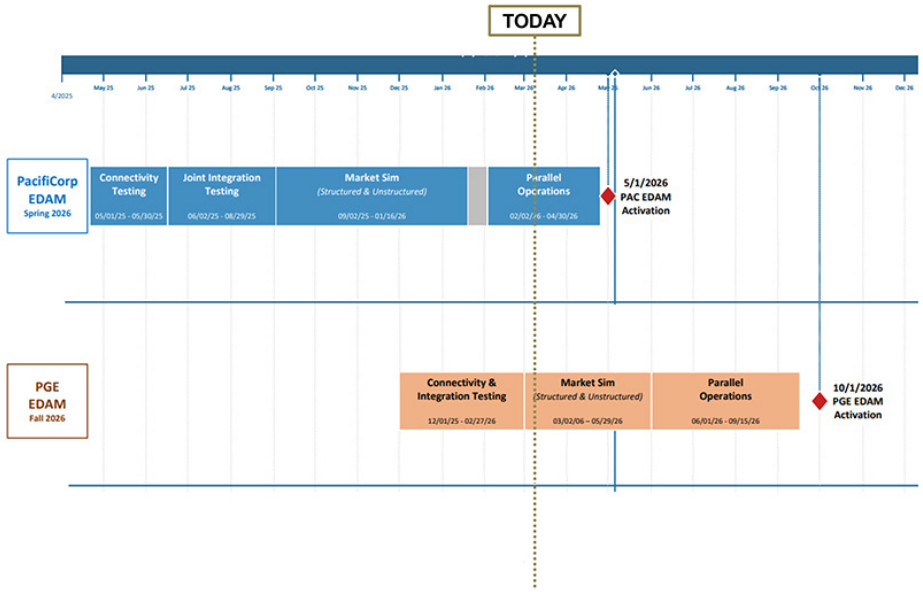
"I don't want to say it is complicated. … It looks like one entity that we are onboarding regardless of the number of balancing areas. The volume of the data is of course bigger," Abdul-Rahman said.

CAISO is in the market simulation phase for EDAM's second participant, Portland General Electric (PGE), which plans to join EDAM on Oct. 1. During this phase, CAISO will test all of its system interfaces to ensure the data flows.

"It's a little early to report on PGE's market simulation [results]. We just started the simulation literally yesterday," Abdul-Rahman said. ■

Why This Matters

CAISO is still on track for opening EDAM on May 1 with PacifiCorp as the first participant, despite extending the utility's parallel operations testing from two months to three months.



2026 EDAM onboarding schedule for PacifiCorp and PGE | *CAISO*

Ontario PMU Expansion Raises Cost Concerns

By Rich Heidorn Jr.

IESO's plan to require synchrophasor data from storage resources prompted cost concerns during an *educational session* at the ISO's Technical Panel meeting March 3.

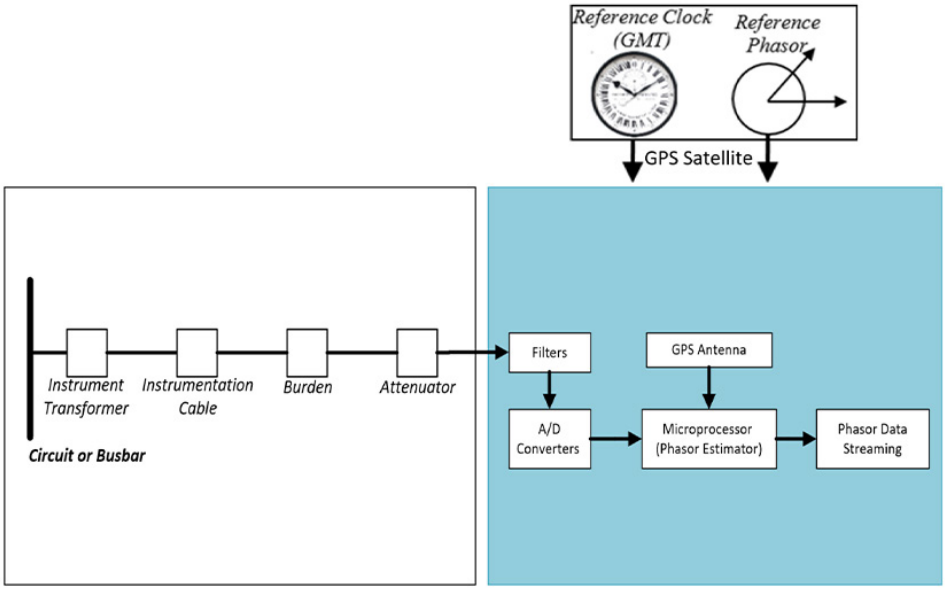
IESO announced in 2025 it will require phasor measurement units (PMUs) at all grid-connected storage units rated at least 20 MVA, including aggregations. PMUs, which collect data including voltage, current and frequency, already are required for generators of 100 MVA and larger. The new requirement also would apply to any size storage or generation facility that can impact a NERC interconnection reliability operating limit.

As part of the changes, the ISO will move its PMU requirements to the market rules from the market manual, and the minimum reporting rate will increase from 30 to 60 samples/second.

IESO's supervisory control and data acquisition (SCADA) system, which collects data from grid-connected facilities every two to 10 seconds, cannot provide real-time monitoring for the "oscillation phenomena" that can be caused by the growing number of inverter-based storage facilities.

"Going to 60 samples a second allows us to be able to see any oscillations that might occur between zero to 15 hertz in the field," said Dame Jankuloski, lead power system engineer in IESO's Performance Validation and Modeling unit. "We're just trying to be a little bit proactive here and go with a higher sampling rate because that's what other jurisdictions in North America have done."

IESO, which currently has 86 PMUs at 36 facilities, expects that to increase to 240 PMUs at 111 facilities in the next five years.



A phasor measurement unit measures voltage, current, frequency and the phase angle between them, using precise time-synchronized measurements. | *IESO*

Jankuloski said written comments submitted following an engagement session in December "raised no material concerns" with the new requirements. (See *IESO Seeks Comment on Revised Monitoring Requirements*.)

But stakeholders expressed concern over costs during Jankuloski's presentation.

"I don't have any idea what the [cost] is here. … Is it a million bucks or is it 100 million?" asked Dave Forsyth of *AMPCO*, which represents industrial power users. "Who's going to pay for this and how much [is it] going to cost? And are we asking for a Rolls Royce when we only need a Chevy?"

Robert Reinmuller, of transmission and distribution utility Hydro One, said most of the PMUs in IESO's system today were installed by his company. Many of the future installations will be for facilities that win upcoming IESO procurements, he said.

He said the utility will file rate requests for 2028 to 2032 within a couple of months. "And if I don't have, say 150 PMUs accounted for … for this change that you're proposing, we're going to have a hard time finding that money after the fact," he said.

Reinmuller said Hydro One spent tens of millions of dollars installing the existing PMUs. "The PMU itself is not an expensive device. … But the infrastructure to collect the data … behind the scenes is not trivial."

Jankuloski acknowledged that doubling the sampling from 30 to 60 readings/second will require more data storage capacity but said Hydro One officials had not expressed "any major concerns" in their discussions with the ISO.

IESO sized its system to handle 60 samples/second for up to 400 PMUs, he said.

"So, we left a little bit of spare [room]," he said. "Right now, we are sort of at the half[way] point in terms of requirements that we have proposed to date."

Jankuloski said "it is a bit of a challenge to put a [cost] number" on the new requirements. "But from a reliability perspective, we don't want an outage, right? And so, if an oscillation were to cause an outage [without] having this data, we would not be able to first prevent it, or even just see it and see what kind of actions we need to take."

The Technical Panel is expected to vote on recommending the changes at its May 12 meeting, teeing up an IESO board vote on June 11. The tentative effective date is Dec. 2. ■

Why This Matters

IESO is adding more PMUs because its SCADA system cannot provide real-time monitoring for the "oscillation phenomena" that can be caused by storage facilities.

IESO Delays 2nd Window of LT2; Lays out Reqs for Repowered Facilities

By Michael Brooks

IESO officials have delayed the second window of the grid operator's second long-term (LT2) resource procurement to the second quarter of 2027 and postponed the required milestone commercial operation date to 2032, in response to stakeholder feedback.

In a stakeholder engagement *webinar* Feb. 24, officials said they agreed with the majority of stakeholders that it would make sense to delay the second window to next year, considering that awards for the first window and the Long-Lead Time procurement will be awarded this year and would affect transmission availability. (See *IESO Expands Hydro Eligibility in Long Lead-Time Procurement*.)

Officials also noted that Ontario municipalities will hold elections in October, which could affect certain projects obtaining the necessary municipal support resolutions.

LT2 is targeting 14 TWh/year of new energy and 1.6 GW of new capacity by the mid-2030s. The ISO's first long-term procurement focused on resources that could be online more quickly, by mid-2028. Both award 20-year contracts, as opposed to the medium-term (MT) procurements, which award five-year contracts.

The February engagement was intended to lay out IESO's proposed requirements for repowered facilities to participate in LT2, the most significant of which is the completion of an MT contract before beginning the 20-year term. The ISO is considering allowing MT contracts for up to 10 years, but it needs to discuss that with the provincial government. Regardless, the minimum term would be five years.

"While we don't want to get into a technical analysis about how much useful life a facility has in it, at this point we feel everyone should have another five-year term in them," said Dave Barreca, IESO's supervisor of resource acquisition.

Eligibility for the MT will be based on how close a facility is to the end of its existing contract. The facility would have to demonstrate an extension of its useful life through the replacement of its generating equipment and be able to have completed both its original 20-year contract and its MT contract by May 1, 2032.

IESO would not institute technical requirements on what constitutes repowering; a facility would need only an independent engineer's certification that it complies with the performance obligations of all LT2 resources.

Brookfield Renewable's Prince Wind Farm in northern Ontario began commercial operations in November 2006. The company plans to repower the facility with new equipment by 2030 if selected in IESO's LT2 procurement. | *Brookfield Renewable*

Why This Matters

IESO officials said they agreed with the majority of stakeholders that it would make sense to delay the second window to 2027, considering that awards for the first window and the Long-Lead Time procurement will be awarded this year and would affect transmission availability.

Bruce Kolesnik, of Sunspring Energy Consulting, said he agreed existing facilities should have at least another five years of useful life to participate in LT2, but he questioned why they will need to complete an MT first. "That basically implies that repowering can't participate in LT2 window 2 and presumably not LT2 window 3," he said. "Why not just allow them to participate in LT2 for another 20-year contract? It basically still uses up their five years of useful life."

Barreca said that based on previous MT procurements, "those five years of useful life would come at a lower rate than a new build certainly and [most likely] a repowered facility. … There is a desire to see maximal ratepayer value." He also noted there are facilities procured in MT2, which was concluded in June 2025, that would be eligible shortly.

Repowered facilities would compete directly against new builds, despite some stakeholders arguing that they should compete against each other in a separate pool. "The IESO believes that having new builds compete with repowered facilities will result in the most cost-effective outcomes for ratepayers," Barreca said. But he noted it is considering including a specific new build target and a cap on repowered facilities in the procurement.

Stakeholder feedback on the proposed requirements is due March 13. ■

2025/26 Most Expensive Winter in History of ISO-NE Markets

By Jon Lamson

The winter of 2025/26 was the most expensive winter in the history of ISO-NE's wholesale markets, driven by the lowest average temperatures in 20 years.

Energy market values totaled about $6 billion in December, January and February, more than twice the total value of the past two winters combined, according to ISO-NE data. Energy costs hit monthly records in both December and January, and the RTO experienced its second-highest energy market costs for February.

Total winter energy use reached its highest level since 2014, while the winter peak load hit its highest level since 2018.

The RTO's announcement of record winter prices comes amid significant uncertainty about potential future price spikes triggered by the war on Iran.

Asked at the NEPOOL Participants Committee on March 5 about potential impacts of the war, ISO-NE CEO Vamsi Chadalavada said, "The markets are not expecting there to be a big disruption to the New England markets over the next 18 months, but that could change as events unfold."

The war has spurred *global concerns* about oil and natural gas prices, as about a fifth of all LNG is shipped through the Strait of Hormuz, largely to meet demand in Asia.

In New England, wholesale electricity prices are highly correlated with gas prices, and much of the Massachusetts gas system relies on LNG imports.

Snow accumulation amid Winter Storm Fern in the Boston area | *© RTO Insider*

In 2022, Russia's invasion of Ukraine was a "large factor" in a major spike in New England gas prices, *according to* the ISO-NE Internal Market Monitor. Annual average natural gas prices in the region more than doubled in 2022 relative to the prior year, the IMM reported.

Regarding cybersecurity, Chadalavada said ISO-NE has seen a "sharp uptick in attempts to penetrate infrastructure" since the war began. He said the RTO has not been able to pinpoint from where these cyber threats are originating.

He said ISO-NE is working to be "as vigilant as we can" and hopes that "all the preparation that we've done is sufficient."

Also at the meeting, Stephen George, vice president of system and market operations at ISO-NE, provided additional details on the extended cold snap the region faced in late January and early February.

Between Jan. 23 and Feb. 10, temperatures in New England averaged 11.3 degrees Fahrenheit below normal, he said. Over this period, gas generation accounted for 34% of energy, followed by oil at 22%, nuclear at 19%, net imports at 13%, renewables at 8% and hydro at 4%.

To allow generators to operate at their maximum capabilities, ISO-NE obtained a waiver from the Department of Energy enabling specified units to exceed emissions limits. Twenty-six units reported exceeding limits while the waiver was in place, he said.

The elevated reliance on oil-fired generation was driven by record gas prices during this period, causing dual-fuel units to switch to burning oil.

He noted that the region's generators burned about 111 million gallons of fuel oil during the cold stretch, more than the total consumption for any entire winter since ISO-NE started tracking in the winter of 2015/16. This caused significant depletion of the fuel oil inventories, which dropped to about 20% of total regional storage capacity, the lowest recorded level by the RTO.

