

EXECUTIVE SUMMARY
Status Report of Current Regulatory and Legal Proceedings
as of November 1, 2022

The following activity, as more fully described in the attached litigation report, has occurred since the report dated October 4, 2022 ("last Report") was circulated. New matters/proceedings since the last Report are preceded by an asterisk '*'. Page numbers precede the matter description.

I. Complaints/Section 206 Proceedings

*	1	ENECOS Mystic COSA Complaint (EL23-4)	Oct 17	ENECOS submit Complaint against Mystic and ISO-NE challenging the pass-through to ISO-NE customers of firm pipeline transportation costs under the Mystic COSA; comment deadline Nov 16, 2022
			Oct 18; 21	ENECOS request confidential treatment for the portions of its Complaint that contain information that Mystic has provided to ENECOS pursuant to the Protective Order in ER18-1639; and submit separate protective order for use in this proceeding
			Oct 18-Nov 1	Calpine, CT OCC, MA AG, NESCOE, CT DEEP intervene
	1	206 Proceeding: FTR Collateral Show Cause Order (EL22-63)	Oct 26	ISO-NE answers <i>FTR Collateral Show Cause Order</i> , explaining how the FAP's FTR financial assurance calculations remain just and reasonable; comment deadline Nov 25, 2022

II. Rate, ICR, FCA, Cost Recovery Filings

*	9	2023 NESCOE Budget (ER23-100)	Oct 14	ISO-NE files materials for funding NESCOE's 2023 operations; comment date Nov 4, 2022
			Oct 17-Nov 1	NESCOE, National Grid, Calpine intervene
*	9	2023 ISO-NE Administrative Costs and Capital Budgets (ER23-94)	Oct 15	ISO-NE files its 2023 administrative costs and capital budgets; comment date Nov 4, 2022
			Oct 24-31	NEPOOL, Calpine, National Grid intervene
			Oct 31	NEPOOL files comments supporting ISO-NE 2023 Budgets
	11	Mystic COS Agreement Updates to Reflect Constellation Spin Transaction (ER22-1192)	Oct 14	In light of Settlement Agreement, Acting Chief ALJ terminates settlement judge procedures
	12	Mystic 8/9 COS Agreement <i>Second</i> CapEx Info Filing (ER18-1639-000)	Oct 17-18	NESCOE and ENECOS submit formal challenges to Mystic's Second CapEx Info Filing; comments on NESCOE's and ENECOS' challenges are due on or before Nov 16, 2022 and Nov 17, 2022 , respectively
	12	Mystic 8/9 COS Agreement <i>First</i> CapEx Info Filing (ER18-1639-015)	Oct 13	Settlement Judge McBarnette submits status report recommending continuation of settlement judge procedures; second settlement conference scheduled for Nov 17, 2022

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

*	14	FCM Parameters Recalculation Schedule Modification (ER23-74)	Oct 12	ISO-NE and NEPOOL file changes to defer and modify the FCM Parameters Recalculation Schedule; comment deadline Nov 2, 2022
			Oct 13-Nov 1	Calpine, Dominion, Eversource, National Grid, NESCOE, MA DPU intervene
*	14	FCA18 Schedule Modifications (ER23-50)	Oct 11	ISO-NE and NEPOOL file changes to compress the schedule for FCA18 to ensure FCA18 is conducted, as originally scheduled, on Feb 5, 2024
			Oct 31	Dominion, Eversource, National Grid, NESCOE, MA DPU intervene

IV. OATT Amendments / TOAs / Coordination Agreements

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|------|--------------------------------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| * 15 | Attachment F Revisions reflecting RIE Addition as PTO (ER23-299) | Oct 31 | RIE submits revisions to Attachment F to reflect its addition as a newly independent PTO; comment date Nov 21, 2022 |
| * 15 | Attachment F Depreciation Normalization Requirement Revisions (ER23-197) | Oct 26 | TOs submit revisions to maintain compliance with the IRS's depreciation normalization requirements and to ensure their continued ability to use accelerated depreciation; comment date Nov 16, 2022 |
| | | Nov 1 | Calpine intervenes doc-lessly |

V. Financial Assurance/Billing Policy Amendments*No Activity to Report***VI. Schedule 20/21/22/23 Changes & Agreements**

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|------|---------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| * 17 | Schedule 21-NEP: Removal of Narragansett References; Update NGrid LCC References (ER23-165) | Oct 24 | New England Power submits revisions to remove references to Narragansett as an affiliate of NEP and any Narragansett-specific rate provisions and to update references in the local service schedule to the National Grid Local Control Center; comment deadline Nov 14, 2022 |
| | | Oct 28 | Narragansett intervenes |
| 18 | Schedule 21-RIE (ER23-16) | Oct 11, 25 | National Grid, RI DPUC file comments |
| 18 | Schedule 21-NEP: Narragansett/Pawtucket Power Decomm. CRA (ER22-2732) | Oct 18 | FERC accepts CRA, eff. Jul 26, 2022 |

VII. NEPOOL Agreement/Participants Agreement Amendments*No Activity to Report***VIII. Regional Reports**

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|------|--------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------|
| * 19 | Capital Projects Report - 2022 Q3 (ER23-114) | Oct 14
Oct 31 | ISO-NE files 2022 Q3 Report; comment deadline Nov 4, 2022
NEPOOL files comments supporting 2022 Q3 Report |
| * 19 | LFTR Implementation: 56 th Quarterly Status Report (ER07-476) | Oct 15 | ISO-NE files its 56th quarterly report |

IX. Membership Filings

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|------|--------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| * 20 | November 2022 Membership Filing (ER23-310) | Oct 31 | New Members: Derby Fuel Cell, KCE CT 5, KCE CT 7, KCE CT8, KCE CT 9, RI Bioenergy, RI DPUC, Sunnova, and Triolith Energy Fund, LP;
Withdrawal: EIP Investment; and Name Change: Stones DR, LLC (f/k/a Centrica Business Solutions Optimize, LLC);
comment deadline Nov 21, 2022 |
|------|--------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

X. Misc. - ERO Rules, Filings; Reliability Standards

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|----|--------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------|
| 21 | NPCC Bylaws Changes (RR22-2) | Oct 5 | NERCC files Bylaws changes in response to July 8, 2022 order |
| 22 | Notice of Penalty: National Grid (NP22-33) | Oct 28 | FERC determines to not review the National Grid Notice of Penalty; \$512,000 penalty becomes effective |

XI. Misc. - of Regional Interest

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|------|--------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| * 22 | 203 Application: Seneca Energy II / BP (EC23-18) | Oct 31 | Seneca and BP request authorization for a transaction pursuant to which Seneca will become a Related Person to BP;
comment deadline Nov 21, 2022 |
|------|--------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------|

* 22	203 Application: ConEd / RWE (EC23-17)	Oct 28	ConEd and RWE request authorization for a transaction pursuant to which RWE will acquire 100% of the equity interests in ConEd's Clean Energy Businesses; comment deadline Nov 28, 2022
* 22	203 Application: Great River Hydro / HQI US (EC23-16)	Oct 28	Great River Hydro and HQI US request authorization for a transaction pursuant to which HQI US will indirectly acquire 100% of the membership interests in Great River Hydro; comment deadline Nov 18, 2022
23	203 Application: Salem Harbor / Lenders (EC22-117)	Oct 31	FERC authorizes transfer of the equity interests in Salem Harbor to Salem Harbor's lenders under a pre-petition credit facility
23	203 Application: Centrica / CPower (EC22-90)	Oct 6	CPower consummates its acquisition of 100% of Centrica's equity interests
		Oct 12	CPower and Centrica submit notice of consummation of transaction
* 24	Service Agreement Cancellation: NEP/Pawtucket (ER23-144)	Oct 19	NEP files Notice of Cancellation; comment deadline, Nov 9, 2022
24	A&R E&P Agreement: Seabrook / NECEC Transmission (ER22-2807)	Oct 24	FERC accepts Seabrook's amended and restated E&P Agreement, eff. Sep 8, 2022
25	Orders 864/864-A (Public Util. Trans. ADIT Rate Changes): New England Compliance Filings (various)	Oct 7, Oct 25, Oct 26	FERC accepts all but one of the remaining pending Order 864 compliance filings

