

REGULATORY UPDATE FOR OCTOBER 4, 2021 (WEEK OF SEPTEMBER 20)**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)****President Batjer to Resign at Year-End**

California Public Utilities Commission President Marybel Batjer announced last week that she will be resigning from the Commission at the end of 2021. Her current term as president does not end until January 1, 2027. The governor's office has stated that a replacement will be appointed by the end of the year.

New Proposed Decisions and Draft Resolutions¹

Draft Resolution E-5165. In Decision (D.) 20-09-035, the CPUC adopted Proposals 23e—allowing interconnection applicants with a Vehicle-to-Grid Direct Current Electric Vehicle Supply Equipment (V2G DC EVSE) system to request permission to switch to bidirectional mode after completing the Rule 21 interconnection process—and 23i—exempting V2G Alternating Current system pilots, temporarily, from Rule 21 smart inverter requirements. Ordering Paragraph 42 directed San Diego Gas & Electric (SDG&E), Southern California Edison (SCE), and Pacific Gas and Electric (PG&E) to file a Tier 3 Advice Letter to request approval of the implementation steps for these two proposals after presenting them at a Vehicle-to-Grid Workshop. This Resolution approves with modifications the proposed implementation plans for Proposals 23e and 23i put forth in the Joint Advice Letter SDG&E AL 3774-E, SCE AL 4510-E, and PG&E 6209-E.

A.16-10-012 (DCR Transmission CPCN). This decision grants DCR Transmission, LLC a certificate of public convenience and necessity for the Ten West Link Transmission Line Project to construct a 125-mile, series-compensated 500-kilovolt (kV) transmission line with a conductor capacity of approximately 3,200 megawatts (MW) between the Colorado River 500-kV substation, owned by SCE, and the Delaney 500-kV substation, owned by Arizona Public Services Company.

I.17-02-002 (Alison Canyon). This decision sets the interim storage capacity at the Aliso Canyon Natural Gas Storage Facility at a range between zero and 68.6 billion cubic feet. The new level adopted in this decision is based on the necessity to protect customers from natural gas reliability issues and rate impacts for both natural gas and electricity in the current timeframe, before any mitigation of these potential reliability and cost risks is completed. The decision is an interim solution to address the immediate needs of the upcoming winter season because if there

¹ Per California Public Utilities Commission (CPUC or Commission) Rules of Practice and Procedure Rule 14.3, comments on proposed decisions are due 20 days after issuance of the proposed decision, and reply comments are due five days thereafter. Comments on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

is inadequate gas to meet demand in winter 2021-2022, there will be health and safety consequences.

Alternate Decisions of Commission Guzman-Aceves. This decision sets the interim storage capacity at the Aliso Canyon Natural Gas Storage Facility at a range between zero and 41.16 billion cubic feet.

Voting Meetings

The Commission's next voting meeting is scheduled for October 7, 2021. The following energy-related items are on the agenda.

Item 3. R.19-10-005 (EPIC Program). In this decision, the Commission authorizes PG&E, SCE, and SDG&E to continue in their role as administrators of the Electric Program Investment Charge (EPIC) Program, subject to additional administrative requirements. Like the California Energy Commission (CEC), the Investor-Owned Utilities (IOU) are authorized to file two five-year investment plans, with the first cycle covering 2021-2025 (EPIC 4) and the second cycle covering 2026-2030 (EPIC 5). The Commission authorizes EPIC 4 investment plan budgets of \$18.44 million annually for PG&E, \$3.24 million annually for SDG&E, and \$15.131 million annually for SCE. To bring greater focus to the EPIC Program and improve transparency, the Commission adopts a number of administrative requirements, as well as the guiding principles and mission statement contained in Appendix A of the Proposed Decision. Given the number of revisions in this decision, the Commission extends the filing deadline for the CEC's EPIC 4 investment plan from October 1, 2021 to December 1, 2021. Although the Commission authorizes the IOUs as administrators, and authorizes their investment plan budgets, this decision does not approve their investment plans.