Inventory levels have risen following the event and are on track to rebound to pre-winter levels by mid-March, he said.

Wind power accounted for 54% of renewable generation, while solar accounted for just 5% of renewable production. Solar was significantly inhibited by snowfall and sustained cold weather during this period.

ISO-NE has noted that behind-the-meter solar in the region produced just 41% of its forecast potential during this period because of the impact of snow cover. ■

Why This Matters

While residential consumers will not immediately feel the effects of the record winter wholesale energy costs, these will likely contribute to higher consumer costs over time, potentially exacerbating existing energy affordability issues.

FERC Dismisses Challenge to Eversource X-178 Asset Condition Project

By Jon Lamson

FERC has dismissed a complaint from two New Hampshire residents about a $385 million asset condition project on an Eversource Energy transmission line in New Hampshire, finding that the complaint failed to demonstrate any violations by the company (*EL26-27*).

Despite the dismissal, FERC left the door open to future challenges of the costs of the project. The commission said it is premature to challenge cost prudency before Eversource seeks cost recovery.

The project in question is a full rebuild of a 49-mile, 115-kV line owned by the Public Service Company of New Hampshire (PSNH), a subsidiary of Eversource. The company is scheduled to begin construction in early 2027, and the estimated in-service date is mid-2029.

"In Eversource's October 2024 *presentation* of the project to ISO-NE stakeholders, the company said its inspections indicate 158 of the line's 594 structures warrant immediate replacement, while additional replacements would be needed due to uplift issues caused by the new structures."

By pursuing a full rebuild of the line, Eversource has said it will avoid additional costs and environmental impacts associated with a "piecemeal replacement of failing structures."

Consumer advocates and the New England states have voiced strong concerns about the scope and need for the project, and some advocates say it has come to epitomize broader concerns about a lack of regulatory scrutiny on asset condition projects.

In a 2024 *letter* to Eversource, the New England States Committee on Electricity wrote it "is not persuaded that this investment is a reasonable use of consumer dollars," and is "prepared to use its full resources to explore all available options to dispute the reasonableness of the investments, including but not limited to action at FERC." (See *New England States Raise Alarm on Eversource Asset Condition Project*.)

In November, Kris Pastoriza, an activist who has been a vocal opponent of the project, and her mother Ruth Ward, a Republican state senator in New Hampshire, asked FERC to open an investigation into the project to ensure it is necessary and the costs are prudent.

"Eversource has avoided any scrutiny of the X-178 project," the complainants argued. "As a result, ratepayers cannot know if the transmission charges on their monthly statements are just and reasonable as required by law."

They also took aim at ISO-NE, arguing the RTO "failed its responsibility as the New England regional grid operator to review the X-178 to ensure that any charges to ratepayers are just and reasonable."

They have argued the rebuild should not be exempted from ISO-NE planning procedures as an asset condition project, saying it would "more than double the line capacity," replace existing wood structures with larger steel structures, install optical ground wire and construct permanent roads.

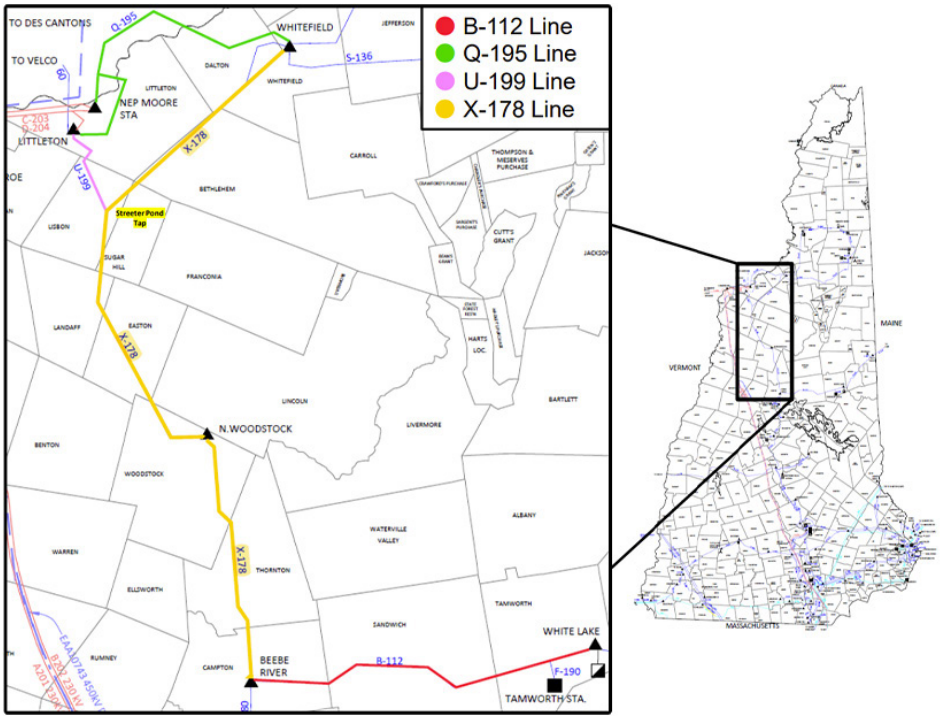
Responding to the complaint, Eversource argued it failed "to plead any claims upon which relief can be granted" and "grossly misrepresents the level of scrutiny" on the project.

The company added that asset condition projects undergo a "robust regional stakeholder review" at the ISO-NE Planning Advisory Committee and the NEPOOL Reliability Committee.

But for consumer advocates in the region, the existing ISO-NE review process of asset condition projects — which is not a regulatory process — is far from adequate. The transmission owners already have made several changes to the process in response to these concerns, and ISO-NE is working to establish in-

Why This Matters

Increasing asset condition spending is a significant driver of electricity costs in New England and has been the subject of major concern for consumer advocates in recent years.



Map of Eversource's X-178 transmission line | *Eversource*

ternal capabilities to review whether the TOs have justified the need for projects and adequately evaluated alternatives. (See *ISO-NE Responds to Feedback on Asset Condition Reviewer Role*.)

The Maine Office of the Public Advocate opposed Eversource's motion to dismiss the complaint. It argued that the complaint raises "ample concerns" warranting investigation by the commission into "whether the project at issue is a system expansion and, if so, whether PSNH's planned recovery of the cost of the X-178 project as replacement costs violates the filed rate doctrine."

In its ruling on March 2, FERC found that the complaint "does not clearly identify or explain the action or inaction by PSNH that is alleged to violate applicable statutory or regulatory requirements."

The commission added that, "for a complaint filed under FPA Section 206, the burden of proof is on the complainant to demonstrate that the rate is unjust and unreasonable, and we find that the broad allegations raised in the complaint are not sufficient to satisfy the complainants' burden."

However, FERC said interested parties will have the chance to request information and challenge project costs if Eversource seeks cost recovery for the project.

"To date PSNH has not sought to recover in rates the costs associated with the project, and until the costs of the project are proposed to be included in transmission rates, any challenges to including those costs in transmission rates are premature," FERC wrote.

Reacting to the ruling, Andrew Landry, deputy public advocate at the Maine OPA, said he's disappointed in FERC's decision but is glad the commission expressed an openness to future challenges.

"We continue to believe that Eversource in particular, but some other utilities to a lesser extent, are abusing the asset condition process to move forward projects that ought to have a greater degree of review," Landry said.

Eversource, which owns about 36% of transmission by mileage in New England, has been responsible for $3.66 billion — over 78% — of asset condition spending in the region since 2020, according to *data* from the TOs updated in October.

Landry said he's hopeful the negotiations around an ISO-NE internal asset condition reviewer will lead to a more meaningful review process and greater transparency, but that he has lingering concerns about the TOs' selection of project alternatives that are reviewed by ISO-NE.

Pastoriza noted that FERC's dismissal does not prevent future challenges but wrote the process of allowing Eversource to build the line and then challenging costs after the fact "makes no sense, given the monumental, permanent and unnecessary environmental destruction that construction (as [Eversource] does it) would do to 50 miles of easements."

"This project is essential to enhancing reliability for customers and making the transmission system more resilient to extreme weather by addressing aging, rapidly deteriorating infrastructure," Eversource wrote in a statement. "Rebuilding the entire line at one time will limit impacts to our customers and the environment — resulting in a more efficient, cost-effective and responsible solution to address system needs."

ISO-NE said TOs in the region are responsible for ensuring the prudency of their asset condition investments, and the RTO's current authority "is only to ensure that any project placed into service does not harm the reliable operation of New England's power system." ■

MISO, SPP Draft New Joint Portfolio that Could Run $3.6B

By Amanda Durish Cook

MISO and SPP put forth two potential 500-kV joint transmission portfolios valued at $1.3 billion and $3.6 billion to beef up their transfer capability.

The grid operators dubbed the two transmission *options* the "Core Combination" and "Core + Combination." The more expensive, "plus" version features two additional 500-kV segments to connect neighboring transmission facilities.

MISO and SPP debuted a first look at the potential projects along northwest Louisiana, western Arkansas and east-central Oklahoma during an interregional planning meeting March 6.

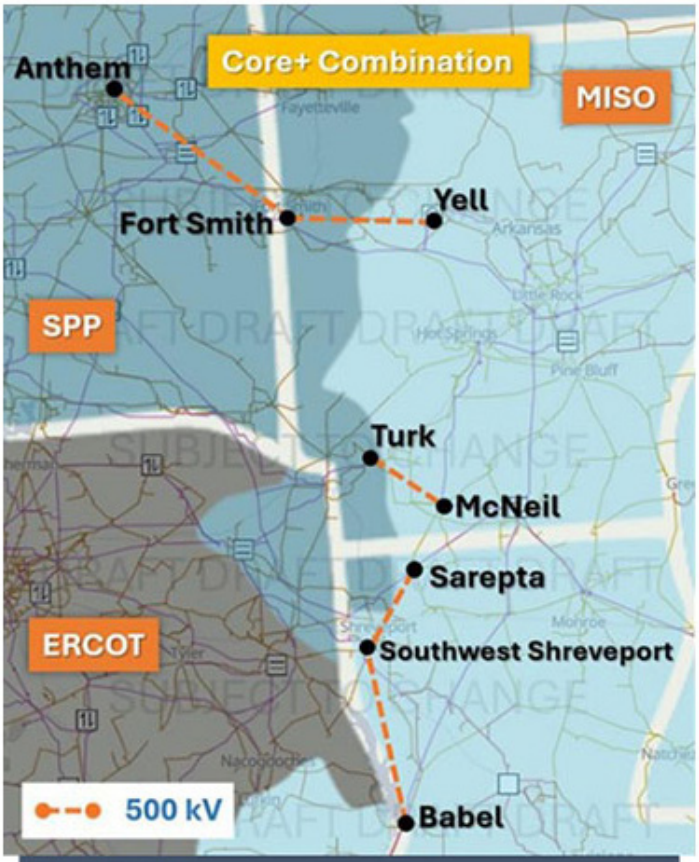
The Bottom Line

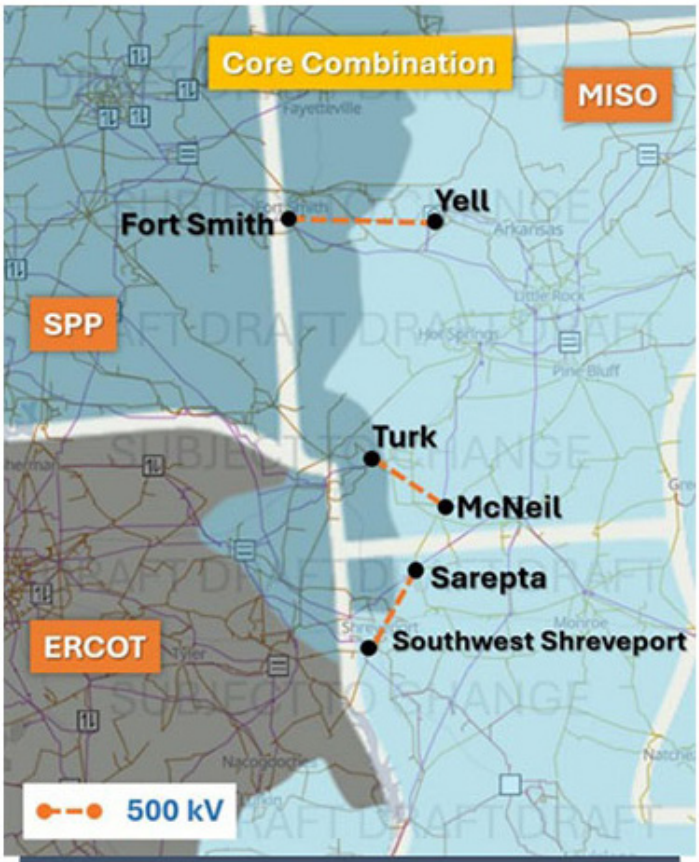
MISO and SPP said they might pursue either a portfolio of three 500-kV lines or five 500-kV lines. The difference is $2.3 billion.

The Core + Combination's five 500-kV segments would:

- increase import capability by an average of 3,427 MW in MISO and 1,102 MW in SPP;
- resolve 94 thermal reliability violations in MISO, 75 in SPP and 32 across the tie lines; and
- offer nearly $300,000 in annual economic congestion relief in MISO, $1.5 billion in SPP and $336,000 across tie lines in a 2034 case.

The Core Combination's three 500-kV segments, on the other hand, would:





MISO and SPP's Core + and Core draft portfolio options | *MISO and SPP*

- increase import capability by an average of 2,578 MW in MISO and 1,529 MW in SPP;
- resolve 53 thermal reliability issues in MISO, 89 in SPP and six across the tie lines; and
- extend nearly $83,000 in economic congestion relief in MISO, $895,000 in SPP and nearly $304,000 across tie lines in 2034 alone.