XII. Misc. - Administrative & Rulemaking Proceedings



26	Reliability Technical Conference (Nov 10) (AD22-10)	Oct 4, 28	FERC issues supplemental notices identifying conference panel compositions and speakers; conference to be held Nov 10, 2022
26	New England Gas-Electric Winter Forum (AD22-9)	Oct 11 Oct 21-31	Forum transcript posted in eLibrary Comments received from 4 individuals and the NH BIA Comments due on or before Nov 7, 2022
27	Transmission Planning and Cost Management Tech Conf (AD22-8)	Oct 6 Oct 5, 7 Nov 1	FERC holds Oct 6, 2022 tech conf OH PUC Commissioner , Harvard Elec. Law Initiative submit materials Tech conf transcript posted in eLibrary
28	Joint Federal-State Task Force on Electric Transmission (AD21-15)	Oct 3-7 Oct 7, 31	ACRE and G. van Uytven file comments on agenda for 5 th JFSTF mtg NARUC nominates, and FERC accepts Tricia Pridemore of GA PSC to fill a SEARUC vacancy on the JFSTF Task Force Next (5 th) meeting: Nov 15, 2022 in New Orleans, LA
29	NOPR: Duty of Candor (RM22-20)		comments due Nov 10, 2022
29	NOPR: Advanced Cybersecurity Investment (RM22-19)	Oct 6	NOPR published in <i>Federal Register</i> ; comments due Nov 7, 2022 ; reply comments Nov 21, 2022
30	NOPR: Interconnection Reforms (RM22-14)	Oct 13-14 Oct 28	Over 130 sets of initial comments filed, including by: NEPOOL , ISO-NE , NESCOE , AEE , Anbaric , Avangrid , Cypress Creek Renewables , Dominion , EDF Renewables , ENGIE , Envir. Defense Fund , Longroad , National Grid , NextEra , PPL , RWE , Shell , VELCO , Vistra , ACPA , ACRE , APPA , US DOE , EEL , ELCON , EPRI , EPSA , IRC , NARUC , NERC , NRECA , PIOs , R Street Institute , SEIA , State Agencies , and WIRES FERC extends date for <u>reply</u> comments by 30 days to Dec 14, 2022

34 Transmission NOPR (RM21-17)

Nearly 100 sets of reply comments filed, including by: [ISO-NE](#), [AEE](#), [Anbaric](#), [Avangrid](#), [CT DEEP](#), [Cypress Creek](#), [Dominion](#), [ENGIE](#), [Eversource](#), [Invenergy](#), [LS Power](#), [MA AG](#), [NECOS](#), [NESCOE](#), [NextEra](#), [Shell](#), [Transource](#), [UCS](#), [ACPA](#), [ACRE](#), [APPA](#), [EEL](#), [Industrial Customer Organizations](#), [LPPA](#), [NRECA](#), [Public Interest Organizations](#), [R Street](#), [SEIA](#)

XIII. FERC Enforcement Proceedings

37 Coaltrain Energy (IN16-4)

Oct 11

FERC approves Stipulation and Consent Agreement that resolved OE's investigation into Defendants' violation of the FERC's Anti-Market Manipulation Rule and Market Behavior Rules, and a pending Federal Court lawsuit; Coaltrain must make restitution payments totaling **\$4 million**

XIV. Natural Gas Proceedings*No Activity to Report***XV. State Proceedings & Federal Legislative Proceedings***No Activity to Report***XVI. Federal Courts**

45 2nd Revised Narragansett LSA Orders (22-1161, 22-1108) (consolidated)

Oct 11

Green Development files Petitioner's Brief

45 Mystic II (ROE & True-Up) (21-1198 et al.) (consol.)

Oct 7

Court grants Mystic's Sep 7, 2022 motion for voluntary dismissal of Case No. 22-1215

Oct 25

Mystic asks Court for an order keeping these proceedings in abeyance

Oct 26

Court grants Mystic's request, ordering that the proceedings remain in abeyance pending further order of the court and directing the parties to file motions to govern future proceedings by **Jan 24, 2023**

46 Mystic I (Original Cost Test, Capital Structure, Everett Cost Recovery, Clawback, True-Up Mechanism) (20-1343 et al.)

Oct 17

Court issued its mandate, returning the case to the FERC

48 Northern Access Project (22-1233)

Oct 11

Sierra Club files Docketing Statement, Statement of Issues, and the underlying decision from which the appeal arise; FERC moves to hold this proceeding in abeyance

Oct 21

Sierra Club opposes FERC's motion

49 Algonquin Atlantic Bridge Project Orders (22-1146, 22-1147 consol.)

Oct 28

Petitioners file Petitioners Brief

M E M O R A N D U M

TO: NEPOOL Participants Committee Members and Alternates

FROM: Patrick M. Gerity, NEPOOL Counsel

DATE: November 1, 2022

RE: Status Report on Current Regional Wholesale Power and Transmission Arrangements Pending Before the Regulators, Legislatures and Courts

We have summarized below the status of key ongoing proceedings relating to NEPOOL matters before the Federal Energy Regulatory Commission (“FERC”),¹ state regulatory commissions, and the Federal Courts and legislatures through November 1, 2022. If you have questions, please contact us.

I. Complaints/Section 206 Proceedings

- **ENECOS Mystic COSA Complaint (EL23-4)**

On October 17, 2022, Eastern New England Consumer-Owned Systems (“ENECOS”) filed a Complaint against Mystic and ISO-NE challenging the pass-through to ISO-NE customers of firm pipeline transportation costs under the 2nd Amended and Restated Mystic Cost-of-Service Agreement (“COSA”), which ENECOS claimed are associated with pipeline facilities that are neither used nor usable to supply fuel to Mystic 8 and 9, and therefore should not be charged to ISO-NE and its customers under the COSA. Specifically, ENECOS asked that all references to “Pipeline Transportation Agreements” be stricken from the COSA, template Line No. 7 “Fixed Pipeline Transportation” be removed from the true-up methodology, and Mystic be precluded from recovering the dollar amounts associated with that line item. ENECOS explained that the Complaint was filed as a procedural precaution as the charges that are the subject of the Complaint can be addressed by the FERC in proceedings on the DC Circuit’s remand of issues relating to the FERC’s allocation of Everett Marine Terminal costs under the COSA.² Comments on ENECOS’ Complaint are due on or before **November 16, 2023**. Thus far, Calpine, CT OCC, MA AG, NESCOE, and the CT DEEP have intervened doc-lessly. If you have questions on this proceeding, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com) or Margaret Czepiel (202-218-3906; mczepiel@daypitney.com).

- **206 Proceeding: FTR Collateral Show Cause Order (EL22-63)**

On July 28, 2022, the FERC instituted a Section 206 proceeding finding that the existing tariffs of certain ISO/RTOs, including the ISO-NE Tariff, appear to be unjust and unreasonable.³ The FERC found that ISO-NE’s Tariff appears to be unjust and unreasonable in the absence of volumetric minimum collateral requirements for FTR Market Participants (“volumetric FTR collateral requirements”). Accordingly, ISO-NE was directed, on or before October 26, 2022, to either: (1) show cause as to why the Tariff remains just and reasonable and not unduly discriminatory or preferential; or (2) explain what changes to the Tariff it believes would remedy the identified concerns if the FERC were to determine that the Tariff has in fact become unjust and unreasonable or unduly

¹ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in the Second Restated New England Power Pool Agreement (the “Second Restated NEPOOL Agreement”), the Participants Agreement, or the ISO New England Inc. (“ISO” or “ISO-NE”) Transmission, Markets and Services Tariff (the “Tariff”).

² *Constellation Mystic Power, LLC v. FERC*, 45 F.4th 1028, 1050-1052 (D.C. Cir. 2022).

³ *CAISO, ISO-NE, NYISO, and SPP*, 180 FERC ¶ 61,049 (July 28, 2022) (“FTR Collateral Show Cause Order”).

discriminatory or preferential.⁴ As noted below, ISO-NE answered by explaining why it believes its existing Tariff provisions to be just and reasonable and changes not necessary.

By way of background, the *FTR Collateral Show Cause Order* follows PJM's *Green Hat* experience,⁵ a 2019 request by the Energy Trading Institute requesting a FERC-convened technical conference to consider a potential rulemaking to improve ISO/RTO credit practices,⁶ and a two-day technical conference in February 2021 that discussed principles and best practices for credit risk management in organized wholesale electric markets.⁷ In the *FTR Collateral Show Cause Order*, the FERC stated that, although the record developed through the technical conference highlighted numerous different approaches to managing credit risk, "we believe that two specific practices may be particularly critical to effectively managing credit risk for FTRs: the use of a mark-to-auction mechanism and a volumetric minimum collateral requirement for FTRs."⁸ ISO-NE currently employs a mark-to-auction mechanism but not volumetric FTR collateral requirements.