Item 4. Draft Resolution E-5168. On February 26, 2021, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed AL 643-E, which was withdrawn on May 17, 2021 and replaced with AL 649-E on May 21, 2021. PacifiCorp filed AL 649-E-A on June 18, 2021, which clarifies language within its May 21 filing. On March 1, 2021, Bear Valley Electric Service, Inc. (BVES) filed AL 413-E and Liberty Utilities (Calpeco Electric) LLC (Liberty) filed AL 166-E. The three IOUs request approval to establish a new Electric Rule: Rule 24 for BVES, Liberty, and PacifiCorp—known as the EV Infrastructure Rules. The Advice Letters (ALs) also request approval of an associated Electric Vehicle Infrastructure Memorandum Account to track the costs associated with offering these new rules. This Resolution requires modifications to the proposed EV Infrastructure Rules to create consistency in policy across the IOU service territories, increase transparency for customers, and ensure additional protections for ratepayers. This Resolution requires each IOU to file a Tier 1 AL within 60 days of adoption of this Resolution to make the modifications that this Resolution orders and to address the outstanding implementation details related to the rules. The Resolution additionally orders each IOU to also file a Tier 2 AL to address outstanding implementation details that the Tier 1 AL filing does not cover.

Item 5. Draft Resolution E-5167. On February 26, 2021, SCE filed AL 4429-E, SDG&E filed AL 3705-E, and PG&E filed AL 6102-E that was later replaced by AL 6102-E-A filed on March 17, 2021. The ALs request the establishment of new rules—Electric Rule 45 for SDG&E

and Electric Rule 29 for SCE and PG&E—known as the EV Infrastructure Rules (Rules) and request associated Memorandum Accounts (Memo Accounts) to track the costs associated with offering these new Rules. This Resolution approves, with modifications, PG&E’s, SCE’s, and SDG&E’s proposed Rules and associated Memo Accounts. Under the proposed Rules, ratepayers cover the costs of service line extensions and electrical distribution infrastructure—or EV Service Extensions—for separately metered EV charging for customers other than those in single-family residences. Per the direction of Pub. Util. Code § 740.19, these costs related to utility-side distribution infrastructure that support EV charging will be recovered through the IOUs’ general rate cases (GRC). As a result, IOUs will no longer request approval for utility-side costs associated with separately metered EV charging in an application or AL proposing a new transmission electrification (TE) program. In the past, the IOUs tracked these costs in Balancing Accounts associated with individual TE programs, whereas with the approval of this Resolution the IOUs will, moving forward, track these costs within a Memo Account and seek approval of those costs within a GRC.

Item 7. A.20-06-005 (PG&E Long-Term Debt). This decision grants PG&E contingent authority to manage temporary utility debt in the amount of \$1.5 billion that matures on January 1, 2022. PG&E currently intends to retire this \$1.5 billion in debt with proceeds from the issuance of \$7.5 billion of recovery bonds previously authorized by the Commission in D.21-05-015. However, due to possible future appeals of D.21-08-022 (which denied applications for rehearing of D.21-05-015) and possible appeals of related decisions, it is unclear whether proceeds from the \$7.5 billion of recovery bonds will be available to PG&E on or before January 1, 2022, the date the \$1.5 billion debt matures. As a result, the Commission grants additional authority to PG&E to manage the \$1.5 billion debt, if and to the extent necessary, pending retirement of this debt via proceeds from the recovery bonds by extending the maturity date of the \$1.5 billion debt, refinancing the \$1.5 billion debt, or managing the debt by a combination of these methods. Should the proceeds from the \$7.5 billion of the recovery bonds become available to PG&E on a timely basis, PG&E will not exercise the authority granted in this decision.

Item 8. Draft Resolution E-5159. This Resolution approves agreements between SCE and two newly forming Community Choice Aggregators (CCAs). Per an agreement with the City of Santa Barbara (Santa Barbara) described in AL 4304-E, SCE will comply with Santa Barbara’s 2022 Resource Adequacy (RA) obligations. Per a separate agreement with Central Coast Community Energy (3CE) described in ALs 4314-E and 4314-E-A, SCE will comply with 3CE’s 2021 and 2022 RA obligations and provide 3CE an option to make purchases of PCC-1 renewable energy (RPS Energy) from SCE during 2021 and 2022, at the Commission-set market price benchmarks for RPS Energy. This Resolution also permits SCE to make annual and monthly forecasts and year-ahead and month-ahead RA compliance filings on behalf of load migrating to Santa Barbara for 2021 and 2022, and load migrating to 3CE for 2021. The agreements are necessary because the two CCAs were compelled to change the dates when they will start serving customers. Santa Barbara submitted its 2021 load forecasts to the CPUC and CEC based on a projected launch date of May 1, 2021, as stated in its CPUC-certified Implementation Plan. Addendum No. 2 to 3CE’s Implementation Plan, which contemplated expanding service to additional communities in PG&E’s service area as well as communities in