Ashleigh Moore, of MISO's interregional planning division, said the larger upfront investment from the Core + Combination would establish a "broader" transmission solution set that would address more reliability and economic issues immediately, while the Core Combination would create "foundational upgrades" with the flexibility to add on more projects later.

Moore said the RTOs would use stakeholder feedback to decide which configuration to pursue and how to refine it.

MISO planner Jon George said the portfolio suggestions home in on the "hottest spots in the footprint for load expansion."

The RTOs have not conducted a benefit-cost analysis on either option.

Benefits Pending

Missouri Public Service Commission economist Adam McKinnie asked if the RTOs have settled on what benefit metrics they would use to justify investment in the lines.

George said those are "not completely" worked out.

Southern Renewable Energy Association Transmission Director Andy Kowalczyk asked if the RTOs would use the *seven* transmission benefits established in FERC Order 1920 to gauge project usefulness.

"We have some more thinking to do on that," George said. He added that though "both regions are headed" toward adopting Order 1920 benefit metrics, MISO and SPP are for now focused on "what are the different merits of the indicators we have from the screening" and ascertaining load growth estimates.

George said the RTOs don't want to "get hung up forever on new business case methodology if we already have a pathway." He said they can, according to current rules, already consider adjusted production costs and reliability and public policy benefits. He said the draft projects "promise to hit on a few of those and do so impressively."

Advanced Power Alliance's Steve Gaw said a broader set of benefits "that support interregional transmission that we know is needed" are critically important. He said MISO and SPP's inability to devise big-ticket, regionally cost-shared transmission projects illustrates the importance.

"I'd hate to call them failures," Gaw said of past Coordinated System Plan studies. "I hope we can weave [benefits] in so we're not continually deciding which to include."

MISO and SPP's coordinated study process has never produced a workable interregional project.

The Alliance for Affordable Energy's Yvonne Cappel-Vickery asked MISO and SPP to consider the more expensive plus portfolio route to achieve the biggest benefits to ratepayers. But she also asked the RTOs to present business cases for both options so stakeholders don't "miss out on hearing the full breadth" of transmission benefits.

Bill Booth, a consultant to the Mississippi PSC, said the RTOs should develop a minimum benefit threshold soon and demonstrate that projects will actually deliver savings if retail ratepayers are to pay for them over the next 40 years.

SPP engineer Spencer Magby said the RTOs combed through 46 stakeholder-originated ideas and an additional 24 alternative solutions after they opened a second proposal window. (See *30+ Projects Under Consideration in MISO-SPP Joint Tx Effort*.) Magby said they focused on three key corridors and conducted three rounds of studies to come up with draft recommendations.

WEC Energy Group's Chris Plante said he'd like to see MISO and SPP's recent level of planning and coordination applied to the MISO-PJM seam.

MISO and SPP initiated the joint study in 2024. While it evaluates its two project options, the RTOs are launching another CSP study to take place over the remainder of 2026 and beyond. They are required by their joint operating agreement to perform a CSP study at least every two years.

Some stakeholders suggested MISO and SPP use the upcoming joint study to go a step further than the 500-kV connections and consider linking up their planned 765-kV backbone systems. ■

Kentucky Lawmakers: PSC Makeover Necessary to Bring Down Rates

By Amanda Durish Cook

Kentucky lawmakers are working to overhaul the state's Public Service Commission in what they say is an effort to combat rising rates, while Gov. Andy Beshear (D) has characterized it as political maneuvering.

The Kentucky Senate on March 6 passed *Senate Bill 8*, which would add two more members to the three-member PSC and impose professional qualifications on appointments, in a 30-5 vote.

Republican lawmakers say the bill would help address high utility bills by pulling in more experienced candidates.

The bill would also add new rules to the appointment process, where two members of the commission would be appointed by the state's auditor of public accounts, currently Allison Ball (R). As it stands, Beshear holds authority to appoint all three commissioners, subject to Senate confirmation.

Sen. Brandon Smith (R), a sponsor of the bill, *told* local news outlets that he believes some past commissioners were appointed as political favors, with "very few" having any experience in the energy sector.

"I think we could all agree that a lot of people got parked over there," Smith said.

But Beshear said the potential reshaping of the PSC is a partisan attempt at a power grab.

The Kentucky Public Service Commission in session in 2025 | *Kentucky PSC*

"They never did that while there was a Republican governor. … They've done these shenanigans for six straight years," Beshear said during a *press conference* March 5. "I've never seen them try to move something from a Republican officeholder to a Democratic officeholder, but I've seen them try to move a whole lot in the other direction."

Beshear added that the state auditor's office has no history of working with the PSC.

At the end of February, the PSC *granted* a rate increase for American Electric Power's Kentucky Power, raising electricity rates 5.87% in 2026 and increasing to 6.63% in 2027, over Attorney General Russell Coleman's (R) objection. While the hike was less than Kentucky Power's requested increase of 14.6%, residents said it was excessive because they already struggle to pay utility bills.

Prior to the vote, the bill shed some unpopular provisions that would have effectively expelled consumer and environmental advocates from arguing against rate increases or maintaining a thermal generation status quo.

A draft version of the bill stipulated that the office of the attorney general would be "the sole advocate for residential consumers" in cases in which it intervenes. It also would have disallowed individuals from intervening in a case "unless the person can demonstrate, by clear and convincing evidence, that the person has a special and unique interest in the specific rates or service of the utility that are at issue in the case."

Smith said the intent was to keep out-of-state groups funded by special interests from delaying projects.

Now the bill specifies that individuals who intervene must disclose their interest in the case and attest they are not doing so for the sole purpose of delaying projects. The PSC would be able to restrict or remove parties that cause disruption or delays to proceedings.

Why This Matters

Senate Republicans in Kentucky want to add two more regulators to the three-member Public Service Commission, require energy industry knowledge of candidates and give the state auditor appointing power over two commission seats. Gov. Andy Beshear called the bill "shenanigans."

The Sierra Club called the draft of the bill "dangerous" and said it would have "kneecapped" organizations' efforts to "defend local people from increasingly high energy bills and corporate interests." The nonprofit said the attorney general intervenes in nearly every case.

"Intervention by Sierra Club's legal team has successfully mitigated bill increases for millions of Kentucky ratepayers and recently secured a tariff that guarantees data centers pay their fair share of costs and have the opportunity to secure clean energy that may help draw businesses to the state," Sierra Club said in a *statement*.

In neighboring Indiana, state regulators have opened an inquiry into climbing energy bills and summoned its top five utilities to provide answers. (See *Indiana Commission Opens Affordability Inquiry into Utilities*.)

AES Indiana said it canceled community open houses that would have helped explain high utility bills because of violent threats it received on social media. The open houses would have occurred March 3, 10 and 11 around Indianapolis. AES announced in early March that it would be acquired by an investor group including BlackRock, Swedish private equity firm EQT AB, California Public Employees' Retirement System and the Qatar Investment Authority. (See related story *BlackRock and Others to Take AES Corp. Private for $33B*.) ■

MISO Opens 3rd Tx Project Review as Data Center Plans Conflict with Long-range Tx Timeline

By Amanda Durish Cook

MISO has opened a third review of a long-range transmission project, this time because three substations are needed more than five years ahead of schedule to accommodate new data center load.

MISO's third variance analysis focuses on the South Fond du Lac–Rockdale–Big Bend–Sugar Creek–Kitty Hawk Long-Range Transmission Project in southeastern Wisconsin that was approved under a $22 billion portfolio at the end of 2024.

At the beginning of 2026, MISO awarded Chicago-based Viridon Midcontinent some of the project build — 106 miles of 345-kV lines and four, 345-kV substations at $350 million, nicknamed the Wisconsin Southeast (WISE) project. (See *MISO Picks AEP, Berkshire's Joint Venture to Build $1.2B 765-kV Line*.)

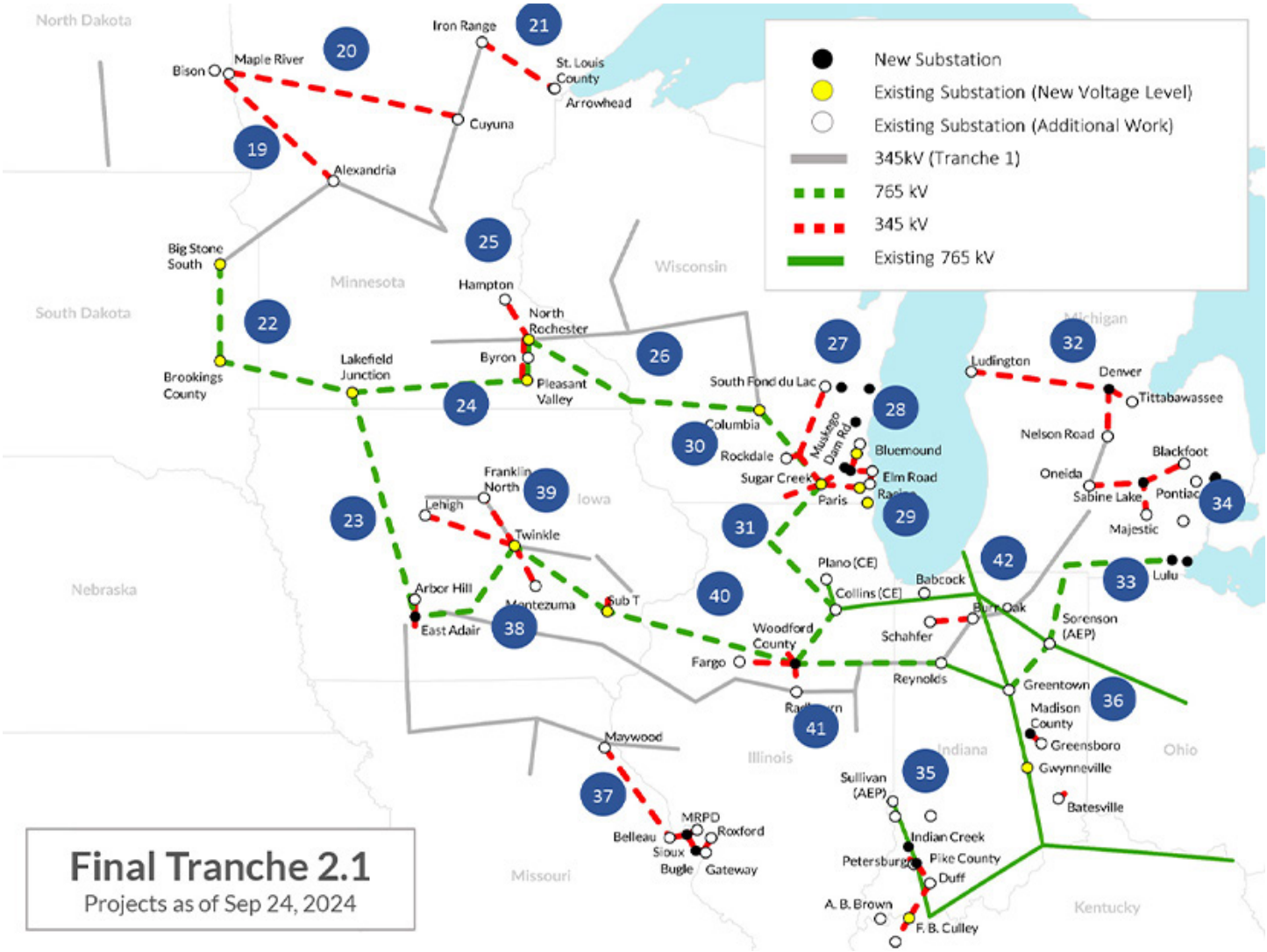
The Bottom Line

MISO is conducting a review on a third long-range transmission project because developer Viridon "is unlikely to attain the regulatory requirements in Wisconsin" in time to build a trio of substations on an accelerated timeline. The substations are needed by the end of 2027 for new data center load.

Now, MISO said Viridon "is unlikely to secure required regulatory approvals in time to meet the recently accelerated Dec. 1, 2027, in-service date" for the Sheboygan River, Mullet River Junction and Cedar Creek Junction substations, part of the WISE project.

MISO originally projected the project would be in service by mid-2033.

MISO said the project is bumping up against a separate, expedited transmission project in east-central Wisconsin from American Transmission Co. de-



MISO's second long-range transmission portfolio | *MISO*

signed to address anticipated data center load.

The expedited project, which ATC submitted to MISO in September 2025, relies on the trio of substations. MISO said it approved the expedited Ozaukee County Distribution Project in late February "in light of the urgency of the anticipated data center load."

Viridon's regulatory snags include "acquiring public utility status and receiving appropriate certification(s) required to construct the three referenced substations," according to MISO.

Viridon was founded in 2023 and is owned by Blackstone Energy Transition Partners, one of Blackstone's private equity funds.

"As the Sheboygan River, Mullet River Junction and Cedar Creek Junction substations are already included in the WISE competitive transmission project, Viridon maintains the responsible entity for the construction, implementation, ownership and operation of said substations," MISO said in a late February *notice* for the variance analysis.

MISO included footnotes in its selected developer *agreement* with Viridon that timelines for the three substations were subject to change pending the outcome of ATC's Ozaukee County Distribution Interconnection Project.

The Ozaukee project *involves* rebuilding and upgrading existing 345-kV lines and construction of up to five new substations at a cost of $1.36 billion to $1.64 billion. The Wisconsin Public Service Commission said it likely has until December 2026 to approve, modify or deny the project (137-CE-221).

"This process will review the likelihood of being able to meet the accelerated timeline, assess potential impacts, and determine next steps to resolve the issue," MISO said of its variance analysis in a statement to *RTO Insider*.

MISO conducts variance analyses on regionally cost-shared transmission projects when they encounter schedule delays, permitting challenges, significant design changes or experience at least a 25% cost increase from original estimates. The re-evaluation studies are also triggered when developers find themselves unable to complete the project or if they default on the terms of their selected developer agreement.