The FERC issued on July 28, 2022, a notice of this proceeding and of the refund effective date, August 3, 2022.⁹ Those interested in participating in this proceeding were required to intervene on or before August 18, 2022. Doc-less interventions were filed by NEPOOL, Calpine, DC Energy, NRG, the Maine Public Utilities Commission ("MPUC"), Electric Power Supply Association ("EPSA"), PJM, SPP, Public Citizen, and Financial Marketers Coalition¹⁰ (out-of-time).

ISO-NE Response. On October 26, 2022, ISO-NE submitted its answer in response to the *FTR Collateral Show Cause Order*. In its Answer, ISO-NE explained how the FTR financial assurance calculations contained in the Financial Assurance Policy ("FAP") remain just and reasonable, adequately accounting for FTR risk in the absence of a more sophisticated risk management solution such as a clearing solution. ISO-NE asked that, should the FERC not agree and proceed to require volumetric FTR collateral requirements, that it be permitted to follow the Participants Processes to propose revisions to the FAP consistent with any such order. Comments on ISO-NE's response are due on or before November 25, 2022 (the day after Thanksgiving).

⁴ *Id.* at P 31.

⁵ See *GreenHat Energy, LLC*, 175 FERC ¶ 61,138 (2021) (order to show cause) (*GreenHat Show Cause Order*); *GreenHat Energy, LLC*, 177 FERC ¶ 61,073 (2021) (order assessing civil penalties). In June 2018, GreenHat Energy LLC ("GreenHat") defaulted on its obligations to PJM after amassing one of the largest FTR portfolios in the PJM region. At the time of its default, GreenHat had only \$559,447 on deposit as collateral with PJM and no other material assets. However, over the subsequent three-year period ending in May 2021, this FTR portfolio incurred approximately \$179 million in losses, which were borne by non-defaulting market participants in PJM.

⁶ Energy Trading Institute Request for Technical Conference and Petition for Rulemaking to Update Credit and Risk Management Rules and Procedures in the Organized Markets, *Credit Reforms in Organized Wholesale Electric Markets*, Docket No. AD20-6-000 (Dec. 16, 2019).

⁷ See Supp. Notice of Tech. Conf., *RTO/ISO Credit Principles and Practices*, Docket No. AD21-6, et al. (Feb. 10, 2021).

⁸ The FERC explained that (i) the mark-to-auction mechanism mitigates the risk of default by updating collateral requirements to reflect the most recent valuation of the FTR position and (ii) volumetric FTR collateral requirements ensure that a market participant is required to post a minimum amount of collateral to cover potential defaults, even when the market participant has offsetting positions. With respect to volumetric FTR collateral requirements, the FERC expressed a concern that netting of FTRs with negative collateral requirements against FTRs with positive collateral requirements can lead to insufficient collateral for a portfolio's risk should future congestion be significantly different than historical congestion. Without explicit \$/MWh volumetric FTR collateral requirements, the FERC is "concerned that market participants may be able to minimize their collateral requirements without a corresponding reduction in risk". The ISO-NE Financial Assurance Policy ("FAP") allows for some limited offsetting. See FAP § VI (allowing for netting of FTRs with the same or opposite path, same contract month and type). *FTR Collateral Show Cause Order* at PP 28-29.

⁹ The *Notice* was published in the *Fed. Reg.* on Aug 3, 2022 (Vol. 87, No. 148) p. 47,409.

¹⁰ "Financial Marketers Coalition" identified themselves in their doc-less intervention as "financial market participants participating in the various ISO/RTO markets, including those operated by CAISO, SPP, NYISO and ISO-NE. Many of the Coalition members participate in these ISO/RTOs' FTR markets."

If you have any questions concerning this matter, please contact Paul Belval (860-275-0381; pnbelval@daypitney.com).

- **RENEW/ACPA Resource Capacity Accreditation & Operating Reserve Designation Complaint (EL22-42)**

As previously reported, RENEW Northeast, Inc. (“RENEW”) and the American Clean Power Association (“ACPA”) filed a Complaint on March 15, 2022 under Section 206 of the Federal Power Act (“FPA”) against ISO-NE seeking a FERC order directing ISO-NE to make changes to its rules for capacity accreditation and operating reserve designations, effective no later than the eighteenth Forward Capacity Auction (“FCA18”) with respect to capacity accreditation and promptly with respect to operating reserve designations. RENEW/ACPA asserted that the changes are needed to address undue preferences granted under ISO-NE’s rules and procedures to gas-fired generation resources that have neither dual-fuel capability nor dedicated, firm natural gas supply arrangements (“Gas-Only Resources”). Complainants asserted that the undue preferences arise in the context of capacity accreditation through an assumption of 100% fuel availability for Gas-Only Resources, and in the context of operating reserves, through the absence of any pre-dispatch requirements to confirm fuel availability. ISO-NE’s response and comments, following a request for extension of time granted by the FERC, were due on or before April 14, 2022.

On April 14, 2022, [ISO-NE](#) responded to the Complaint. Protests and comments on the Complaint were filed by: [NEPOOL](#), [AEE](#), [Calpine](#), [EDF](#), [FirstLight](#), [LS Power](#), [NEPGA](#), [NESCOE](#), [Public Interest Orgs \(“PIOs”](#) ¹¹ [Vistra/LSP Power](#), [State Parties](#), ¹² [EPSA](#), [National Hydropower Assoc.](#), and the Solar Energy Industries Association (“[SEIA](#)”). On April 29, RENEW/ACPA answered the ISO-NE and NEPOOL motions to dismiss and answered the protests and comments filed in opposition to the Complaint. On May 17, ISO-NE answered the April 29 RENEW/ACPA answer. Interventions only were filed by AEP, Avangrid, Avangrid Renewables, Borrego, Brookfield, Constellation, CPV Towantic, Dominion, ENE, Excelebrate, National Grid, NextEra, NH OCA, North East Offshore, NRG, Public Systems, ¹³ CT PURA, MA DPU, MPUC, Repsol, APPA, EPSA, the Institute for Policy Integrity at New York University School of Law, and Public Citizen. On July 20, 2022, ISO-NE submitted a letter requested expeditious action on the Complaint (a request NEPOOL supported). RENEW/ACPA supported the request for expedited action on August 1, 2022 (adding that the FERC “should grant the Complaint and direct ISO-NE to submit a compliance filing that timely implements the proposed remedies”, and could address the wish for “constructive *ex parte* communications with [FERC] Staff ... with an appropriately crafted waiver of the *ex parte* limitations”). No action has yet been taken and this Complaint remains pending before the FERC. If you have any questions concerning this Complaint, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **NMISA Complaint Against PTO AC (Reciprocal TOUT Discount) (EL22-31)**

On September 26, 2022, the FERC issued a notice¹⁴ that the Northern Maine Independent System Administrator’s (“NMISA”) request for rehearing of the FERC’s order¹⁵ denying NMISA’s complaint against ISO-NE and the Participating Transmission Owners (“PTOs”) Administrative Committee (“PTO AC”)¹⁶ may be deemed

¹¹ “Public Interest Orgs” are the Sustainable FERC Project, Acadia Center, Conservation Law Foundation (“CLF”), Sierra Club, and Natural Resources Defense Council (“NRDC”).

¹² “State Parties” are the Connecticut Department of Energy and Environmental Protection (“CT DEEP”), the Massachusetts Attorney General (“MA AG”), and the Connecticut Attorney General (“CT AG”).

¹³ “Public Systems” are Connecticut Municipal Electric Energy Cooperative (“CMEEC”), Massachusetts Municipal Wholesale Electric Company (“MMWEC”), New Hampshire Electric Cooperative, Inc. (“NHEC”), and Vermont Public Power Supply Authority (“VPPSA”).

¹⁴ *Northern Maine Indep. Sys. Administrator, Inc. v. ISO New England Participating Transmission Owners Administrative Comm.*, 180 FERC ¶ 61,044 (Sep. 23, 2022) (notice that req. for reh’g of July 28 order may be deemed denied).

¹⁵ *Northern Maine Indep. Sys. Administrator, Inc. v. ISO New England Participating Transmission Owners Administrative Comm.*, 180 FERC ¶ 62,168 (July 28, 2022) (“*NMISA Order*”) (order denying reciprocal TOUT discount complaint).