SCE's service area in January 2021, was approved by the CPUC on March 9, 2020. However, the CCAs were later told by SCE that SCE was unable to accommodate their projected launch dates because the effort to replace its billing system with the Customer Service Re-Platform (CSR) would not be completed in time. The CSR involves a system freeze during which time SCE says it cannot transfer customer accounts to CCA service. Changes to implementation dates may cause the CCAs to suffer adverse financial impacts, including procurement of resources for a substantial amount of time before they begin serving load. The agreements approved by this Resolution are intended to mitigate those consequences and risks by allowing SCE, on behalf of the CCAs, to comply with Santa Barbara's RA obligations for 2022 and with SCE's RA obligation for 2021, as well as providing an option for SCE to purchase RPS Energy in 2021 and 2022.

Item 9. Draft Resolution E-5162. This Resolution approves each of the behind-the-meter microgrid tariffs (Schedule BTMM - Behind-The-Meter Microgrids) proposed by PG&E (AL 6170-E), SDG&E (AL 3742-E), and SCE (AL 4473-E). The new tariffs were filed to comply with D.21-01-018 adopting rates, tariffs, and rules facilitating the commercialization of microgrids pursuant to Senate Bill (SB) 1339 (Stern, 2018). In D.21-01-018, the Commission directed the three largest IOUs to each file a Tier 3 Advice Letter to create a new microgrid tariff for their respective service territories. The new microgrid tariff formed under D.21-01-018 is a schedule that explicitly makes terms of existing tariffs available to combinations of resources that meet California's statutory definition of a microgrid. The new schedule does not change any compensation that would otherwise be available to individual resources. Instead, this new rate schedule creates regulatory identity in the utilities' tariff books for a new, statutorily defined entity (a microgrid) pursuant to SB 1339.

Item 15. New Rulemaking. This rulemaking continues the Commission's oversight of the RA program, considers broader structural reforms to the program, and establishes forward RA procurement obligations applicable to load-serving entities beginning with the 2023 compliance year. This proceeding is the successor to Rulemaking (R.) 19-11-009, which addressed these topics over the past two years. This order closes R.19-11-009 for purposes of Pub. Util. Code § 1701.5. R.19-11-009 remains open to consider a petition for modification filed by OhmConnect, Inc. on September 9, 2021. The record developed in R.19-11-009 is fully available for consideration in this proceeding. Comments on preliminary matters pertaining to the scope, schedule, and administration of the proceeding are due not later than 20 days after the issuance of this Order Instituting Rulemaking (OIR). Reply comments may be filed no later than 30 days after the issuance of this order.

Item 23. New Rulemaking. The purpose of this OIR is to develop and adopt a safety culture assessment framework and identify the structure, elements, and process necessary to drive each regulated investor-owned electric and natural gas utility and gas storage operator to establish and continuously improve their organization-wide safety culture. Accordingly, this OIR provides guidance on the form and content of the safety culture assessments for regulated electric and natural gas IOUs and gas storage operators, provides a venue for a review of their safety culture as an organization, and will determine a process for ongoing review and refinement of their safety culture assessments in future years. All large electrical corporations, small and multi-jurisdictional electrical corporations, large natural gas corporations, and gas

storage operators subject to the jurisdiction of the Commission are respondents to this proceeding. Parties are invited to comment on this OIR and its initial proposed scope within 45 days of its issuance. Reply comments may be filed within 30 days after filing and service of comments.