After completing the analysis, MISO can either let projects stand, develop a mitigation plan for them, cancel projects or assign them to different developers if possible. A committee of MISO employees selected by RTO executives make calls on how to deal with projects.

"Viridon is committed to delivering the WISE project, including the three substations, and will meet MISO's requirements with respect to timeline and all other requirements," the developer said in a statement to *RTO Insider*.

Viridon said it "can't speculate" on PSC actions, including why the commission is unlikely to grant approvals in the near term.

"Viridon will follow the PSC's defined process, which will allow for completion of the substations on the timeline required," it said.

Neither Viridon nor MISO would comment on whether ATC could take over some of the substation work because of data center development.

MISO didn't respond to *RTO Insider*'s question on whether it's anticipating other instances where timelines on long-range transmission projects will need to be accelerated to meet demand for new transmission capacity to accommodate other data centers.

Viridon said it "is committed to the best outcome for all customers in Wisconsin and across MISO."

In its selection report at the beginning of 2026, MISO said it was concerned Viridon may have underestimated the capital costs of the project in its bid. Three other bidders estimated the project would cost anywhere from $471 million to $481 million; MISO itself estimated the project would cost $662 million to complete.

However, MISO said its confidence in its selected developer was buoyed by the fact Viridon already executed an agreement with an experienced general contractor and strong cost containment measures.

MISO is conducting two other variance analyses on long-range transmission projects — for cost overruns instead of schedule and regulatory hitches. Two transmission projects in Minnesota and Illinois/Indiana have crossed MISO's 25% overrun threshold from an original cost estimate. (See *MISO Launches 2nd Review of Long-range Tx Project for Cost Overruns* and *Stakeholders Suggest Cost Overruns Ubiquitous as MISO Reviews Long-range Tx Project*.) ■

BlackRock and Others to Take AES Corp. Private for $33B

By Amanda Durish Cook

A consortium led by BlackRock's Global Infrastructure Partners and Swedish private equity firm EQT AB agreed to buy AES Corp. in a deal valued at about $33.4 billion including debt.

AES said it expects its sale to private equity to close in late 2026 or early 2027. The company said its Indiana and Ohio utilities would remain locally operated and managed. Together, AES Indiana and AES Ohio serve about 1.1 million customers.

If approved by regulators, the consortium would acquire AES for $15/share in cash, representing a total equity value of $10.7 billion.

The investment group also includes California Public Employees' Retirement System and the Qatar Investment Authority.

At the end of 2025, AES had $27.56 billion in net debt. Without the sale, AES said it would have been forced to reduce or eliminate dividend payments or make considerable new equity issuances.

AES said it has a "significant need for capital" beyond 2027 to meet demand growth. The company's board of directors unanimously approved the transaction.

Why This Matters

Months after completing its purchase of Allete, BlackRock subsidiary Global Infrastructure Partners now has its sights set on acquiring AES Corp. for $33.4 billion.

"This transaction will better position AES to drive long-term growth across its business units, including regulated electric utilities and competitive clean energy in the U.S. and critical energy infrastructure assets in Latin America. The consortium has deep experience investing in energy infrastructure businesses and shares AES' commitment to safety, affordability and customer service," AES said in a March 2 *announcement*.

AES said through the acquisition, it will become a "premier clean energy platform across the Americas." It said it has 11.8 GW of clean energy supply agreements in place with major technology firms.

The company reported that as of late 2024, it has a little more than 32 GW of total gross capacity in operation; 64% of that renewable energy.

The deal continues a pattern of BlackRock and other asset managers expanding their reach into public utilities.

Global Infrastructure Partners, along with the Canada Pension Plan Investment Board, took Allete and Minnesota Power private for $6.2 billion in 2025. (See *Minnesota PUC Approves BlackRock's Purchase of Allete*.)

The purchase agreement comes as AES Indiana and other Indiana utilities face a regulatory inquiry into energy affordability after raising their rates. (See *Indiana Commission Opens Affordability Inquiry into Utilities*.)

AES Board or Directors Chair Jay Morse said the decision followed a "rigorous review" of options. He said the sale is in the best interest of AES stockholders.

CEO Andrés Gluski also said the acquisition would "maximize value for existing stockholders and position the company for long-term success."

AES canceled a March 3 conference call to review its fourth quarter and 2025 financial results. Over 2024, AES reported $12.28 billion in total revenue, a roughly 3% decline from 2023. ■

AES Indiana's Petersburg Energy Center, consisting of solar and battery storage, entered service in February 2026. | *AES Indiana*

Energy Secretary, Congressman Call for Restart of N.Y. Nuclear Plant

Reliability Concerns Growing as Indian Point is Being Decommissioned

By John Cropley

U.S. Energy Secretary Chris Wright and the congressman whose district includes the shuttered Indian Point nuclear plant are *calling for the restart of the facility*.

But no specifics are being offered, and the site's owner indicates significant financial and political support must be established before such a move could be considered.

The shutdown of the southern New York facility in 2020-2021 removed 2 GW of high-capacity factor generation from the grid in a region where *reliability concerns* have since come to fore. It followed a lengthy effort by many activists and state officials worried about the aging plant's safety and its proximity to New York City.

The owner of the Indian Point Energy Center (IPEC) has said it could consider a proposal to restart two of the reactors. But it has made no public move toward any such attempt, and New York's governor has not supported the concept.

Wright joined U.S. Rep. Mike Lawler (R) in Buchanan on March 6 to call for a rebuild and restart. Their comments focused on the reasons why Indian Point should be reopened, rather than what it might take to accomplish such a feat — five years, $10 billion and likely vast amounts of political cajoling or arm-twisting.

"Across the Northeast, including in New York, Americans are paying some of the highest electricity prices in the country

Why This Matters

While election-year politics are involved, the call to restart an unpopular and partly decommissioned nuclear plant points to the underlying short supply and high cost of electricity in New York.

U.S. Rep. Mike Lawler (R) listens as U.S. Energy Secretary Chris Wright speaks outside the Indian Point Energy Center in Buchanan, N.Y., on March 6. | *U.S. Rep. Mike Lawler*

because political leaders blocked critical infrastructure and prematurely shut down power plants that deliver affordable, abundant power," Wright said in a news release.

"I'm calling for the rebuilding and reopening of Indian Point Energy Center and for an all-of-the-above energy strategy," said Lawler, whose *17th congressional district* may become *one of the keys* to *control* of the House of Representatives. "That means supporting nuclear energy, approving critical infrastructure like natural gas pipelines and ensuring communities like Buchanan are not left behind after decades of helping power our state."

A contingent of opponents *was on hand* outside the plant during the news conference to argue that, no, it should not be restarted.

Entergy agreed in 2017 to shut down Indian Point in 2021 after a long tussle with activists and state officials. It sold the site to Holtec International, which *commenced decommissioning*.

Holtec caused a stir in September 2025 when it told *POLITICO* it was getting numerous *inquiries about a restart*, and said such an effort could cost $10 billion.

But *terms of the closure agreement* require that village, town, school, county and state leaders unanimously consent to any attempt at a restart.

Gov. Kathy Hochul (D) has indicated previously she opposes a restart.

Westchester County Executive Ken Jenkins (D) *doubled down on that* after the March 6 news conference:

"Absolutely not. Let me be clear — because apparently I was not clear enough for Congressman Lawler and the Trump administration: Restarting the Indian Point nuclear power plant is not welcome in Westchester County … Our communities fought long and hard to close this facility, and we are not going to reopen that debate now and not ever."

In a statement released after the news conference, Holtec suggested someone else would have to front the money and build political support before it would consider a restart: "While it remains possible to re-power IPEC, we understand that the joint proposal requires the political will of a number of local political bodies; should the political will and financial means be available that the state wants to see a repower, we would

be willing to work towards that goal; otherwise, we will continue on our path to safely decommission IPEC."

Holtec is on the brink of pulling off the first-ever restart of a retired nuclear plant — the 800-MW Palisades plant in Michigan, another former Entergy asset that is even older than the two Indian Point reactors in question. Palisades had been targeted to resume operations in late 2025, but the project has run into delays.

Complicated Contemplation

IPEC sits on riverfront land once occupied by an amusement park that catered to daytrippers arriving by tour boat from New York City. Unit 1 was commissioned in 1962, Unit 2 in 1974 and Unit 3 in 1976.

With its proximity to a deep-blue metropolitan area of 20 million people — Times Square, the "Crossroads of the World," is only 35 miles away — Indian Point was a particularly ripe target for anti-nuclear activists. One of Wright's future Cabinet colleagues, Robert F. Kennedy Jr., helped whip up emotion in a *2004 documentary* about security concerns in a post-9/11 landscape.

The state and activists mounted a long battle against the facility. Entergy — which had purchased the facility from Con Edison and the New York Power Authority — capitulated in 2017 but *framed the closure agreement* as an economic decision.

Indian Point, it said, was unable to compete with electricity generated with the cheap natural gas being fracked out of shale formations.

Unit 2 shut down in 2020 and *Unit 3 in 2021*. Unit 1, a 1950s design, had been retired in 1974.

Five years later, any discussion of a restart is complicated by politics and economics:

- Lawler is seeking re-election in a *battleground district* that could help determine control of the House of Representatives; Democrats outnumber Republicans 7-5 among voters *registered in the four counties* in the district as of Feb. 20, though not every part of each county is included in the district.
- Lawler boasts of being one of the *most bipartisan members* of Congress; he joined nuclear opponents to fight Holtec's *release of slightly radioactive water* into the Hudson River and has bucked President Donald Trump by *supporting offshore wind power development*.
- Electricity *is expensive in New York* and in short supply downstate, but attempts to add generation capacity are expensive and progressing slowly. (See *NYISO's 2026 to be Dominated by Reliability Concerns*.)
- New York's four remaining commercial reactors, all operated by Constellation Energy, have a combined age of more than 200 years but remain a critical part of the power portfolio, providing 21% of the electricity generated in the state and running at a capacity factor above 90%.
- New York in January extended a ratepayer-funded subsidy mechanism for those four reactors that has been running in the range of $500 million a year and could cost as much as $33.4 billion more through 2049. (See *N.Y. Extends ZEC Nuclear Subsidies to 2049*.)
- New York's efforts to develop renewable energy continue to fall short, and the four reactors provide more than 40% of the state's carbon-free electricity. (See *N.Y. Reports Minimal Increase in Renewable Power*.)
- Clean energy advocates are unhappy with Hochul's steps back from the goals of the state climate law as she attempts to balance environmental and economic concerns in an election year; some Republicans are unhappy she has not moved back further from the climate law. (See *NYSERDA Lays Out High Cost of Climate Law Compliance*.)

Lawler is hedging his bets on an Indian Point restart — on March 4, *he introduced legislation* in the House to *provide economic relief* to communities impacted by nuclear plant closures. He noted that the Buchanan area has lost tax revenue and high-paying jobs with the closure of Indian Point. ■

NYISO Yields to Stakeholder Requests on Transmission Planning Changes

ISO Slows Reliability Planning Process Revisions

By Vincent Gabrielle

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RENSSELAER, N.Y — After receiving pan-sector feedback from stakeholders asking for more time to review NYISO's proposed changes to the reliability planning process, the ISO told the Transmission Planning Advisory Subcommittee it would delay proposing tariff language.

"The last number of meetings have been productive. They have been long. They've been painful at times," Zach Smith, NYISO vice president of system and resource planning, said March 3. "I believe given the volume of feedback we've gotten from stakeholders, it's appropriate that we spend more time with [the Electric System Planning Working Group] to talk through some of the proposals."

NYISO's plan had been to introduce tariff language in March. At previous meetings, stakeholders balked at the breadth of changes and their potential system impacts. (See *Stakeholders Ask for Boundaries on NYISO's Reformed Reliability Process*.) ISO staff said they will spend additional time in March and April hashing out the changes with stakeholders.

"I want to make sure that we get this right and try to come up with the best process possible," Smith said. Even with the extra month of deliberation, the ISO should be able to get the new process in place before the next Reliability Needs Assessment, he said.

Environmental, transmission and generation interests were appreciative of the extra time. Several sectors stressed that they were concerned with how NYISO would develop planning scenarios and digest stakeholder feedback.

Tony Abate, representing the New York Power Authority, told stakeholders that transmission planners have been "super involved" with working with NYISO to figure out how best to help with the changes.

"Transmission owners have only been so-so vocal compared with other sectors," Abate said. "I want other stakeholders to know that's because we've been having intense conversations amongst transmission planners at each of the TOs to consider what we think is best, and how TOs can enhance participation."

Anie Philip, senior director of planning for PSEG Long Island, commented that NYISO had to develop a process that included the Long Island Power Authority at every step. PSEG Long Island manages LIPA's distribution system on its.

"LIPA has a direct statutory obligation as a legislatively charted public utility to plan for and maintain reliability within its transmission district," Philip said. "LIPA must have a full and meaningful role in all aspects of the Reliability Needs Assessment as it applies to LIPA's district."

The conversation shifted to discussing the actual proposed changes. This includes the development of multiple forecast scenarios for reliability planning, rather than one base case. If a reliability issue is found in multiple scenarios, the ISO would start the solicitation process for a solution.

Howard Fromer of Bayonne Energy Center asked whether NYISO had considered what it would do if New York state did not agree with a reliability finding under the new process.

"I think it would be counterproductive to have us have a process where you go through with this and the state disagrees with the foundational assumptions that drove you to reach your conclusion," Fromer said. He recommended that the ISO develop a formal process to work with state agencies to get buy-in upfront.