¹⁶ As previously reported, the FERC found in the *NMISA Order* that “NMISA has not demonstrated that the failure of the PTO AC and ISO-NE to offer NMISA reciprocal treatment is unduly discriminatory or preferential”. Specifically, the FERC cited its longstanding

denied by operation of law, triggering the 60-day period during which a petition for review of the *NMISA Order* can be filed with an appropriate federal court. The notice also indicated that the FERC, as is its right, “may modify or set aside [the *NMISA Order*], in whole or in part, in such manner as it shall deem proper”. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **206 Proceeding: ISO-NE Tariff Schedule 25 and Section I.3.10 (EL21-94)**

Still pending before the FERC is the FERC-instituted FPA Section 206 proceeding under which the FERC is considering whether Schedule 25 and Tariff § I.3.10 may be unjust and unreasonable.¹⁷ As previously reported, this proceeding arises out of issues raised in the NECEC Transmission LLC (“NECEC”)/Avangrid Complaint Against NextEra/Seabrook (related to the interconnection of the New England Clean Energy Connect transmission project (“NECEC Project”)) summarized below (EL21-6). Specifically, the FERC identified a concern that “Schedule 25’s definition of Affected Party and Tariff section I.3.10 may be unjust and unreasonable to the extent they may allow generating facilities and their components to be identified as facilities on which adverse impacts must be remedied before an elective transmission upgrade can interconnect to the ISO-NE transmission system, even though generators are not subject to the [FERC]’s open access transmission principles,” and could result in upgrades identified on an Affected Party’s system without any obligation for the Affected Party to construct the identified upgrades.¹⁸

The FERC directed ISO-NE to: (1) show cause as to why Schedule 25 and Tariff § I.3.10 remain just and reasonable or (2) explain what changes to Schedule 25 and/or Tariff § I.3.10 it believes would remedy the identified concerns if the FERC were to determine that Schedule 25 and/or Tariff section I.3.10 has become unjust and unreasonable and proceeds to establish a replacement rate. On September 8, 2021, the FERC issued a notice of the proceeding and of the refund effective date, which is October 13, 2020 (the date the NECEC/Avangrid Complaint Against NextEra/Seabrook was filed). Those interested in participating in this proceeding were required to intervene on or before October 5, 2021¹⁹ and included NEPOOL, NESCOE, Brookfield, Calpine, Dominion, Eversource, HQ US, LS Power, MA AG, MMWEC, National Grid, NECEC Transmission, NEPGA, NextEra, NRG, CT DEEP, MA DOER, Pixelle Androscoggin (out-of-time), Vistra (out-of-time), ACPA, EPSA, RENEW, and Public Citizen.

ISO-NE Answer. On November 8, 2021, ISO-NE submitted its answer explaining why Schedule 25 and Tariff § I.3.10 remain just and reasonable. ISO-NE called for the FERC to “assist Affected Parties and Interconnection Customers in resolving any disputes pertaining to upgrades on Affected Systems—such as the dispute between NECEC Transmission and NextEra Energy Seabrook, LLC in Docket No. EL21-6—as quickly as possible.” Interested parties had until January 7, 2022 to address whether ISO-NE’s existing Tariff remains just and reasonable and if not, what changes to ISO-NE’s Tariff should be implemented as a replacement rate.

Comments. Comments were filed by the January 7, 2022 deadline by [NEPOOL](#), [NECEC/Avangrid](#), [NEPGA](#), [NextEra](#). On January 20, 2022, [NextEra](#) answered the NECEC/Avangrid comments. On January 28, 2022, [NECEC](#) answered NextEra’s January 20 answer and [ISO-NE](#) answered NECEC’s Jan 7 comments.

policy permitting such charges, found for a number of reasons NYISO and NMISA not similarly situated, and noted that NMISA’s showing that the proposed approach might be superior for NMISA insufficient to meet its FPA Section 206 statutory burden. In requesting rehearing, NMISA asserted that the FERC erred by (i) failing to provide a reasoned explanation for its determination that NMISA and NYISO are not similarly situated; and (ii) failed to justify its decision not to enforce the requirement that ISO-NE engage in extensive efforts to reduce seams with neighboring control areas.

¹⁷ *NECEC Transmission LLC and Avangrid, Inc. v. NextEra Energy Resources, LLC et al. and ISO New England Inc.*, 176 FERC ¶ 61,148 (Sep. 7, 2021) (“*Sep 7 Order*”).

¹⁸ *Id.* at P 20.

¹⁹ The *Notice* was published in the *Fed. Reg.* on Sep. 14, 2021 (Vol. 86, No. 175) p. 51,140.

As noted, this matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **NECEC/Avangrid Complaint Against NextEra/Seabrook (EL21-6)**

Still pending before the FERC is the October 13, 2020 complaint by NECEC and Avangrid Inc. (together, “Avangrid”) requesting FERC action “to stop NextEra from unlawfully interfering with the interconnection of the NECEC Project and seeking, among other things, an initial, expedited order that would grant certain relief²⁰ and direct NextEra to immediately commence engineering, design, planning and procurement activities that are necessary for NextEra to construct the generator owned transmission upgrades during Seabrook Station’s Planned 2021 Outage (the “Complaint”). NextEra submitted an answer to the Complaint (requesting the FERC dismiss or deny the Complaint) and National Grid filed comments. Doc-less interventions only were filed by Dominion, Eversource, Calpine, Exelon, HQ US, MA AG, MMWEC, NESCOE, NRG, and Public Citizen. Avangrid answered NextEra’s answer and NextEra answered Avangrid’s answer (“supplemental answer”), repeating its request that the FERC dismiss or deny the Complaint. Avangrid subsequently answered the supplemental answer.

Amended Complaint. On March 26, 2021, Avangrid amended the Complaint to reflect that aspects of the relief originally requested in the Complaint were no longer feasible within the timeline previously sought. Avangrid continued to seek expeditious FERC action, requesting in its March 26 filing a FERC order on or before May 7, 2021 (which did not occur). On April 15, 2021, NextEra answered the amended Complaint. On April 20, 2021, Avangrid answered NextEra’s April 15 answer. On May 6, 2021, ISO-NE submitted a letter to express importance of prompt resolution of these matters. On May 17, Avangrid submitted a letter supporting ISO-NE’s May 6, 2021 letter.

Additional Briefing. On September 7, 2021, the FERC issued an order establishing additional briefing in this proceeding and instituted a broader Section 206 proceeding (see EL21-94 above).²¹ Initial briefs²² were due on or before October 7, 2021, and were filed by [ISO-NE](#), [Avangrid](#), [NextEra](#), [MA AG](#), [NEPGA/EPSC](#), [MA DOER](#). Reply briefs were due on or before October 22, 2021, and were filed by [Avangrid](#), [NextEra](#), [ISO-NE](#). Avangrid answered NextEra’s November 4 answer, NextEra moved to lodge a letter from a Branch Chief of the Nuclear Regulatory Commission (“NRC”), including an Inspection Report for Seabrook Station for the time period from July 1, 2021 through September 30, 2021 (together, the “NRC Seabrook Report”), to directly refute a central claim of Avangrid (that Seabrook should have already replaced the Generation Breaker at issue in this proceeding). Avangrid opposed that motion to lodge (asserting that the NRC Seabrook Report is outside the scope of these proceedings and will not assist the FERC in its decision making). With briefing complete, this matter is again pending before

²⁰ Directing NextEra to comply with the ISO-NE OATT, to comply with open access requirements, and to cease and desist unlawful interference with the NECEC Project; and to have the FERC temporarily revoke NextEra’s blanket waiver under Part 358 of the FERC’s regulations and to initiate an investigation and require NextEra to preserve and provide documents related to the interconnection of the NECEC Project.

²¹ *NECEC Transmission LLC and Avangrid, Inc. v. NextEra Energy Resources, LLC et al. and ISO New England Inc.*, 176 FERC ¶ 61,148 (Sep. 7, 2021).