CALIFORNIA ISO (CAISO)

Federal Energy Regulatory Commission Issues Order Approving Tariff Revisions for Cluster 14

On September 24, 2021, the Federal Energy Regulatory Commission issued an order (176 FERC ¶ 61,207) approving tariff revisions to amend the interconnection procedures for Cluster 14. The revisions were required due to the large number of interconnection requests received by CAISO for Cluster 14. More detail can be found on our Renewable + Law blog [here](#).

Additional CPM Designations

The CAISO issued additional Capacity Procurement Mechanism designations for October 1 through 30, 2021. The designations were for eight resources totaling 26.8 MW.

Generator Downsizing Request Submittal Window for Generator Interconnection Projects Opens

The CAISO will begin to accept downsizing requests on October 15, 2021 for active interconnection requests and commercial generating facilities seeking to downsize under the annual generator downsizing process. All downsizing requests and deposits must be submitted by 5 p.m. PT, November 15, 2021.

2022 Net Qualifying Capacity and Effective Flexible Capacity Values for RA Resources

The California ISO has posted the final 2022 RA Net Qualifying Capacity list and Effective Flexible Capacity list for requesting resources. The list may be found [here](#).

Extended Day-Ahead Market Forum

The CAISO has posted the agenda for the Extended Day-Ahead Market Forum on October 13, 2021 from 8:30 a.m. to 12 p.m. PT. The Forum is intended to reinitiate a regional discussion that builds upon the success of the Energy Imbalance Market framework by extending the day-ahead market and unlocking the potential for incremental benefits from optimizing supply and transmission resources across the West. The agenda may be found [here](#). Attendance is free but registration is required.

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Clarifications to Reliability Must-Run Designation Process. The CAISO held a public stakeholder call on September 29, 2021 to discuss the straw proposal for the Clarifications to Reliability Must-Run Designation Process initiative. Comments must be submitted by October 13, 2021.

2021-2022 Transmission Planning Process. The CAISO held public stakeholder calls on September 27-28, 2021 to discuss the reliability study results, participating transmission owner's reliability projects, and updates on other analysis related to the 2021-2022 transmission planning process. The CAISO also provided an update on the 20-year transmission outlook. Written comments are due October 12, 2021.

2021 Contract Management Enhancements. The CAISO has scheduled a public stakeholder call on October 7, 2021 to discuss the draft final proposal and draft tariff language for the 2021 Contract Management Enhancements initiative. Comments are due October 21, 2021.

New Initiative: Interconnection Process Enhancements 2021. The CAISO has launched its Interconnection Process Enhancements 2021 initiative and scheduled a public stakeholder workshop webinar on October 19, 2021. The purpose of this workshop is for the CAISO to present the problems and issues presented in the CAISO's preliminary issue paper and to solicit input and provide stakeholders an opportunity to present the issues that need to be addressed within this initiative.

CALIFORNIA ENERGY COMMISSION

Energy System Reliability (21-ESR-01)

On September 23, 2021, CEC Staff held an Informational Workshop on Midterm Reliability Modeling to the Energy System Reliability. The workshop followed the CEC's August 30, 2021 workshop, which provided an update on actions to support electric grid reliability, including the Midterm Reliability Analysis and incremental efficiency improvement potential for natural gas power plants. The event recording from the September 23, 2021 workshop is available [here](#). The CEC Staff Report and Staff presentation from the September 23 workshop are available [here](#). Stoel's Renewable + Law Blog provides a summary of the August 30, 2021 workshop [here](#).

On September 8, 2021, CEC Staff also issued a revised 2022 Summer Supply Stack Analysis (Analysis) in the Energy System Reliability [docket](#). The revised Analysis assesses supply conditions against average and extreme weather conditions for summer 2022. Via an updated docket entry on September 21, 2021, Staff posted an "Updated" Revised Analysis that replaced the September 8 version. Staff's Analysis projects a need for between 200 to 4,350 MWs of additional resources to ensure reliability during summer 2022 under extreme weather events. The revised Analysis updates the draft 2022 Summer Stack Analysis provided at the CEC's August 11, 2021 Business Meeting. The previous draft Analysis had calculated a higher

need of between 600 and 5,200 MWs for 2022 summer reliability under extreme weather events. During the September 8 Business Meeting, the CEC adopted Resolution No. 21-0908-8 adopting the Summer 2022 Supply Stack Analysis. A copy of Resolution No. 21-0908-8 was posted to the Energy System Reliability [docket](#) on September 16, 2021.