Adam Evans, chief of wholesale and clean energy markets at the New York Department of Public Service, said he shared Fromer's concerns and that he would be happy to work with NYISO to come up with a process that "ensures there's more potential alignment." ■

N.J.'s Utilities Board Backs Storage, Solar Expansion Package

Agency Moves Swiftly to Boost Clean Energy Generation

By Hugh R. Morley

Moving quickly to back New Jersey Gov. Mikie Sherrill's call for a generation capacity increase, the Board of Public Utilities (BPU) approved the state's first incentivized storage projects and launched new community and grid-scale solar solicitations.

The board voted 5-0 on March 4 to *approve* three transmission-scale storage projects with a combined capacity of 355 MW as part of the effort to install 2,000 MW of storage capacity by 2030. The projects were the first to emerge from the Garden State Energy Storage Program (GSESP), the state's first storage incentive initiative.

Sherrill, who took office in January, has prioritized solar and storage capacity. She views it as the quickest way to help address the predicted shortfall in generating capacity, and the related price hikes that raised the average electricity bill by 20% in June 2025.

"This will create our fastest path forward to achieve energy reliability and affordability," said BPU Commissioner Zenon Christodoulou, who described the state's position as one of "urgency."

He noted that when state officials initially conceived of the storage program, it was because of the urgency of climate change.

"That is still an important driving issue," he said. "But the urgency of needing more electricity, particularly in this region, and having it built in the state of New Jersey is even more pressing right now."

Affordability vs. Growth

The board also unanimously approved the opening of a *second storage solicitation* under the same program, authorizing the agency to procure 645 MW of transmission-scale storage, which is larger than 5 MW. Draft application instructions for the solicitation — which supports standalone projects or those connected to solar developments — will be released in April with a bid deadline Aug. 7 and final decision on bids planned for October.

Why This Matters

New Jersey is a net electricity importer and affordability is a major issue. These moves are viewed as the quickest way to help address the predicted shortfall in generating capacity facing the state and to keep rate hikes in check.

In addition, the board *approved three projects* totaling 24 MW under the Competitive Solar Incentive (CSI) program, which provides incentives for grid scale projects. And the agency *approved the opening* of a new solicitation – the state's fourth — under the program.

Finally, the board authorized *the opening* of a solicitation that would add up to 3,000 MW of community solar projects.

"States that invest in energy infrastructure today will have lower costs and greater reliability tomorrow — and New Jersey is going to lead the way," Sherrill said in a statement, referring to the BPU actions. "By investing in battery storage, solar and grid modernization, we're building an energy system that is ready for the future."

Investing In the Future

Sherrill, a Democrat and former congresswoman, made the state's energy difficulties a central element of her campaign and pledged to freeze rates as soon as she took office. On her first day, she signed two executive orders that called for a rapid acceleration of energy source development, especially solar and storage. (See *New N.J. Governor Rapidly Confronts Electricity Crisis*.)

PJM, which provides power to New Jersey and 12 other states, says dramatic price hikes that have impacted ratepayers in its zone are driven mainly by the sudden demands of data centers under development. At the same time, older, mainly fossil fueled generators have shut faster than new facilities have been built, the RTO says. But New Jersey and other states blame PJM for failing to anticipate the demand.

While the initiatives show Sherrill moving rapidly on her agenda, parts of the package had been in the works for awhile. Among them was the 3,000-MW expansion of the community solar program, which her predecessor Gov. Phil Murphy had enacted.

Eric Miller, New Jersey policy director at the Natural Resources Defense Council, called the BPU's approvals "a critical step to getting more clean energy generation online as fast as possible."

Capacity Cost Cuts

While New Jersey under Murphy aggressively expanded its solar and wind sector, the state has lagged in storage. The legislature set the 2,000-MW goal in 2018 but missed a target of 600 MW of storage in place by 2021, and the state's storage capacity still is minimal. (See *N.J. Launches Ambitious Energy Storage Incentive Program*.)

BPU launched the GSESP in June. The first phase authorizes storage capacity of up 1,000 MW and will pay annual incentives for 15 years, with a second phase to follow. The board order says the agency will hold at least two more solicitations under the first phase.

The board received 11 applications in the first solicitation, and approved three, for a combined capacity of 355 MW. BPU staff said the incentives will cost $27.58 million per year for 15 years, or about $169 million in total once discounted, and will bring the state financial benefits in the long run. The agency estimated the storage projects will reduce capacity costs by $333 million to $420 million.

Storage offers a variety of benefits, of which capacity cost savings, or the mon-

| Shutterstock

ey saved by not having to invest in such large generating plants because batteries can help meet peaks, is perhaps the most "significant financial benefit to ratepayers," according to the board order. Other benefits include "peak shaving, energy arbitrage [and] deferring costly infrastructure upgrades," the order says.

Assessing Incentive Benefits

Christodoulou, while supporting the storage approvals, expressed skepticism at the accuracy of benefit estimates, saying the savings are "not as conclusive, as the future will show. These are estimates."

Still, he said, "the urgency of this moment requires us to take some leaps of faith." He later urged agency officials to plan for future limits on incentives, specifically referring to those paid in the grid solar program.

"We always incentivize new and infant industries, which is critically important," he said. But he added that "the industry should never be depending on long-term investment tax credits. They need to become like every other mature business in the world, and that is to stand on their own two feet, to gain or lose on their own merits. "

He urged the BPU staff to "accelerate that process to make sure that [project developers] find ways to gain managerial efficiencies, supply chain efficiencies [and] drive prices down."

Balancing Incentives with Capacity Goals

The BPU for a while has sought to curb incentive payments, a task complicated by the removal over time of federal investment tax credits by the Trump administration.

In the CSI solicitation, the BPU rejected most of the bids because they were too high. Of 18 bids received, only two were eligible for BPU approval; the remainder exceeded the confidential maximum incentive agency staff had calculated was acceptable for the state to pay in the current market conditions.

The agency approved the third successful bid — a 10-MW project submitted by the North Jersey District Supply Commission — through a rule that allows the agency to waive the cap for projects whose bid is within 10% of the maximum. The project will be the largest floating solar generation facility in the state.

The board also voted to reduce the incentive for the community solar program as it opened a solicitation for an additional 3,000 MW of capacity, which Sherrill, like Murphy before her, had called for. The board reduced the incentive offered in the program from $80/MWh to $60/MWh.

"Staff believes that the recommended decrease balances the need to reduce costs for ratepayers with the statutory directive to achieve 3,000 MW of additional community solar registrations over the next four years," the board order stated.

However, Sawyer Morgan, a BPU research scientist who outlined the plan outlined in the order, said the agency also expects to study the issue further in light of the federal tax credit loss by "soliciting stakeholder feedback and updated economic modeling based on market conditions."

He added, however, that the process "potentially" could result in a future increase in the incentive. ■

PJM Plans to Release Reliability Backstop Design in April

By Devin Leith-Yessian

VALLEY FORGE, Pa. — PJM has updated its thinking on the design of its reliability backstop procurement to meet rising data center load, gravitating toward a model in which the RTO would determine the amount of capacity to be purchased and act as the administrator and counterparty to the resulting agreements.

Rebecca Carroll, executive director of market design and economics, repeatedly stressed during a workshop March 4 that PJM does not have a proposal yet and will be working on its final design through at least April 10. The RTO aims to file a proposal with FERC by late May.

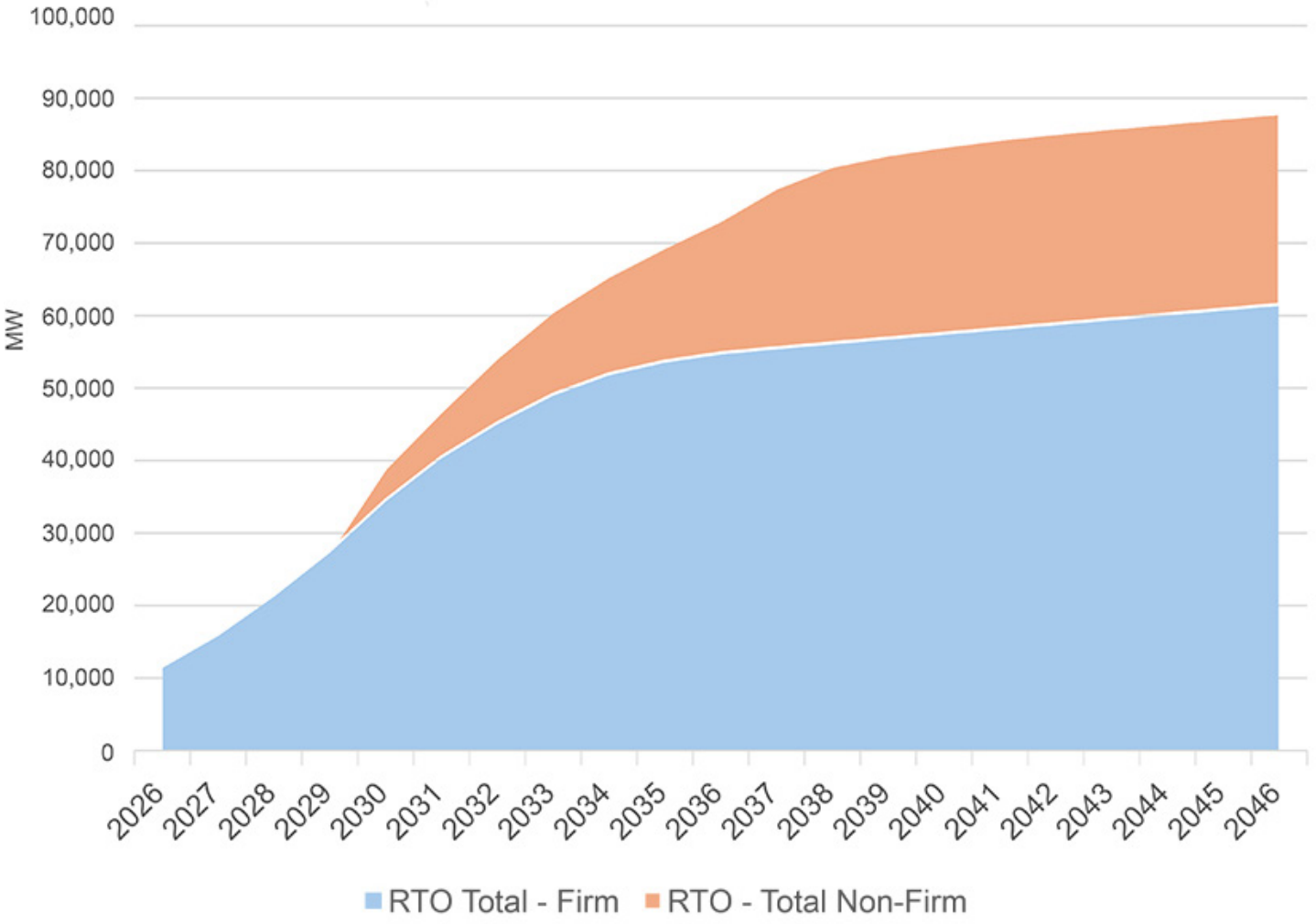
PJM is considering allowing data centers that procure capacity through the procurement to avoid being enrolled in its proposed Connect and Manage system, which would require them to curtail ahead of demand response resources during strained system conditions. While the amount of capacity purchased in the backstop would be determined by PJM, Carroll said the buyers may be able to submit their own preferred amount to purchase.

The procurement is intended to be a one-time measure that awards 15-year capacity commitments, possibly starting in 2030.

Core questions Carroll said PJM's package must answer include how the RTO should balance reliability and over-procurement risks; whether changes to credit and collateral rules would be required to account for the greater risks associated with 15-year commitments; and when resources would need to be capable of coming online to participate in the backstop — with 2029 or 2030 being possible requirements.

A model in which PJM is the counterparty could pose substantial risks if either the data center or generation default, which could force the RTO to pick up the remainder of the multiyear commitment or to suddenly procure capacity for the data center. PJM *presented* examples of how securitization could be used to shift the risk to investors in a model similar to the bonds issued in the wake of February 2021's Winter Storm Uri.

PJM Chief Risk Officer Carl Coscia said such a high collateral requirement would likely make any project unviable; however, the threshold should be high enough to prevent backstop participants from walking away from their commitments. The RTO's risk provisions were designed around a three-year advance capacity auction awarding one-year commitments and are not well positioned to account for the uncertainty with 15-year obliga-



PJM's 2026 Load Forecast found large load growth is expected to add tens of gigawatts to the system, largely stemming from data centers. | *PJM*

tions, he said.

Gwen Kelly, PJM senior director of credit risk and collateral management, said if the current credit policy was applied to a 15-year, 1-GW unforced capacity commitment at $400/MW-day, there would be a $662 million pre-auction credit requirement, $224 million of which would be returnable. Coscia said this accounts for deficiency charges over the 15 years.

PJM CFO Lisa Drauschak repeated that staff still do not have a proposal, and the presentation only illustrates possible pathways and outcomes.

Several stakeholders have presented their own perspectives and proposals during several workshop meetings held over the past month. (See *PJM Stakeholders Begin Discussions on Reliability Backstop Design*.) The workshops will be on hiatus over the next month until PJM has a complete package to present.

Many of the same sticking points dominated the discussions: how to define the amount of capacity to be procured; whether the procurement should be one-time; which resources are eligible to offer; and whether PJM, utilities or the data centers should be the counterparties to backstop commitments.

Independent Market Monitor Proposal

The Independent Market Monitor *proposed* a backstop procurement awarding 15-year commitments to new resources seeking to serve data centers in the same locational deliverability area (LDA).

The design would be based on the Base Residual Auction (BRA), modeling capacity transfer capability and limits between LDAs and providing a single clearing price up to a maximum based on the net cost of new entry for the reference resource. Unlike the BRA, the backstop maximum price would be based on an assumed 15-year lifespan for the reference resource to match the commitment term. The contracts would cover the full cost of energy, ancillary services and capacity.