²² The FERC requested additional briefing from the Parties, as well as from ISO-NE, on the following issues: (i) whether or not Seabrook’s breaker is properly identified as a part of Seabrook’s generating facility; (ii) if Seabrook’s breaker is part of Seabrook’s generating facility, under what authority, if any, Seabrook may be subject to the upgrade obligations imposed on Affected Parties under the ISO-NE Tariff; (iii) if Seabrook’s breaker is part of Seabrook’s generating facility, what obligations, if any, Seabrook has under its LGIA with respect to replacement of the breaker and whether or not ISO New England Operating Documents and Applicable Reliability Standards impose an obligation to replace the breaker. If Seabrook’s breaker is appropriately classified as a system protection facility, what obligations Seabrook has to replace the breaker. If the Seabrook LGIA obligates Seabrook to act, a description of the scope of Seabrook’s obligation under the LGIA; (iv) whether there exists any solution for the interconnection of the NECEC Project that may be implemented without the replacement of Seabrook’s breaker; and (v) If replacement of Seabrook’s breaker is necessary for the interconnection of the NECEC Project, whether there exists any interim solution for the interconnection of the NECEC Project that would allow energization of the NECEC Project prior to the replacement of Seabrook’s breaker.

the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **NextEra Energy Seabrook Declaratory Order Petition re: NECEC Elective Upgrade Costs Dispute (EL21-3)**

In a related matter, and also still pending before the FERC, is a Petition for a Declaratory Order filed by NextEra Energy Seabrook, LLC (“Seabrook”) a week earlier than the Avangrid Complaint that seeks clarity on the scope of Seabrook’s “FERC-jurisdictional regulatory obligations with respect to the project (“NECEC Elective Upgrade”), and to resolve its dispute with NECEC” (the “Seabrook Petition”). Specifically, Seabrook asked the FERC to declare that: (1) Seabrook is not required to incur a financial loss to upgrade, for NECEC’s sole benefit, a 24.5 kV generator circuit breaker and ancillary equipment (“Generation Breaker”) at Seabrook Station; (2) “Good Utility Practice” for replacement of the nuclear plant Generation Breaker is defined in terms of the practices of the nuclear power industry, such that Seabrook’s proposed definition of that term is appropriate for use in a facilities agreement with NECEC; and (3) Seabrook will not be liable for consequential damages for the service it provides to NECEC under a facilities agreement (collectively, the “Requested Declarations”). Alternatively, Seabrook asked that the FERC declare that nothing in ISO-NE’s Tariff requires Seabrook to enter into an agreement to replace the Generation Breaker, and therefore, Seabrook and the Joint Owners are entitled to bargain for appropriate terms and conditions to recover their costs, to define Good Utility Practice, and to limit liability associated with providing the service (“Alternative Declaration”).

Comments on the Seabrook Petition were filed by Eversource, MMWEC and NEPGA. Avangrid and NECEC Transmission (together, “Avangrid”) protested the Seabrook Petition. Doc-less interventions only were filed by Dominion, Eversource, Calpine, Exelon, HQ US, National Grid, NESCOE, NRG, and Public Citizen. NextEra answered Avangrid’s protest and Avangrid answered NextEra’s answer. On May 6, 2021, ISO-NE submitted a letter in this proceeding, as well as in EL21-6, to express importance of prompt resolution of these matters. NextEra moved to lodge both an August 29, 2021 filing containing an executed Engineering and Procurement Agreement (“E&P Agreement”) between Seabrook and NECEC that was filed with the FERC on August 19, 2021 and the NRC Seabrook Report. Avangrid answered that motion, asserting that the NRC Seabrook Report was outside the scope of the proceeding and the motion to lodge should be denied. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Base ROE Complaints I-IV: (EL11-66, EL13-33; EL14-86; EL16-64)**

There are four proceedings pending before the FERC in which consumer representatives seek to reduce the TOs’ return on equity (“Base ROE”) for regional transmission service.

- **Base ROE Complaint I (EL11-66).** In the first Base ROE Complaint proceeding, the FERC concluded that the TOs’ ROE had become unjust and unreasonable,²³ set the TOs’ Base ROE at 10.57% (reduced from 11.14%), capped the TOs’ total ROE (Base ROE *plus* transmission incentive adders) at 11.74%, and required implementation effective as of October 16, 2014 (the date of *Opinion 531-A*).²⁴ However, the FERC’s orders were challenged, and in *Emera Maine*,²⁵ the U.S. Court of

²³ The TOs’ 11.14% pre-existing Base ROE was established in *Opinion 489*. *Bangor Hydro-Elec. Co.*, Opinion No. 489, 117 FERC ¶ 61,129 (2006), *order on reh’g*, 122 FERC ¶ 61,265 (2008), *order granting clarif.*, 124 FERC ¶ 61,136 (2008), *aff’d sub nom.*, Conn. Dep’t of Pub. Util. Control v. FERC, 593 F.3d 30 (D.C. Cir. 2010) (“*Opinion 489*”).

²⁴ *Coakley Mass. Att’y Gen. v. Bangor Hydro-Elec. Co.*, 147 FERC ¶ 61,234 (2014) (“*Opinion 531*”), *order on paper hearing*, 149 FERC ¶ 61,032 (2014) (“*Opinion 531-A*”), *order on reh’g*, 150 FERC ¶ 61,165 (2015) (“*Opinion 531-B*”).

²⁵ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) (“*Emera Maine*”). *Emera Maine* vacated the FERC’s prior orders in the Base ROE Complaint I proceeding, and remanded the case for further proceedings consistent with its order. The Court agreed with both the TOs (that the FERC did not meet the Section 206 obligation to first find the existing rate unlawful before setting the new rate) and “Customers” (that the 10.57% ROE was not based on reasoned decision-making, and was a departure from past precedent of setting the ROE at the midpoint of the zone of reasonableness).

Appeals for the D.C. Circuit (“DC Circuit”) vacated the FERC’s prior orders, and remanded the case for further proceedings consistent with its order. The FERC’s determinations in *Opinion 531* are thus no longer precedential, though the FERC remains free to re-adopt those determinations on remand as long as it provides a reasoned basis for doing so.

- **Base ROE Complaints II & III (EL13-33 and EL14-86) (consolidated).** The second (EL13-33)²⁶ and third (EL14-86)²⁷ ROE complaint proceedings were consolidated for purposes of hearing and decision, though the parties were permitted to litigate a separate ROE for each refund period. After hearings were completed, ALJ Sterner issued a 939-paragraph, 371-page *Initial Decision*, which lowered the base ROEs for the EL13-33 and EL14-86 refund periods from 11.14% to 9.59% and 10.90%, respectively.²⁸ The *Initial Decision* also lowered the ROE ceilings. Parties to these proceedings filed briefs on exception to the FERC, which has not yet issued an opinion on the ALJ’s *Initial Decision*.
- **Base ROE Complaint IV (EL16-64).** The fourth and final ROE proceeding²⁹ also went to hearing before an Administrative Law Judge (“ALJ”), Judge Glazer, who issued his initial decision on March 27, 2017.³⁰ The *Base ROE IV Initial Decision* concluded that the currently-filed base ROE of 10.57%, which may reach a maximum ROE of 11.74% with incentive adders, was **not** unjust and unreasonable for the Complaint IV period, and hence was not unlawful under Section 206 of the FPA.³¹ Parties in this proceeding filed briefs on exception to the FERC, which has not yet issued an opinion on the *Base ROE IV Initial Decision*.

October 16, 2018 Order Proposing Methodology for Addressing ROE Issues Remanded in Emera Maine and Directing Briefs. On October 16, 2018, the FERC, addressing the issues that were remanded in *Emera Maine*, proposed a new methodology for determining whether an existing ROE remains just and reasonable.³² The FERC indicated its intention that the methodology be its policy going forward, including in the four currently pending New England proceedings (see, however, *Opinion 569-A*³³ (EL14-12; EL15-45) in

²⁶ The 2012 Base ROE Complaint, filed by Environment Northeast (now known as Acadia Center), Greater Boston Real Estate Board, National Consumer Law Center, and the NEPOOL Industrial Customer Coalition (“NICC”, and together, the “2012 Complainants”), challenged the TOs’ 11.14% ROE, and seeks a reduction of the Base ROE to 8.7%.

²⁷ The 2014 Base ROE Complaint, filed July 31, 2014 by the Massachusetts Attorney General, together with a group of State Advocates, Publicly Owned Entities, End Users, and End User Organizations (together, the “2014 ROE Complainants”), seeks to reduce the current 11.14% Base ROE to 8.84% (but in any case no more than 9.44%) and to cap the Combined ROE for all rate base components at 12.54%. 2014 ROE Complainants state that they submitted this Complaint seeking refund protection against payments based on a pre-incentives Base ROE of 11.14%, and a reduction in the Combined ROE, relief as yet not afforded through the prior ROE proceedings.

²⁸ *Environment Northeast v. Bangor Hydro-Elec. Co. and Mass. Att’y Gen. v. Bangor Hydro-Elec. Co.*, 154 FERC ¶ 63,024 (Mar. 22, 2016) (“2012/14 ROE Initial Decision”).

²⁹ The 4th ROE Complaint asked the FERC to reduce the TOs’ current 10.57% return on equity (“Base ROE”) to 8.93% and to determine that the upper end of the zone of reasonableness (which sets the incentives cap) is no higher than 11.24%. The FERC established hearing and settlement judge procedures (and set a refund effective date of April 29, 2016) for the 4th ROE Complaint on September 20, 2016. Settlement procedures did not lead to a settlement, were terminated, and hearings were held subsequently held December 11-15, 2017. The September 26, 2016 order was challenged on rehearing, but rehearing of that order was denied on January 16, 2018. *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 156 FERC ¶ 61,198 (Sep. 20, 2016) (“Base ROE Complaint IV Order”), *reh’g denied*, 162 FERC ¶ 61,035 (Jan. 18, 2018) (together, the “Base ROE Complaint IV Orders”). The *Base ROE Complaint IV Orders*, as described in Section XVI below, have been appealed to, and are pending before, the DC Circuit.