SB 100

In response to Governor Newsom's July 30, 2021 Emergency Proclamation, on September 29, 2021 the CEC published a "Report to the Governor on Priority SB 100 Actions to Accelerate the Transition to Carbon-Free Energy." The report includes recommendations on actions California can take to accelerate achieving goals set forth in SB 100 goals and California's transition to carbon-free energy. The report is available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for October 12, 2021. The agenda is available [here](#).

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Proposed Final Amendment to OTC Policy

On October 19, 2021, the SWRCB will consider adoption of the Proposed Final Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (OTC Policy) to Revise the Compliance Schedule for the Redondo Beach Generating Station and the Proposed Final Staff Report. The amendment materials propose an extension of the OTC Policy compliance date for the Redondo Beach Generating Station to ensure grid reliability.

Additional information regarding the October 19, 2021 Board meeting is available [here](#). Copies of the Proposed Final Amendment, Proposed Final Staff Report, and Responses to Comments are available on the OTC Policy program's Policy Documents [website](#).

CALIFORNIA AIR RESOURCES BOARD (ARB)

Upcoming ARB meetings will be held virtually October 14 and October 28-29, 2021. At the [October 14 meeting](#), ARB will consider the Community Emissions Reduction Program for the Portside Environmental Justice Neighborhoods, developed under the AB 617 Community Air Protection Program. Comments on the Community Emissions Reduction Program can be submitted on or before October 4, 2021 [here](#). The full agenda for the October 28-29 meeting will be available [here](#) 10 days prior to the meeting.

On October 28, 2021, ARB will hold a [public meeting](#) to consider approval of the 2020 Mobile Source Strategy. SB 44 (Skinner, 2019) requires ARB to update its 2016 Mobile Source Strategy by 2021 and every five years thereafter. The Mobile Source Strategy identifies opportunities for mobile source emissions reductions to support state emission reduction goals

and to reduce exposure in low-income and disadvantages communities. Comments on the Mobile Source Strategy can be submitted [here](#) on or before October 18, 2021.

On November 4, 2021, ARB will host a joint [public meeting](#) with the California Transportation Commission and the California Department of Housing and Community Development. This is the second of two annual joint meetings in 2021 to coordinate interagency efforts to implement policies that jointly affect transportation, housing, air quality, and climate. The meeting will focus on interagency work on equity, housing, and related efforts to reduce vehicle miles traveled in order to meet climate and air quality commitments by the state. Comments may be submitted [here](#) in advance of the meeting on or before October 25, 2021.

On September 30, 2021, ARB held a [virtual public workshop](#) on modeling inputs for a range of scenarios under consideration to achieve carbon neutrality in California by 2045, as part of the AB 32 Scoping Plan Update. Comments on the workshop may be [submitted](#) to ARB on or before October 22, 2021. Recordings of this workshop and other past AB 32 Scoping Plan Update meetings and workshops are available [here](#).

ARB is accepting informal public comments on the proposed [Advanced Clean Fleets](#) regulation, which aims to achieve a zero-emissions truck and bus California fleet by 2045. Comments may be submitted [here](#) on or before December 31, 2021.

MINNESOTA REGULATORY UPDATES

ALLETE Nemadji Trail Energy Center Update

As a follow-up to previous updates tracking the approval process for ALLETE's Nemadji Trail Energy Center (NTEC), ALLETE announced that it is selling approximately 60% of its 50% share of the \$700 million natural gas project for approximately \$20 million. The sale will bring a third utility, Basin Electric Power Cooperative (Basin Electric), into the project. Basin Electric will become a 30% owner in the project through its wholly owned subsidiary Nemadji River Generation LLC. ALLETE will retain a 20% ownership stake in NTEC via its subsidiary South Shore Energy, LLC, with a total investment of roughly \$140 million. Minnesota Power, an operating division of ALLETE, remains involved via three affiliated interest agreements: (1) an Assignment of Rights Agreement between South Shore and Minnesota Power under which South Shore assigned to Minnesota Power the right to act as construction agent for NTEC; (2) another Assignment of Rights Agreement between South Shore and Minnesota Power under which South Shore assigned to Minnesota Power the right to act as operating agent for NTEC; and (3) a Capacity Dedication Agreement between South Shore and Minnesota Power by which South Shore dedicated a portion of NTEC's capacity and associated energy to Minnesota Power.