The Monitor's backstop would not be a one-time measure and would be run after each BRA to procure capacity for data center load, which would be excluded from the standard capacity auctions.

Seller eligibility would be limited to new generation, with no allowance for uprates, DR or resources that canceled deactivations or did not clear in the capacity market. Consumers could offer varying bids into the auction, with the highest winning if there is insufficient supply offered.

Data centers larger than 5 MW would be required to participate in the backstop or be subject to curtailment similarly to PJM's Connect and Manage proposal. The RTO would work with electric distribution companies to identify the data center customers behind large load additions (LLAs) that the utilities submit for inclusion in the load forecast.

GQS New Energy Strategies Principal Pamela Quinlan, representing the Data Center Coalition, said it would be a difficult task to tie LLAs to specific customers, and allocating costs to a class of consumers based on how the electricity is used would be undue discrimination.

She argued the Monitor's analysis assumes available capacity would remain the same in the absence of data center load growth, ignoring the likelihood of resources deactivating without that growth.

Quinlan said using a 15-year amortization period to set the maximum price, on the grounds that the commitment term should establish its useful life, is inconsistent with the Reliability Pricing Model, which uses a 20-year amortization period for a one-year commitment. Like the RPM, backstop resources could participate after the commitment has expired.

Data Center Coalition

Quinlan *presented* a set of priorities the Data Center Coalition believes should be incorporated into PJM's design, centering around the position that the RTO should not make substantial changes to the capacity market while designing a one-time procurement structure.

The coalition recommended a backstop design in which PJM would be the counterparty and limited to participants which could be in service for the 2028/29 delivery year, with some allowance for the following year. The RTO's design should not seek to determine resource adequacy for specific load-serving entities or use "uncertain" long-term forecasts to determine the need for capacity.

Concurrent with the procurement, the RTO should initiate a comprehensive review of the capacity market design, including improvements to load forecasting and consideration of "LSE-based frameworks," Quinlan said.

Responding to questions on how the risk of a data center default could be managed, Quinlan said risk allocation is an important question to consider, but one that should be part of a long-term discussion. The ideal way to manage the risk associated with multiyear commitments is to ensure that the backstop is a short-term measure that buys time for more substantial market changes, she said.

Quinlan said the coalition considered ways of allocating costs that did not fall to LSEs, but there are practical questions on implementation and whether that can be accomplished in time for a May filing.

Google

Google *recommended* PJM adopt a backstop in which it procures capacity on behalf of load and allocates the costs across the region, leaving it to states to develop end-user rates. While the company shared several design components it prefers, it stated it does not have a complete proposal.

The company expressed support for one-time solution targeting a specific delivery year with well defined needs, leaving long-term capacity commitments as a separate issue. The backstop should focus on a fuel-neutral framework for incentivizing high-accreditation resources, with the capacity to be purchased defined by the deficiency in a particular auction — rather than targeting individual customers or a class of end-users.

Joint Stakeholders

A cohort of generation owners *presented* a backstop focused on meeting the shortfall expected for the 2028/29 BRA, scheduled to open in June 2026. The proposal was signed onto by Constellation Energy, Vistra, AlphaGen and Earthrise.

The one-time auction would be conducted in September and mirror the 2028/29 BRA clearing price for commitments up to 15 years. Resource offers would clear first based on the delivery year in which the project can come online, then by the length of the commitment term the offer requested. Procurement would be

capped at the reliability requirement for the 2028/29 delivery year.

Seller eligibility includes new resources, uprates, DR, reactivated resources and existing resources that cleared above the maximum price in the 2028/29 auction.

Constellation's Erik Heinle said the proposal is agnostic on how costs would be allocated, though it specifies that it would respect bilateral contracts. The risk of over-procurement and large loads not coming online would be managed by restricting procurement to load that is already accounted for in the capacity auction through capping the amount purchased at the reliability requirement for the 2028/29 delivery year.

Voltus

Voltus *advocated* for PJM allowing DR to participate in the backstop, arguing behind-the-meter resources have some of the quickest development times — making them well suited to a process intended to rapidly bring on new capacity.

Senior Manager of Regulatory Affairs Kimaya Abreu said PJM should be focused on procuring new capacity from resources not receiving a sufficient price signal from BRAs. That effort would be best served by taking a fuel-agnostic approach which allows DR to participate. Not allowing DR participation would run afoul of requirements that BTM resources be treated comparably to generation, outlined by FERC in orders 719 and 745.

Voltus argued including DR in the backstop is consistent with proposals stakeholders made throughout the 2025 Critical Issue Fast Path process focused on meeting large load growth, as well as the *statement* PJM's Board of Managers released at the conclusion of the process. (See *PJM Board of Managers Selects CIFP Proposal to Address Large Load Growth*.)

The company also endorsed a proposal by the Natural Resources Defense Council to define new capacity, which would allow resources that have completed the third phase of the interconnection process, or are in the surplus interconnection service process, to qualify so long as they are not already subject to the capacity must-offer requirement. For DR, resources that did not offer into the capacity market between the 2025/26 and 2027/28 auctions would be permitted, as well as those seeking to increase the amount of capacity offered.

NRDC

The NRDC's *proposal* included an auction design in which capacity would be procured for a pool of buyers that would share the costs and risks, while sellers would receive 10- to 15-year commitments. If participating consumers default or do not come into service, either the capacity payments would be reduced, or the remaining load would pay more. The auction would be a permanent addition to the capacity market, conducted during each queue cycle's final agreement phase. For Transition Cycle 2, this would be December 2026 or the following month.

Participating resources would be required to offer into BRAs during their commitment terms, with the revenues flowing to load with long-term commitments, which would also be responsible for capacity deficiency penalties. The auction would be open to large loads as well as LSEs seeking to offer long-term firm service to new customers.

The maximum procurement would be set at the amount bid into the auction, and any load that does not receive a commitment would be required to go through PJM's proposed Connect and Manage system.

Eligibility would be limited to projects that have already cleared the interconnection queue but not yet entered service, as well as DR. The NRDC said the backstop should not be allowed to become another expedited interconnection queue following the example of the Reliability Resource Initiative, which allowed 51 projects to be inserted into TC2. Several of those projects have dropped out of the queue after running into high network upgrade costs. ■

'With the Skill to Survive,' SPP Faces 'Massive Challenges'

RTO's 2nd Energy Synergy Summit Focuses on Data Centers

By Tom Kleckner

DALLAS — SPP CEO Lanny Nickell took to the stage to Survivor's "*Eye of the Tiger*" as he opened the grid operator's Energy Synergy Summit.

"The 'Eye of the Tiger? That's what you chose?'" he asked the event's organizers as the music faded into the background.

The 1982 rock anthem highlights perseverance, determination and regaining one's competitive edge, traits that will come in handy for the "massive challenges that are ahead of us."

"Massive change, massive challenges, massive opportunities," Nickell said in kicking off the March 2-3 event.

He harkened back to last year's summit, SPP's first, when the conversation centered on resource adequacy, increasing extreme weather events and other challenges. The days of excess capacity and unlikely load sheds were numbered.

"Now, we are scrambling, doing everything we can just to maintain a one-day-in-10-year probability of having an event," Nickell said. "We were having tremendous load growth. Even that's changed over a year."

He said SPP was projecting 50% load growth during last year's summit, but that has increased to 100% over the next 10 years. The RTO has responded, Nickell said, listing the Expedited Resource Adequacy Study process and "industry leading" High-impact Large Load (HILL) study process, both approved by FERC in the past year.

"If you are willing to bring generation with you, either co-located or no more than two buses away, you can get that generator interconnection studied along with the high-impact large load in 90 days or less," he said. "That's fantastic speed."

SPP has also proposed a conditional HILL process for interruptible loads that want to interconnect quickly and a Consolidated Planning Process (CPP) that gives generators more certainty of their interconnection costs and yields affordable solutions through the traditional planning process. It expects commission approval of both in the next few weeks.

"That's a win, but we've got a lot of other things that we want to work on," Nickell said. "What's next for us? What's our next project?"

Whatever the next projects are, Nickell said they will require the same creative, outside-the-box thinking that produced the HILL study in 85 days, from start to finish and through the stakeholder process. They will also require collaboration with and support from members, regulators and market participants.

SPP CEO Lanny Nickell opens SPP's Energy Synergy Summit. | © *RTO Insider*

Why This Matters

A year ago, SPP was projecting 50% load growth. It is now expecting 100% load growth over the next 10 years, driven by data centers and their need for power.

"We need you to work with us to figure out what it is that's most important, what it is that we need to solve right now. If you can bring your ideas to the table, I'm convinced that we will come up with the best solutions," he said. "We have to work together to economically and reliably keep the lights on. That includes solving problems together. SPP [and] staff can't solve these problems alone. We need your help. That's why you're here."

LaCerte: 765-kV Backbone Necessary

FERC Commissioner David LaCerte | © *RTO Insider*

Two days before his nomination for a full five-year term advanced in the U.S. Senate, FERC Commissioner David LaCerte said in a fireside chat with Nickell that the industry's long-term planning still needs to improve. (See related story, *FERC's LaCerte Clears Committee Vote on Nomination for a Full Term*.)

"What that long-term planning looks like now is very much different from 2024 long-term planning," he said. "It's difficult. It's tough because you want to project, but those projections have such a large standard deviation that it's almost impossible to get it right."

Picking up on SPP's approval of four

765-kV transmission projects in its 2025 transmission plan, LaCerte said any future transmission plans should include extra-high-voltage facilities.

"We can't live without 765s or you're going to be an invertebrate, right? You don't want to live your life as an invertebrate. You want to have a backbone," LaCerte said. "It's really important that we do these things properly because they have the potential to drive up costs on the consumers even more than they" already are.

He said a "big plus in [his] book" was having the White House come to the table with a bipartisan group of governors and PJM to propose a reliability backstop procurement for the RTO's capacity auction and begin identifying universal parameters to protect customers from rate increases related to large loads and data centers. President Donald Trump also gathered the leaders of seven large tech firms March 4 to sign a "*ratepayer protection pledge*." (See related story, *Trump Gets Tech Execs to Sign 'Ratepayer Protection Pledge'*.)

"I think that was a great first step because it brought all those people to the table … together to talk about the problems and identify what [is] acceptable, what's not acceptable and then just identifying the costs," LaCerte said. "Even at FERC in our building, we even struggle with identifying which costs we are catching in these tariffs and which costs are we not. … If it's a struggle for the career FERC staff, it's a struggle for everyone because these are issues which are novel. We are moving so quickly that it's imperative that we catch as many of those costs as possible so that there's not a bunch of hidden costs that are passed along to consumers."

Shielding Consumers from Costs

Members of a panel discussing pricing reform in these high-growth times agreed those costs need to be transparent.

Chris Matos, Google | © RTO Insider

"The public is now, especially in the post-inflation environment, very conscientious of cost, and I think SPP is rightly [placing] affordability as sort of a central tenet," said Chris Matos, Google's energy market development strategic negotiator. "The question is more on the commitment side, and with these load forecasts and the infrastructure expectations, if you plan correctly, costs can go down."

He said ERCOT's 765-kV plan, if the expected load materializes, will reduce system transmission costs because essentially, "We're leveraging a greater scale of megawatt-miles of transmission."

A bill introduced in the Ohio legislature would require large data centers to enter contracts with utilities detailing their minimum billing demand, long-term service agreements, the exit fees or liquidated damages for canceled projects, and potential collateral or guarantees before any construction. It would also ban utilities from recovering costs incurred by data centers and shifting them onto customers.

"Google's answer to this has been in the form of the capacity commitment framework that we've instituted in Ohio," Matos said, "where we've agreed to minimum terms and minimum charges that ensure there is equity for the existing system and [customers] are not left constrained in the cost of infrastructure."

Mark Ahlstrom, vice president of renewable energy policy for NextEra Energy Resources, said the company's approach is to partner with the developers on multi-gigawatt sites that have the land, infrastructure and accessibility to power.

"We think it has to be a close partnership between large infrastructure investors like NextEra and the hyperscalers to put together something like that and make sure it all works within the community under the right tariffs, working hand in hand with the utilities and co-ops and so forth," he said. "You have to develop certainty that that project is not going to just go away; that we have the commitments, we have the contracts, and we would find a purpose for that."

BTM Gen 'Suboptimal'

Longtime regulator Andrew French, chair of the Kansas Corporation Commission, shared a topic that he said has been top of mind in recent weeks: the growing concern about underinvestment in the transmission system.

"And yes, it can have a bill impact," he said. "If we don't move fast enough to make the grid ready or have processes

KCC Chair Andrew French (left) shares his concerns as ITC Great Plains President Patrick Woods listens. | © RTO Insider

to allow load to get on, folks will talk about doing things like behind-the-meter generation or just totally going off-grid. In my mind, that is a very suboptimal use of capital. It's something that the customers are going to pursue just because they're looking for the speed."

French said he has heard recent discussion of a "ghost grid" being developed with BTM generation and microgrids.

"That really concerns me that you're going to have this sort of shadow set … of resources that's probably not sitting in optimal locations, but it was just pursued for expedience," he added. "It's not what we want. It's another reason why I think we need to move quickly. We need to provide pathways. I think there probably are a lot of these loads that would make sense to integrate into the wider grid. Let them find resources that can contribute to the wider grid."

PPL CEO Vince Sorgi echoed French as he offered his thoughts and said he doesn't mind the BTM approach "for a period of time."

"If a grid is not ready and a hyperscaler can contract with a generator to build generation and serve that data center until that grid is ready, have at it," he said. "But when the grid is ready, you should connect all generation to the grid for a number of reasons, right? One, the hyperscalers don't want behind-the-meter generation. Two, just having that generation connected to the grid makes the grid more reliable and more resilient. It will ultimately benefit all customers.