³⁰ *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 162 FERC ¶ 63,026 (Mar. 27, 2018) (“Base ROE Complaint IV Initial Decision”).

³¹ *Id.* at P 2.; Finding of Fact (B).

³² *Coakley v. Bangor Hydro-Elec. Co.*, 165 FERC ¶ 61,030 (Oct. 18, 2018) (“Order Directing Briefs” or “Coakley”).

³³ *Ass’n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569-A, 171 FERC ¶ 61,154 (2020) (“Opinion 569-A”). The refinements to the FERC’s ROE methodology included: (i) the use of the Risk Premium model instead of only relying

Section XI below). The FERC established a paper hearing on how its proposed methodology should apply to the four pending ROE proceedings.³⁴

At highest level, the new methodology will determine whether (1) an existing ROE is unjust and unreasonable under the first prong of FPA Section 206 and (2) if so, what the replacement ROE should be under the second prong of FPA Section 206. In determining whether an existing ROE is unjust and under the first prong of Section 206, the FERC stated that it will determine a “composite” zone of reasonableness based on the results of three models: the Discounted Cash Flow (“DCF”), Capital Asset Pricing Model (“CAPM”), and Expected Earnings models. Within that composite zone, a smaller, “presumptively reasonable” zone will be established. Absent additional evidence to the contrary, if the utility's existing ROE falls within the presumptively reasonable zone, it is not unjust and unreasonable. Changes in capital market conditions since the existing ROE was established may be considered in assessing whether the ROE is unjust and unreasonable.

If the FERC finds an existing ROE unjust and unreasonable, it will then determine the new just and reasonable ROE using an averaging process. For a diverse group of average risk utilities, FERC will average four values: the midpoints of the DCF, CAPM and Expected Earnings models, and the results of the Risk Premium model. For a single utility of average risk, the FERC will average the medians rather than the midpoints. The FERC said that it would continue to use the same proxy group criteria it established in *Opinion 531* to run the ROE models, but it made a significant change to the manner in which it will apply the high-end outlier test.

The FERC provided preliminary analysis of how it would apply the proposed methodology in the Base ROE I Complaint, suggesting that it would affirm its holding that an 11.14% Base ROE is unjust and unreasonable. The FERC suggested that it would adopt a 10.41% Base ROE and cap any preexisting incentive-based total ROE at 13.08%.³⁵ The new ROE would be effective as of the date of *Opinion 531-A*, or October 16, 2014. Accordingly, the issue to be addressed in the Base ROE Complaint II proceeding is whether the ROE established on remand in the first complaint proceeding remained just and reasonable based on financial data for the six-month period September 2013 through February 2014 addressed by the evidence presented by the participants in the second proceeding. Similarly, briefing in the third and fourth complaints will have to address whether whatever ROE is in effect as a result of the immediately preceding complaint proceeding continues to be just and reasonable.

The FERC directed participants in the four proceedings to submit briefs regarding the proposed approaches to the FPA section 206 inquiry and how to apply them to the complaints (separate briefs for each proceeding). Additional financial data or evidence concerning economic conditions in any proceeding must relate to periods before the conclusion of the hearings in the relevant complaint proceeding. Following a FERC notice granting a request by the TOs and Customers³⁶ for an extension of time to submit briefs, the latest date for filing initial and reply briefs was extended to January 11 and March 8, 2019, respectively. On January 11, initial briefs were filed by EMCOS, Complainant-Aligned Parties, TOs, Edison Electric Institute (“EEI”), Louisiana PSC, Southern California Edison, and AEP. As part of their initial briefs, each of the Louisiana PSC, SEC and AEP also moved to intervene out-of-time. Those interventions were opposed by the TOs on January 24, 2019. The

on the DCF model and CAPM under both prongs of FPA Section 206; (ii) adjusting the relative weighting of long- and short-term growth rates, increasing the weight for the short-term growth rate to 80% and reducing to 20% the weight given to the long-term growth rate in the two-step DCF model; (iii) modifying the high-end outlier test to treat any proxy company as high-end outlier if its cost of equity estimated under the model in question is more than 200% of the median result of all the potential proxy group members in that model before any high- or low-end outlier test is applied, subject to a natural break analysis. This is a shift from the 150% threshold applied in *Opinion 569*; and (iv) calculating the zone of reasonableness in equal thirds, instead of using the quartile approach that was applied in *Opinion 569*.

³⁴ *Id.* at P 19.

³⁵ *Id.* at P 59.

³⁶ For purposes of the motion seeking clarification, “Customers” are CT PURA, MA AG and EMCOS.

Louisiana PSC answered the TOs' January 24 motion on February 12. Reply briefs were due March 8, 2019 and were submitted by the TOs, Complainant-Aligned Parties, EMCOS, and FERC Trial Staff.

TOs Request to Re-Open Record and file Supplemental Paper Hearing Brief. On December 26, 2019, the TOs filed a Supplemental Brief that addresses the consequences of the November 21 *MISO ROE Order*³⁷ and requested that the FERC re-open the record to permit that additional testimony on the impacts of the *MISO ROE Order's* changes. On January 21, 2020, EMCOS and CAPs opposed the TOs' request and brief.

These matters remain pending before the FERC. If you have any questions concerning these matters, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Joe Fagan (202-218-3901; jfagan@daypitney.com).

II. Rate, ICR, FCA, Cost Recovery Filings

- **2023 NESCOE Budget (ER23-100)**

This proceeding was initiated by ISO-NE's October 14, 2022 filing of the budget for funding NESCOE's 2023 operations. The 2023 Operating Expense Budget for NESCOE is \$2,691,505. The amount to be recovered reflects true-ups from 2022 (over-collections of \$1,108,802). Accordingly, if accepted, the NESCOE budget will result in a charge of \$0.00701 per kilowatt ("kW") of Monthly Network Load (a \$0.00035/kW decrease from 2022). The 2023 NESCOE budget was supported by the Participants Committee at its October 6, 2022 meeting. Comments and any interventions are due on or before November 4. Thus far, Calpine, NESCOE and National Grid have submitted doc-less interventions. If there are any questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **2023 ISO-NE Administrative Costs and Capital Budgets (ER23-94)**

Also on October 14, 2022, ISO-NE filed for recovery of its 2023 administrative costs (the "2023 Revenue Requirement") and submitted its capital budget and supporting materials for calendar year 2023 ("2023 Capital Budget", and together with the 2023 Revenue Requirement, the "2023 ISO Budgets"). The 2023 ISO-NE Budgets were filed together pursuant to the Settlement Agreement entered into to resolve challenges to the 2013 ISO-NE Budgets. In the October 14 filing, ISO-NE reported that the 2023 Revenue Requirement is \$240.2 million (a \$25.1 million or 11.7% increase over 2022), which decreases to \$225.6 million after the over-collection for 2021 is subtracted. Of that total, ISO-NE's administrative costs (i.e., the 2023 Core Operating Budget) comprise \$209.2 million; depreciation and amortization of regulatory assets, \$31 million; and a \$14.6 million true-up decrease for 2021 over-collections.

ISO-NE further reported that the 2023 Capital Budget is \$33.5 million, a \$1.5 million increase over 2022, and is comprised of the following (with 2023 projected costs and target completion dates, if available, in parentheses):

▸ nGem Market Clearing Engine Implementation (Mar 2023)	(\$1.3 million)	▸ IT Asset Workflow Integration and Updates (Mar 2022)	(\$800,000)
▸ FCTS Infrastructure Conversion Part III (\$700,000) (Apr 2023)	(\$700,000)	▸ PI Historian for Short-Term Phasor Measurement Units Data Repository (Sep 2023)	(\$500,000)
▸ FCM Order 2222 (Nov 2023)	(\$600,000)	▸ Forecast Enhancements (Jul 2023)	(\$600,000)

³⁷ *Ass'n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569, 169 FERC ¶ 61,129 (Nov. 21, 2019) ("*MISO ROE Order*"), *order on reh'g*, Opinion No. 569-A, 171 FERC ¶ 61,154 (May 21, 2020).