As a result of the NTEC transaction with Basin Electric, Minnesota Power will contract for a lower amount of NTEC's energy under the Capacity Dedication Agreement. But Minnesota Power will continue to lead the construction and operation of NTEC under the Assignment of Rights Agreement. Dairyland Power Cooperative will remain a 50% owner of NTEC. Coverage of the announcement can be found [here](#).

Minnesota Power has not yet submitted any regulatory filings regarding this announcement in either its NTEC docket or its pending resource plan docket. It is not clear how cost allocation of the \$700 million plant will be shared among the three owners if either (or both) ALLETE's costs and Basin Electric's costs are capped at \$140 million and \$20 million, respectively.

NTEC was opposed by various stakeholders in proceedings before the Minnesota Public Utilities Commission (Commission), and has undergone/withstood various appellate proceedings in addition to the original Commission-approval process. Throughout the process, the main objections to NTEC have been that Minnesota Power does not need the additional capacity and that it should not build an additional carbon-emitting resource as utilities are trying to decarbonize. While Minnesota Power did not acknowledge that the sale of NTEC output to Basin Electric was based on a lack of need, environmental groups are pointing to the sale as confirmation of the positions taken throughout the regulatory approval process. As stated in the linked announcement, Evan Mulholland, supervising attorney at the Minnesota Center for Environmental Advocacy, noted that "Minnesota Power said they needed this plant, but now we know that's not entirely true." Nonetheless, ALLETE appears to be moving forward with the sale, announcing it publicly to the Commission at a planning meeting on September 29, 2021.

More details to follow once regulatory filings are submitted to the Commission.

Enbridge Inc. Line 3 Pipeline Replacement Project Update

On September 29, 2021, Enbridge Inc. (Enbridge) announced that the Line 3 Pipeline Replacement Project will begin operating on October 1, 2021. Enbridge's Vice President of Line 3 Project Execution, Leo Golden, reported that Line 3 will offer 620,000 barrels per day of crude capacity during October, reaching the full 760,000 barrels per day in November 2021. Enbridge's announcement comes after facing years of opposition in Minnesota from various groups before the Commission and Minnesota courts. Additional information on the announcement is available [here](#).

OREGON PUBLIC UTILITY COMMISSION (OPUC)

OPUC Releases Remainder of Initial Capacity Under the Oregon Community Solar Program (CSP) – UM 1930

Last Monday, the OPUC issued Order 21-317, which released the remaining 79 MW of initial capacity under Oregon's CSP to new projects in Portland General Electric's and Pacific Power's territory. The OPUC declined to expand capacity beyond the initial tier until (i) the initial 160 MW of available capacity is fully subscribed and (ii) the CSP has undergone an evaluation to improve cost and value to ratepayers. The final order can be located [here](#).

New Order Issued in Zena Solar v. PGE Interconnection Dispute – UM 2164

Last Wednesday, the OPUC issued Order 21-319, which granted interim relief to Zena Solar during the pendency of UM 2164. In its motion for interim relief and a preliminary injunction, Zena Solar raised the difficult and novel question of whether an interconnection customer may file a complaint for interconnection agreement enforcement without losing its queue position. The OPUC declined to rule on this particular issue, but instead granted Zena Solar interim relief whereby PGE cannot terminate Zena Solar's interconnection agreement until December 10, 2021. The OPUC intends to issue a final decision in this dispute prior to December 10, 2021, made possible by an accelerated procedural schedule outlined in the order. More details can be located [here](#).

OPUC Meetings This Week

On Monday, October 4 at 2:30 p.m. PT, the OPUC is hosting a joint workshop with PacifiCorp to discuss its 2022 All Source Request for Proposal (RFP). PacifiCorp will discuss the 2022 RFP process in a presentation located [here](#).