"If we just built a bunch of behind-the meter generation, it would be the most suboptimized solution to this problem that we could have come up with," Sorgi added. ■

SPS' Rodriguez Named AEP Texas' President, COO

American Electric Power has named Southwestern Public Service Co.'s Adrian Rodriguez president and COO of AEP Texas, the company announced in a *news release*.

Rodriguez will join the company March 30 and will report to AEP CEO Bill Fehrman, the company said March 6. He will replace Judith Talavera, who has left the organization, AEP said.

The Columbus, Ohio-based company said the move will align AEP Texas with the company's strategy on long-term priorities, further strengthen operational performance and strengthen relationships with the state's important stakeholders.

"As the business continues to evolve, we believe now is the right time to bring in a leader with deep experience in stakeholder engagement and a strong operational focus to align with our long-term priorities in Texas," Fehrman said in a statement. "We see tremendous upside in AEP Texas and its ability to enable growth in the state through our industry-leading 765-kV transmission capabilities. We are confident this move will help take this operating company to the next level."

Adrian Rodriguez represents SPS during an SPP board meeting. | © RTO Insider

Rodriguez joined SPS, an Xcel Energy subsidiary, in 2022 from Puget Sound Energy. He previously held senior positions with El Paso Electric Co. and has had various roles in private law practice, the federal court system, public policy and the Texas Legislature. He has a bachelor's degree in economics and government from the University of Texas, a master's degree in public policy from Harvard University's Kennedy School of Government and a law degree from Columbia University.

Alex Ramirez, vice president of distribution operations for AEP Texas, will serve as interim president and COO until Rodriguez arrives. ■

— Tom Kleckner

Emerald AI, InfraPartners Team up to Deploy Flexible Data Centers

By James Downing

Digital infrastructure firm InfraPartners and Emerald AI announced a new partnership to construct data centers designed to be flexible grid assets.

The Flex-Ready Data Centers combine Emerald's energy management software solutions with InfraPartners' off-site manufacturing approach to constructing and upgrading data centers, the companies announced March 10.

"The innovation here is to put together the data center design with the needs of the software from the beginning, so that the data center is delivered as a flex-ready data center, so there is no retrofitting later," Emerald's chief scientist, Ayse Coskun, said. "There are no additional components needed later."

Why This Matters

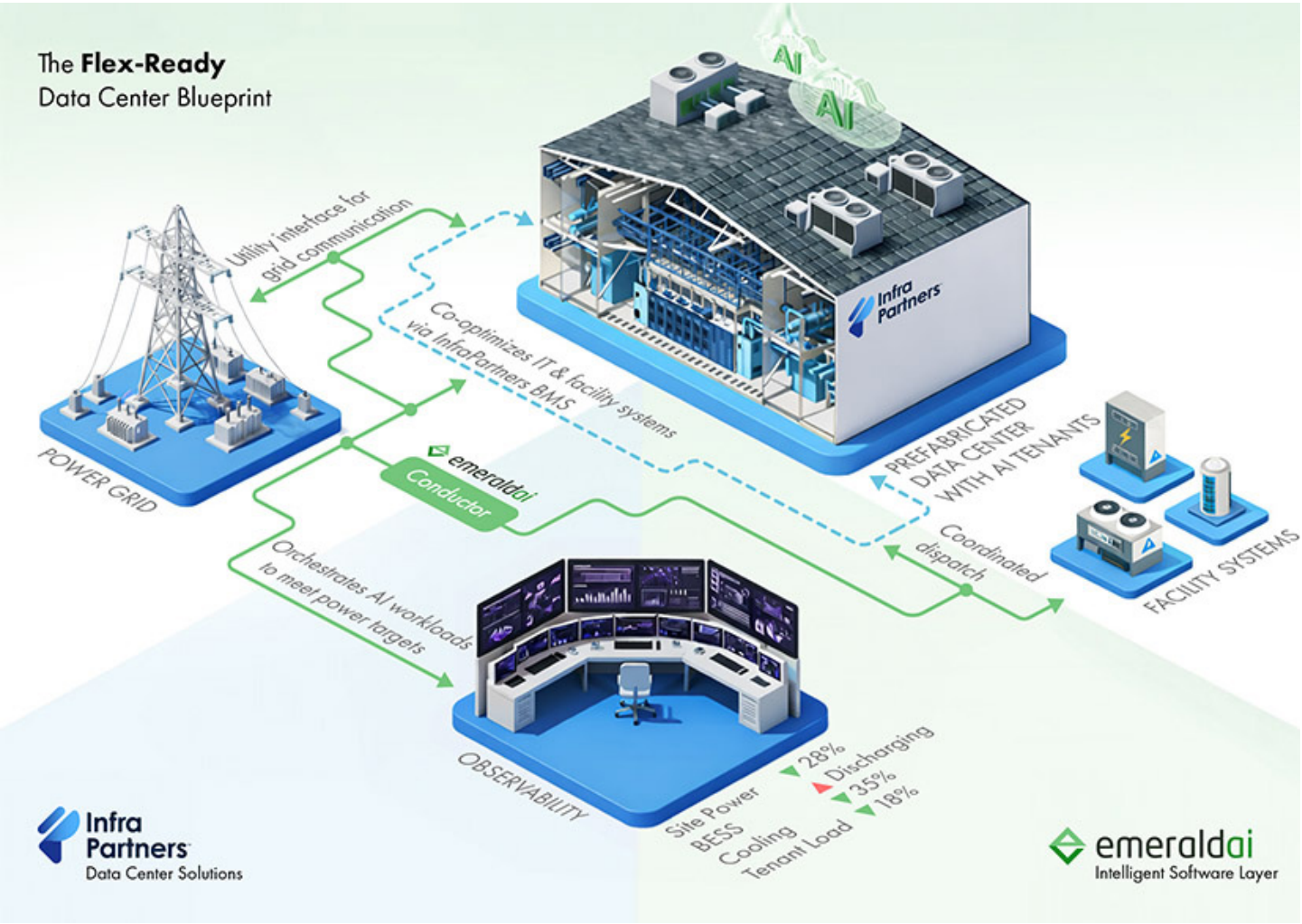
While speed-to-power is the main driver for data centers to become more flexible, the same systems can help AI data centers become much more easily managed from an operations/reliability perspective.

The software needs telemetry from all aspects of data centers, which includes computing, cooling, any behind-the-meter generation or storage, and other uses of electricity at the facility, she said.

The main attraction for data centers to become flexible grid assets is speed-to-power, but flexibility offers clear benefits to the operation of the grid, InfraPartners Chief Technology Officer Harqs Singh said.

The Electric Power Research Institute has "a data center flex program with all the utilities in it, and so they're very interested in being able to have data centers become assets, rather than just consumers," Singh said. (See *EPRI Launches DCFlex Initiative to Help Integrate Data Centers on the Grid*.)

With Emerald's management services, data centers can respond to energy availability, match up with intermittent renewables or just respond to prices,



A visualization of Flex-Ready Data Centers | *InfraPartners, Emerald AI*

Coskun said.

"So, this interface enables not just speed to power, but more broadly a more amicable relationship between the large data center loads and the grid," she added.

Compared to "traditional" data centers — those used for cloud computing and data storage — AI data centers have a very high "power density," which is why they have made headlines about massive loads ranging from the hundreds of megawatts to gigawatts.

"The power density of a rack — a cabinet of servers — is increasing like 10 times compared to a typical cloud rack," Coskun said. "The AI data centers are running a mix of training, inference and other AI loads, and there are differences. For instance, training loads tend to be more spiky, changing the power up and down more rapidly compared to cloud loads."

Cloud computing data centers must respond to consumer requests, such as when someone accesses a database or streams video, while AI data centers have more batch processing, long-running training and heavily use their computer hardware, she added. Using energy management techniques can help smooth out their highly variable demand.

"I consider this a welcome side effect of controlling power that the spikes are reduced," Coskun said. "Because essentially, it's not only necessarily just reducing the power during a high demand time, but also you can set up overall power limits to gently curb the power without adversely impacting performance, at least beyond the performance constraints, and then reduce these spikes."

The grid does not respond well to major, fast fluctuations in demand or supply, so flexibility can make AI data centers much easier to handle on the bulk power system, she said. Energy management can also smooth out ramps from spiking energy during training and as they are responding to signals from the grid itself.

"In our work so far with power grid operators and utilities, we received both requests — 'can you reduce the power over a gradual window of 10 to 15, minutes? We don't want to see this sharp drop,'" Coskun said, and "'can you respond within seconds in an emergency, if needed?' And we demonstrated both. So, there's flexibility on how quickly we can tune power as needed, depending on the needs of the grid."

InfraPartners can build it all from the start with its approach of building data center infrastructure at a central manufacturing site and then deploying it where needed, Singh said. That can help with initial construction, but also as new chips constantly improve and existing chips wear out and need to be replaced.

"We are going to have to be a lot more agile," Singh said. "We're going to have to adapt a lot more."

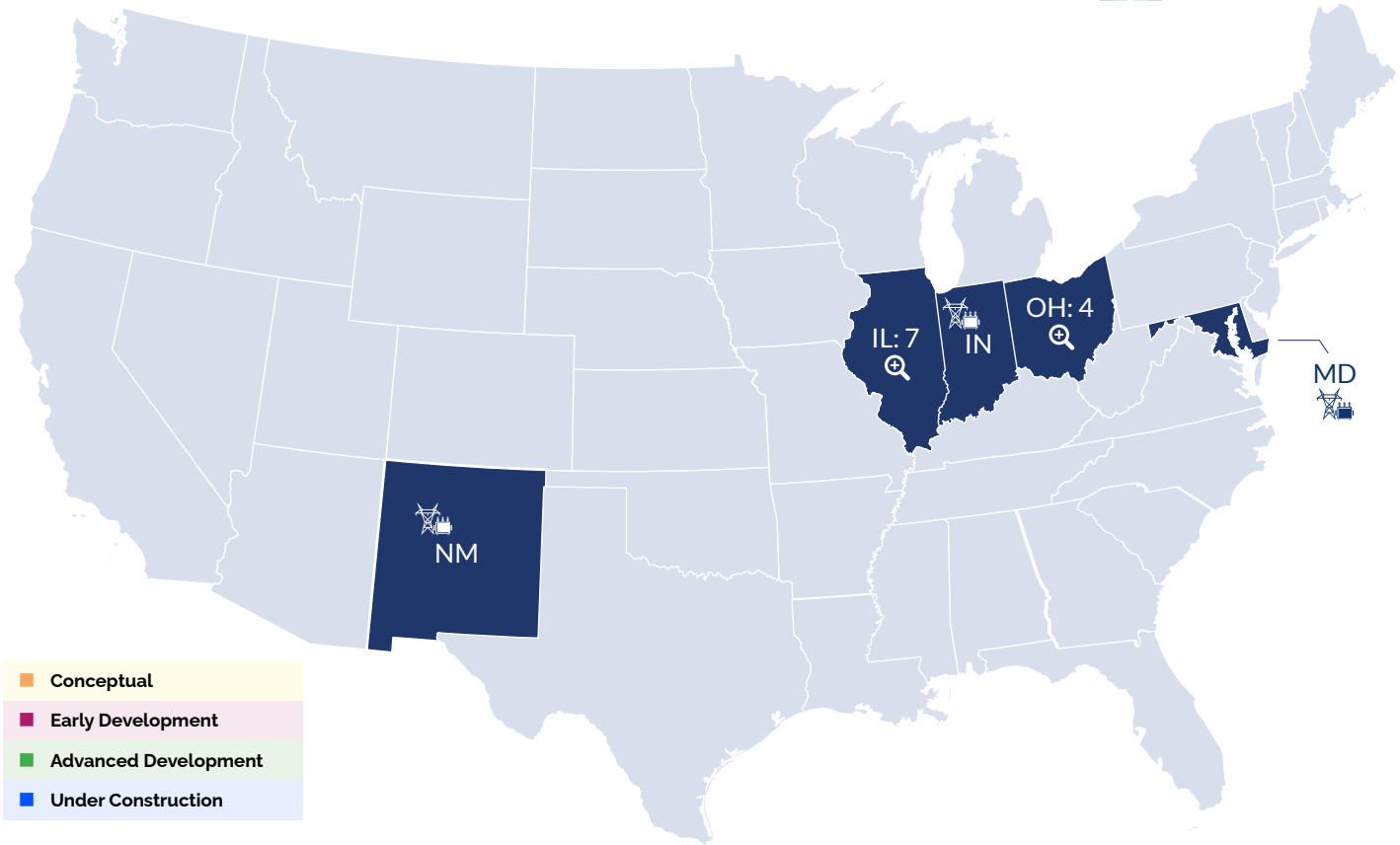
The biggest constraint the industry faces now is power supply, and one way of handling that will be to install more efficient chips as they become available, he said.

"That means that the data center needs to evolve to deploy the latest chips all the time," Singh said, "and being really good grid partners, working with the grid, showcasing to them how are the loads changing. How do we manage our assets on the data center side with grid assets, such that we're good partners and be able to power the performance improvements that are coming? … It's what we call 'the upgradeable data center': having a data center that upgrades with different chip technologies that are coming."