▸ PI Historian for Short-Term Phasor Measurement Units Data Repository (Jul 2023)	(\$500,000)	▸ Physical Security Improvement Project (Sep 2023)	(\$400,000)
▸ E-mail List Server Technology Refresh (Jan 2023)	(\$100,000)	▸ Replace Messaging Software (Mar 2023)	(\$100,000)
▸ Day-Ahead Ancillary Services Improvements (Oct 2024)	(\$3.5 million)	▸ nGem Real-Time Market Clearing Engine Implementation (Jun 2025)	(\$3 million)
▸ CIP Electronic Security Perimeter Redesign Phase II (Jan 2024)	(\$2 million)	▸ nGEM Software Development Part III (Dec 2023)	(\$1.5 million)
▸ Privileged Account Management Security Enhancements 2023 (Sep 2023)	(\$1.3 million)	▸ Web to Cloud Migration Phase I (Nov 2023)	(\$800,000)
▸ Integrated Market Simulator Phase I (Jun 2022)	(\$400,000)	▸ Web to Cloud Migration Phase I (Dec 2023)	(\$1.2 million)
▸ Inventoried Energy Program (Sep 2023)	(\$1 million)	▸ External Website Migration to Cloud (Oct 2022)	(\$400,000)
▸ 2023 Issue Resolution Project	(\$400,000)	▸ Solar Do Not Exceed Dispatch Phase II (Dec 2023)	(\$1 million)
▸ Microsoft 365 Service Adoption (Jun 2024)	(\$500,000)	▸ MOPR Elimination (\$650,000) (Dec 2024)	(\$650,000)
▸ Identity and Access Management Phase III (Dec 2023)	(\$500,000)	▸ Windows Server 2019R2 (Oct 2023)	(\$500,000)
▸ MIS Reporting by Sub Accounts (Mar 2023)	(\$200,000)	▸ FERC Order 2222 (Dec 2026)	(\$400,000)
▸ Control Room Voice Recorder Upgrade (Mar 2023)	(\$100,000)	▸ Enterprise Resource Planning System Replacement (Sep 2026)	(\$100,000)
▸ LMP Monitor Replacement (Apr 2022)	(\$100,000)	▸ Capitalized Interest	(\$600,000)
		▸ Non-Project Capital Expenditures	(\$4.8 million)
		▸ Other Emerging Work	(\$3.4 million)

The 2023 ISO-NE Budgets were supported by the Participants Committee at its October 6, 2022 meeting. Comments on this filing are due November 4, 2022. Thus far, NEPOOL filed comments supporting the 2023 Budgets and NEPOOL, Calpine and National Grid have filed doc-less interventions. If there are any questions on this matter, please contact Paul Belval (860-275-0381; pnbelval@daypitney.com).

- **FirstLight CIP IROL (Schedule 17) Cost Recovery Schedule Filing (ER22-2876)**

On September 16, 2022, FirstLight Power Management LLC (“FirstLight”) requested FERC acceptance of a proposed rate schedule to allow FirstLight to begin the recovery period for certain Interconnection Reliability Operating Limits Critical Infrastructure Protection costs (“CIP-IROL Costs”) of its affiliated generation facilities under Schedule 17 of the ISO-NE Tariff. FirstLight stated that the rate schedule will provide interested parties notice of FirstLight’s intent to recover CIP-IROL Costs for each affiliated facility designated as an IROL-Critical Facility, and an order accepting the rate schedule will provide an effective date after which associated costs incurred can be recovered following completion of the process contemplated by Schedule 17 and a subsequent Section 205 filing identifying the specific costs to be recovered. A September 16, 2022 effective date was requested. Comments on this filing were due on or before October 5, 2022; none were filed. NESCOE filed a doc-

less intervention. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **NESCOE 5-year (2023-2027) *Pro Forma* Budget (ER22-2812)**

On September 6, 2022, NESCOE filed its fourth 5-year *pro forma* budget covering years 2023 - 2027 (the "5-year *Pro Forma* Budget") in accordance with the Memorandum of Understanding ("MOU") among ISO-NE, NEPOOL and NESCOE. The 5-year *Pro Forma* Budget was supported by the Participants Committee at its September meeting. Comments on this filing were due on or before September 27. NEPOOL filed comments supporting the 5-year *Pro Forma* Budget on September 27. National Grid and Eversource filed doc-less interventions. This matter remains pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Mystic COS Agreement Updates to Reflect Constellation Spin Transaction³⁸ (ER22-1192)**

As previously reported, on May 2, 2022, the FERC accepted and suspended in part Constellation Mystic Power, LLC's ("Mystic's") changes to its Amended and Restated Cost-of-Service Agreement ("COS Agreement") to reflect Mystic's current upstream ownership.³⁹ The changes were accepted effective as of Jun 1, 2022, but subject to refund. Specifically, the FERC accepted (i) Mystic's changes throughout the COS Agreement to replace the term "Exelon Generation Company, LLC" with "Constellation Energy Generation, LLC"; and (ii) the addition of language to the true-up methodology that provides that the values included in the true-up methodology exclude costs associated with the Spin Transaction. However, noting that Mystic's contested proposal on the issue of capital structure and cost of debt raises issues of material fact that cannot be resolved based on the record, the FERC accepted and suspended this portion of the COS Agreement for a nominal period, to become effective June 1, 2022, subject to refund and to the outcome of paper hearing procedures. The FERC also directed the appointment of a settlement judge, holding its paper hearing in abeyance so as to provide the participants an opportunity for settlement discussions.⁴⁰

Settlement Agreement (-001) and Interim Implementation of Settlement Rate (-002). On September 8, 2022, Mystic filed an offer of settlement and related materials ("Offer of Settlement") to resolve all issues set for hearing in this proceeding. Comments supporting the Offer of Settlement were filed by FERC Trial Staff on September 22, 2022. No reply comments were filed. Judge French certified the uncontested Settlement to the Commission on October 4, 2022. The Offer of Settlement is pending before the FERC.

Mystic also requested authorization to implement on an interim basis (until the Settlement Agreement is approved) the Settlement Rate agreed upon in the Settlement Agreement.⁴¹ That request was approved by Acting Chief ALJ Satten on September 28, 2022.⁴² The interim Settlement Rate, which will be reflected in ISO-NE's next invoices for Monthly Charges, will remain in effect pending the Commission's consideration of the Offer of Settlement and will be subject to refund or surcharge if and as appropriate.

Settlement Judge Procedures Terminated. Subject to final action by the Commission on the Settlement Agreement, Chief ALJ Satten ended settlement judge procedures in this proceeding on October 14, 2022.

³⁸ In the Spin Transaction, Constellation's and Mystic's corporate parent changed from Exelon Corporation to a newly-created holding company, Constellation Energy Corporation ("Constellation Corporation"). Mystic continues to be an indirect wholly-owned subsidiary of Constellation Energy Generation, LLC, which in turn is a direct, wholly-owned subsidiary of Constellation Corporation.

³⁹ *Constellation Mystic Power, LLC*, 179 FERC ¶ 61,081 (May 2, 2022) ("*May 2, 2022 Order*").

⁴⁰ *Id.* at P 24.

⁴¹ The interim rate constitutes a reduction, achieved through a reduced proportion of equity and a lower cost of debt used in Mystic's capital structure and rate of return calculation.

⁴² *Constellation Mystic Power, LLC*, 180 FERC ¶ 63,032 (Sep. 28, 2022) ("*Mystic Interim Settlement Rate Order*").

If you have questions on any aspect of this proceeding, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com) or Sebastian Lombardi (860-275-0663; slombardi@daypitney.com).

- **Mystic 8/9 Cost of Service Agreement (ER18-1639)**

As previously reported, each of the *July 17 Orders*⁴³ and the *Mystic ROE Orders*,⁴⁴ which addressed in part or in whole the COS Agreement⁴⁵ among Mystic, Constellation Energy Generation, LLC⁴⁶ (“Constellation”) and ISO-NE, have been appealed to, and consolidated before, the DC Circuit (see Section XVI below).

(-000) First CapEx Info. Filing. On September 15, 2021, Mystic submitted, as required by orders in this proceeding and Sections I.B.1.i. and II.6.of Schedule 3A of the COS Agreement (“Protocols”), its informational filing to provide support for the capital expenditures and related costs that Mystic projects will be collected as an expense between June 1, 2022 to December 31, 2022 (“First CapEx Projects Info. Filing”). Formal challenges to the September 15 filing were submitted by the Eastern New England Customer-Owned Systems (“ENECOS”) and NESCOE. Mystic responded to the formal challenges on November 17, 2021 asserting that that the challenges should be rejected without further procedures. ENECOS and NESCOE replied to Mystic’s November 17 reply on December 2 and December 6, 2021, respectively.