On Tuesday, October 5 at 9:30 a.m. PT, the OPUC will host a public meeting to discuss a wide range of dockets including UM 1930, related to project certification requests under Oregon's CSP (staff report located [here](#)), and UM 2166, related to PGE's proposed scoring and modeling methodology for its 2021 All Source RFP (staff report located [here](#)).

NEW YORK PUBLIC SERVICE COMMISSION (NYPSC)

New York State Selects Two Transmission Projects to Deliver Low-Carbon Power to New York City

New York State Governor Kathy Hochul announced on September 20, 2021 that New York State has selected two transmission line projects to help decarbonize power in New York City. The state has chosen the Clean Path New York project and the Champlain Hudson Power Express (CHPE) project from among the seven proposed projects submitted in response to the Clean Energy Standard [Tier 4](#) solicitation issued in January.

The CHPE project, developed by Transmission Developers, Inc. and Hydro-Quebec, is an underground and underwater transmission line that would run 339 miles between the Canada-U.S. border and New York City. The Clean Path New York project is being developed by Forward Power, a joint venture between Invenergy, EnergyRe, and the New York Power Authority, and is a 174-mile transmission line that would run from Delaware County in New York's Southern Tier economic development region through the Mid-Hudson region to New York City. Once finalized, the New York State Energy Research and Development Authority will submit the negotiated contracts for the projects to the NYPSC for consideration and approval.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

FERC's September 23, 2021 [open meeting](#) last week held some promise for those who have been watching the development of the Southeastern Energy Exchange Market (SEEM), which had appeared on the meeting's agenda. However, the SEEM docket was pulled from the agenda just prior to last Thursday's meeting, indicating a lack of consensus among FERC's commissioners and, of course, leading to much speculation about what had transpired.

FERC issued a notice stating that, due to a 2-2 split between the Commissioners on PJM's latest MOPR proposal, the proposal would go into effect by operation of law. The new "narrow" MOPR will replace PJM's expanded MOPR for the 2023/2024 capacity year and going forward. The narrow MOPR will only apply in two discrete circumstances: (1) Conditioned State Support—where a resource receives payments as a result of a state policy that is conditioned on the resource's clearing the PJM capacity auction or bidding at certain price levels, and (2) where PJM determines that a seller has buyer-side market power and its market offer is an exercise of that market power. The implementation of the narrow MOPR is a big victory for renewable energy advocates, because renewable energy projects are much likely to be subjected to mitigation in PJM's capacity market as the result of state and local subsidies.

A joint inquiry team of staff from FERC and the North American Electric Reliability Corporation (NERC) and its regional entities presented a [preliminary report](#) last week concluding that the electric and natural gas industries need to strengthen their winterization and cold weather preparedness and coordination to prevent a recurrence of the February 2021 power outages in Texas and the Midwest. The assessment identifies freezing of generator components and fuel issues as the top two major causes of the generator outages, derates, or failures to start. The issues affected generators across all fuel types and of the 1,045 generating units affected, 57% were natural gas-fired units that primarily faced fuel-supply challenges. The preliminary report recommends changes to mandatory reliability standards.

President Biden has announced that he intends to nominate Willie L. Phillips, Jr. as a Commissioner of FERC. Phillips is currently Chairman of the Public Service Commission of the District of Columbia (DCPSC). Phillips has been on the DCPSC since 2014 and has been the Chairman since 2018. Prior to his tenure on the DCPSC, Phillips served as Assistant General Counsel for the NERC. If confirmed, Phillips would replace Republican Neil Chatterjee and give Democrats a 3-2 majority on FERC.

FERC will hold a [technical conference](#) on October 12, 2021 on RTO/ISO energy and ancillary services markets to discuss market reforms to increase operational flexibility, which may be needed as the resource fleet and load profiles change over time.

FERC will hold its [first Federal-State Transmission Task Force Meeting](#) on November 10, 2021. The Task Force, established by the FERC in June, is composed of FERC Commissioners and 10 state regulators representing the five National Association of Regulatory Utility Commissioners regions. It will explore transmission-related issues to identify and realize

the benefits of electricity transmission while ensuring that the costs are allocated efficiently and fairly.

FERC's next open meeting is October 21, 2021.