A lot of the contracts for chips last about five years, but how often the chips are going to be swapped out is somewhat uncertain at this point, he added. ■

New T&D Projects Added in the Past Week

YES ENERGY



New Line | New Substation | New Line / New Substation | Line Upgrade | Substation Upgrade

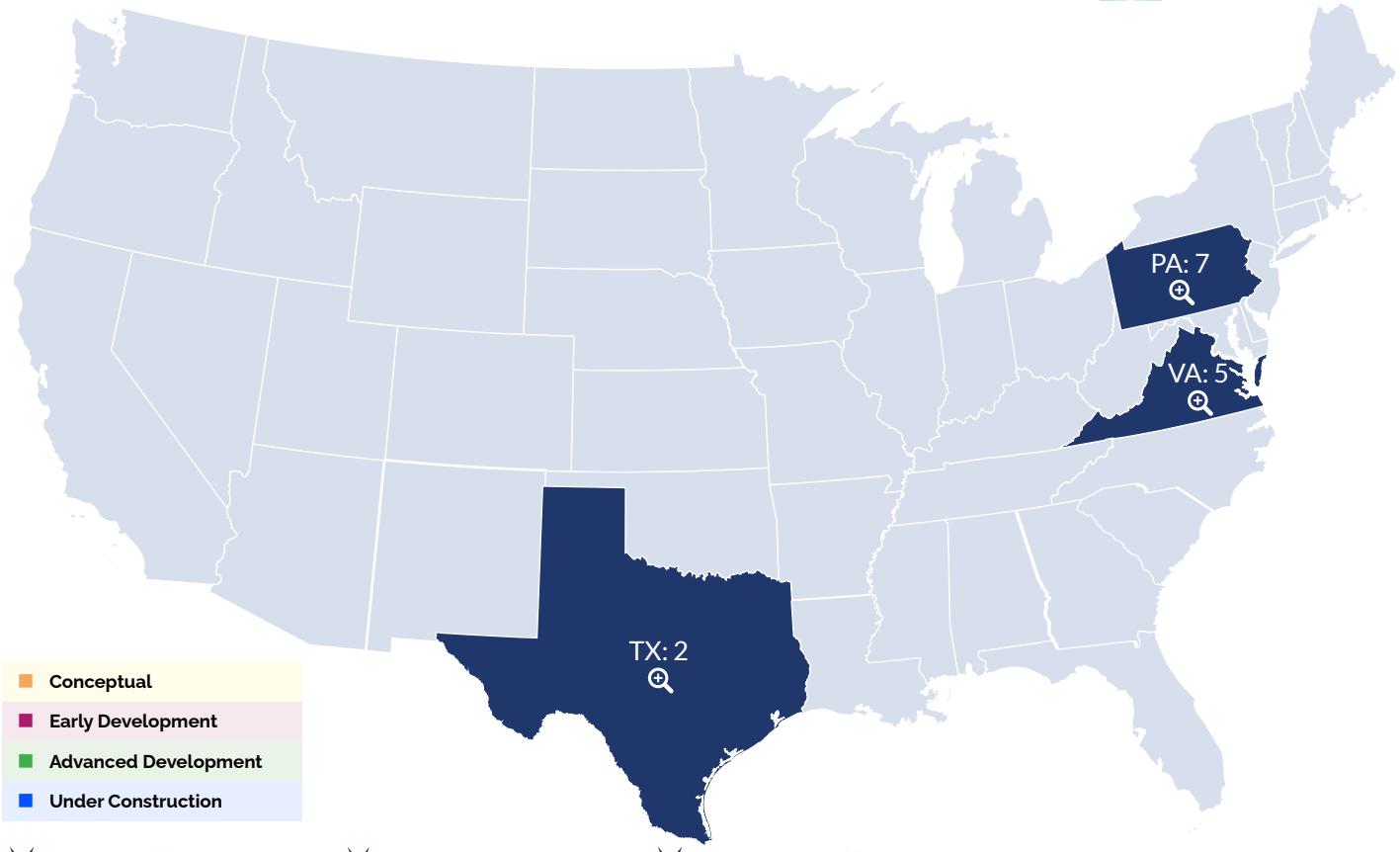
Data from Yes Energy

	Project Name	Holding Company or Parent Organization	Utility	Voltage (kV)	In Service Year	State 1 / 2
	Rowell New Substation	Exelon Corporation	Commonwealth Edison	345	2028	IL
	Edson Road New Substation	Exelon Corporation	Commonwealth Edison	345	2028	IL
	Hiawatha New Substation (Kendall County E.C. - Collins)	Exelon Corporation	Commonwealth Edison	345	2028	IL
	Coal City New Substation	Exelon Corporation	Commonwealth Edison	345	2028	IL
	Keslinger Substation Upgrade	Exelon Corporation	Commonwealth Edison	345	2028	IL
	Charter Grove New Substation (Gurler New Substation)	Exelon Corporation	Commonwealth Edison	345	2029	IL
	Grid Regional Infrastructure Transmission Project (GRIT)	Exelon Corporation	Commonwealth Edison	138	2029	IL
	Dolphin Solar Network Upgrade	American Electric Power	Indiana Michigan Power	345	2029	IN
	Camp Canoy New Substation	Exelon Corporation	Baltimore Gas and Electric	500	2028	MD
	Rio Puerco - Pajarito - Prosperity New Line	PNM Resources	Public Service of New Mexico	345	2029	NM
	Weaver New Substation and Lines	AES Corp.	AES Ohio	345	2031	OH
	Patina New Substation	AES Corp.	AES Ohio	765	2031	OH
	Union New Substation and Lines	AES Corp.	AES Ohio	138	2029	OH
	City of Hamilton Substation Upgrade (Port Union, Fairfield, Seward)	Duke Energy	Duke Energy Ohio, Inc.	138	2029	OH

NOTE: 2100 is a placeholder for active projects with no announced in-service date.

New T&D Projects Added in the Past Week

YES ENERGY



Data from Yes Energy

	Project Name	Holding Company or Parent Organization	Utility	Voltage (kV)	In Service Year	State 1 / 2
	Frackville - Mowry New Tap	PPL Corp.	PPL Corp.	69	2028	PA
	Palooka - Jenkins 2 New Tap	PPL Corp.	PPL Corp.	69	2028	PA
	Mausdale New Substation	PPL Corp.	PPL Corp.	69	2028	PA
	Lincoln - Orrtanna New Tap	FirstEnergy Corp.	Metropolitan Edison (ME)	115	2031	PA
	Sturges Substation Upgrade	PPL Corp.	PPL Corp.	230	2028	PA
	Archbald Mountain Substation Upgrade	PPL Corp.	PPL Corp.	230	2028	PA
	Archbald Mountain New 500/230 kV Substation	PPL Corp.	PPL Corp.	500	2028	PA
	Pine - Caliente New Line	IIF	El Paso Electric	345	2028	TX
	Falcon BESS Network Upgrade (Falcon Zapata Station)	American Electric Power	American Electric Power Texas	138	2028	TX
	Mudd Tavern New Substation	Dominion Energy	Dominion Virginia Power	230	2029	VA
	James Hill New Substation	Dominion Energy	Dominion Virginia Power	230	2031	VA
	Cosner New Substation (Lee's Hill - Cosner)	Dominion Energy	Dominion Virginia Power	230	2030	VA
	Emy New Substation (Line 2402 and Line 2372)	Dominion Energy	Dominion Virginia Power	230	2030	VA
	Goalders Creek New Switching Station	Dominion Energy	Dominion Virginia Power	230	2029	VA

NOTE: 2100 is a placeholder for active projects with no announced in-service date.

Company Briefs

Hope Gas Announces $250M Pipeline Expansion

Hope Gas said it is proceeding with a $250 million pipeline expansion in Mason County, W.Va.

The first phase of the project will be the construction of a 30-mile, 24-inch natural gas pipeline. Construction is to begin in April 2026, with a completion date slated for the end of 2026.

More: *West Virginia Public Broadcasting*

Qcells Resumes U.S. Solar Panel Production After Customs Furlough

Qcells, the U.S. solar manufacturing arm of South Korea's Hanwha Solutions, said it has returned to normal solar panel production at its Georgia manufacturing facilities.

The increased production volume closes a chapter for the manufacturer's U.S. operations. In November 2025, the company announced a furlough of 1,000 workers due to a temporary pause in production caused by lengthy customs clearance processes.

At full capacity, the two facilities will produce a combined 8.4 GW of solar panels and components annually.

More: *pv magazine*

SK Lays off Nearly 1,000 Workers at Georgia Plant

Battery company SK Battery America laid off nearly 1,000 workers at a manufacturing plant in Georgia amid automakers' changing electrification plans and uncertain consumer demand for EVs.

The company said March 6 marked the last working day for 958 employees, about 37% of its workforce, according to a Worker Adjustment and Retraining Notification.

More: *The Associated Press*

Federal Briefs

NRC Approves TerraPower Nuclear Reactor

The Nuclear Regulatory Commission unanimously voted to grant a construction permit to TerraPower to build its new smaller, advanced nuclear reactors.

The permit allows TerraPower to begin pouring concrete and building the components of its proposed nuclear plant in Kemmerer, Wyo. The plant is currently expected to come online in 2031.

The 345-MW reactor is the first new U.S. commercial reactor in nearly a decade to receive clearance to begin construction.

More: *The New York Times*

Bill Introduced to Keep Colorado Uranium Disposal Site Running

A group of lawmakers introduced a bill that would extend the operations of the Grand Junction uranium disposal site.

The bill would amend the Uranium Mill Tailings Radiation Control Act of 1978 to extend operations at the site until it reaches capacity. The 1978 legislation currently lists Sept. 30, 2031, as a deadline to shut down the site. The site currently has room for 200,000 more cubic yards of radioactive material.

More: *The Daily Sentinel*

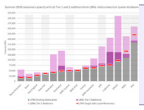
Oil Prices Soar Past $100/Barrel

Oil prices on March 9 soared above $100/barrel as the conflict between the U.S. and Iran escalates.

Gasoline prices neared $3.50/gallon on average and were up nearly 50 cents from a week ago. Compared to a month ago, before the conflict began, gas prices were up about 58 cents on average. Diesel prices were $4.66/gallon on average, up about 23% over the course of a week.

More: *The Hill*; *The New York Times*

National/Federal news from our other channels



Grid Strategies Calls NERC LTRA Too Pessimistic — ERO Insider

NERC Report Reviews 'Shoulder Season' Load-shedding Events — ERO Insider

AES Indiana to Pay $90K for NERC Violations — ERO Insider

Report: GridEx VIII Highlighted Areas for Improvement — ERO Insider

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

State Briefs

KENTUCKY

House Committee Approves Bill to Create Carbon Storage Framework

The House Natural Resources and Energy Committee unanimously approved a bill that would create a regulatory framework for carbon storage wells.

The bill would require permits from the Energy and Environment Cabinet before constructing or operating carbon sequestration injection wells, with the goal of having the state government receive permission from EPA to be the primary regulator of the wells.

The bill now heads to the full House.

More: *Kentucky Lantern*

MAINE

Bill Would Place Temporary Moratorium on Data Centers

The Energy, Utilities and Technology Committee advanced a measure that would place a moratorium on data centers.

The bill would pause the development and permitting of new data centers larger than 20 MW until at least October 2027. The measure would also require the Department of Energy Resources to create a new Data Center Coordination Council, which would submit policy recommendations by the winter of 2027.

The measure now goes to the full legislature.

More: *Maine Public Radio*

MARYLAND

DOA to Reduce Fee for EV Charger Inspections

The Department of Agriculture said it plans to reduce the inspection fee for EV chargers.

Secretary of Agriculture Kevin Atticks told the House Environment and Transportation Committee his agency will tap into the Strategic Energy Investment Fund to help pay for the charger inspection program, which should lower the fee for each charging port from $150 to $75.

More: *Maryland Matters*

MASSACHUSETTS

EFSB Approves Construction of Storage Facility

The Energy Facilities Siting Board approved Jupiter Power's plan to construct a 700-MW battery storage facility, which will be the largest in New England.

The facility, which will consist of lithium-ion batteries, will be built on a former Exxon Mobil oil tank farm and will occupy about 16.5 of 20.75 acres.

More: *WCVB*

MICHIGAN

House Bills Seek to Put PSC Seats up for Election

A group of 13 House Democrats introduced proposals that would require Public Service Commission members to be elected by voters.

Under the plan, the PSC would expand to five members. The state's political parties would nominate candidates while voters would pick commissioners beginning in 2028. They would serve staggered four-year terms and be capped at 12 years. Currently, the three-member panel is appointed by the governor to six-year terms, and all three current members are appointees of Gov. Gretchen Whitmer.

The bills were sent to the Government Operations Committee.

More: *The Detroit News*

OKLAHOMA

Regulators Reject OG&E's Charge Plan for Natural Gas Units

The Corporation Commission voted to reject Oklahoma Gas and Electric's request to apply a cost recovery mechanism for two natural gas units at its Horseshoe Lake Power Plant.

The decision blocks OG&E from using Construction Work in Progress (CWIP) for units 13 and 14, a financing method authorized under a new state law that allows utilities to charge customers for infrastructure projects before they are completed. In November, the commission approved OG&E's request to build the two units but didn't grant CWIP treatment.

OG&E said it plans to file an appeal with the state Supreme Court.

More: *The Oklahoman*; *KGOU*

SOUTH CAROLINA

Santee Cooper to Buy Nuclear Power from JEA

Santee Cooper has agreed to buy $83 million of electricity from JEA's Plant Vogtle in Georgia. It will purchase 206 MW in 2027 and 103 MW in 2028.

Two of the plant's four reactors were completed in 2023 and 2024, and the agreement requires all power to come from the new units.

JEA's board was told it could expect $203 million in revenue from the agreement. JEA pays $250 million annually to buy electricity from Vogtle. The company is offsetting the energy it's selling with new purchase agreements with Florida Power & Light.

More: *The Post and Courier*

SOUTH DAKOTA

Senate Nixes Enviro Studies, Eminent Domain Restrictions

The Senate voted against bills related to carbon dioxide pipelines and eminent domain restrictions.

The Senate Commerce and Energy Committee voted 5-3 to reject a bill passed by the House that would have required environmental impact studies for carbon dioxide pipelines, saying it was unnecessary. Rep. John Hughes (R-Sioux Falls) argued that an impact statement is a more accessible way to learn how a project might affect the environment than other public filings.

Elsewhere, the Senate voted 19-14 not to put a resolution on the fall ballot that would have asked voters to narrow the use of eminent domain and place those restrictions in the state constitution.

More: *South Dakota Searchlight*; *South Dakota Searchlight*