On April 28, 2022, the FERC issued an order granting in part, and denying in part, ENECOS’ and NESCOE’s formal challenges, subject to refund, and established hearing and settlement judge procedures.⁴⁷ The FERC summarily denied NESCOE’s challenge regarding the update to the AFRR and ENECOS’ challenge with regard to the improper booking of items. Those items, and challenges to other underlying projected costs, may be challenged in connection with Mystic’s Second Informational Filing (where the informal challenge process begins on April 1, 2022 and the formal challenge process begins on September 15, 2022).⁴⁸ The FERC reiterated that all items except return on equity and depreciation are subject to the true-up process described in Schedule 3A of the COS Agreement, not just projected capital expenditures. However, with respect to NESCOE’s and ENECOS’ allegations that Mystic failed to support all of its projected capital expenditures, the FERC found that the First CapEx Projects Info. Filing raised issues of material fact that could not be resolved based on the record and would be more appropriately addressed under hearing and settlement judge procedures.⁴⁹ Accordingly, the FERC set these matters for a trial-type evidentiary hearing. The FERC encouraged the parties to make every effort to settle their

⁴³ The “July 17 Orders” are the *July 2018 Rehearing Order*, *Dec 2018 Rehearing Order* and the *July 17 Compliance Order*. *Constellation Mystic Power, LLC*, 164 FERC ¶ 61,022 (July 13, 2018) (“*July 2018 Order*”), *clarif. granted in part and denied in part, reh’g denied*, 172 FERC ¶ 61,043 (July 17, 2020) (“*July 2018 Rehearing Order*”); *Constellation Mystic Power, LLC*, 165 FERC ¶ 61,267 (Dec. 20, 2018) (“*Dec 2018 Order*”), *set aside in part, clarification granted in part and clarification denied in part*, 172 FERC ¶ 61,044 (July 17, 2020) (“*Dec 2018 Rehearing Order*”); *Constellation Mystic Power, LLC*, 172 FERC ¶ 61,045 (July 17, 2020) (“*July 17 Compliance Order*”) (order on compliance and directing further compliance).

⁴⁴ *Constellation Mystic Power, LLC*, 176 FERC ¶ 61,019 (July 15, 2021) (“*Mystic ROE Order*”) (setting the base ROE for the Mystic COS Agreement at 9.33%); *Constellation Mystic Power, LLC*, 177 FERC ¶ 61,106 (Nov. 18, 2021) (“*Mystic ROE First Allegheny Order*”) (re-setting Mystic’s ROE to 9.19%); *Constellation Mystic Power, LLC*, 177 FERC ¶ 61,106 (Nov. 18, 2021) (“*Mystic ROE Second Allegheny Order*”), and together with the *Mystic ROE Order* and the *Mystic ROE Allegheny Order*, the “*Mystic ROE Orders*”) (modifying the discussion in, but sustaining the results of, the *Mystic ROE First Allegheny Order*).

⁴⁵ The COS Agreement, submitted on May 16, 2018, is between Mystic, Exelon Generation Company, LLC (“ExGen”) and ISO-NE. The COS Agreement is to provide cost-of-service compensation to Mystic for continued operation of Mystic 8 & 9, which ISO-NE has requested be retained to ensure fuel security for the New England region, for the period of June 1, 2022 to May 31, 2024. The COS Agreement provides for recovery of Mystic’s fixed and variable costs of operating Mystic 8 & 9 over the 2-year term of the Agreement, which is based on the pro forma cost-of-service agreement contained in Appendix I to Market Rule 1, modified and updated to address Mystic’s unique circumstances, including the value placed on continued sourcing of fuel from the Distrigas liquefied natural gas (“LNG”) facility.

⁴⁶ On Feb. 1, 2022, Exelon Generation Company, LLC was renamed and is now known as Constellation Energy Generation, LLC.

⁴⁷ *Constellation Mystic Power, LLC*, 179 FERC ¶ 61,011 (Apr. 28, 2022) (“*Mystic First CapEx Info. Filing Order*”).

⁴⁸ *Id.* at PP 23-24.

⁴⁹ *Id.* at P 26.

disputes before hearing procedures are commenced, and to that end, will hold the hearing in abeyance pending the appointment of a settlement judge and completion of settlement judge procedures.⁵⁰

(-000) Second CapEx Info Filing. On September 15, 2022, Mystic submitted, as required by orders in this proceeding and Sections I.B.1.i. and II.6. of Schedule 3A of the COS Agreement (“Protocols”) its “Second CapEx Info Filing” to provide support for the capital expenditures and related costs that Mystic projects will be collected as an expense between January 1, 2023 to December 31, 2023 (“2023 CapEx Projects”). Formal challenges to the Second CapEx Info Filing were submitted by NESCOE and ENECOS. Comments on NESCOE’s and ENECOS’ challenges are due on or before **November 16, 2022** and **November 17, 2022**, respectively.

(-014) Revised ROE (Sixth) Compliance Filing. Still pending is Mystic’s December 20, 2021 filing in response to the requirements of the *Mystic ROE Allegheny Order*. The sixth compliance filing revised (i) the Cost of Common Equity figures from 9.33% to 9.19%, for both Mystic 8&9 and Everett Marine Terminal (“Everett”), and (ii) the stated Annual Fixed Revenue Requirements for both the 2022/23 and 2023/24 Capacity Commitment Periods. Comments on the sixth compliance filing were due on or before January 10, 2022; none were filed. The Sixth Compliance Filing remains pending before the FERC.

(-015) First CapEx Info. Filing Settlement Judge Procedures. On May 4, Chief Judge Cintron designated Judge Andrea McBarnette as the Settlement Judge. A first settlement conference was convened on Wednesday June 15, 2022. A second settlement conference is scheduled for **November 17, 2022**. On October 13, 2022, Settlement Judge McBarnette submitted a status report recommending the continuation of settlement judge procedures.

If you have questions on any aspect of this proceeding, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com) or Margaret Czepiel (202-218-3906; mczepiel@daypitney.com).

- **Transmission Rate Annual (2022-23) Update/Informational Filing (ER09-1532; RT04-2)**

On July 29, 2022, the PTO AC submitted its 2023 annual filing identifying adjustments to Regional Transmission Service charges, Local Service charges, and Schedule 12C Costs under Section II of the Tariff. The filing reflected the charges to be assessed under annual transmission and settlement formula rates, reflecting actual 2021 cost data, plus forecasted revenue requirements associated with projected PTF, Local Service and Schedule 12C capital additions for 2022 and 2023, as well as the Annual True-up including associated interest. As prescribed in the Interim Protocols,⁵¹ the formula rates that will be in effect for 2023 include a billing true up of seven months of 2021 (June-December). The PTO AC states that the annual updates results in a Pool “postage stamp” RNS Rate of \$140.94 /kW-year effective January 1, 2023, a decrease of \$1.84 /kW-year from the charges that went into effect on January 1, 2022. In addition, the filing includes updates to the revenue requirements for Scheduling, System Control and Dispatch Services (the Schedule 1 formula rate), which result in a Schedule 1 charge of \$1.75 kW-year (effective June 1, 2022 through May 31, 2023), a \$0.12/kW-year decrease from the Schedule 1 charge that last went into effect on June 1, 2022. This filing was not noticed for public comment.

The July 29 filing was reviewed with the Transmission Committee at its August 16, 2022 summer meeting and at an August 22, 2022 technical session for Interested Parties. The July 29 filing triggered the commencement of the Information Exchange Period and a Review Period under the Interim Protocols. Interested Parties have until September 15, 2022 to submit information and document requests, and the PTOs are required to make a good faith effort to respond to all requests within 15 days, but by no later than

⁵⁰ *Id.* at P 27.

⁵¹ The Interim Formula Rate Protocols (“Interim Protocols”) became effective June 15, 2021, and will be replaced by permanent Formula Rate Protocols that will become effective June 15, 2023. See Settlement Agreement resolving all issues in Docket No. EL16-19 (“Settlement”) approved by the FERC on Dec. 28, 2020, in *ISO New England et al.*, 173 FERC ¶ 61,270 (2020) (“Settlement Order”).

October 15, 2022. During the Review Period, Interested Parties have until November 15, 2022 to submit Informal Challenges to the PTOs, and the PTOs are required to make a good faith effort to respond to any Informal Challenges no later than December 15, 2022. Interested Parties have until January 31, 2023 to file a Formal Challenge with the FERC. If there are questions on this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

III. Market Rule and Information Policy Changes, Interpretations and Waiver Requests

- **FCM Parameters Recalculation Schedule Modification (ER23-74)**

On October 12, 2022, ISO-NE and NEPOOL jointly filed Tariff changes to defer for two years the next recalculation of several FCM “parameters” and, going forward, to modify the schedule for such updates from no less often than once every three years to no less often than once every four years. The Participants Committee supported the changes at its August 4, 2022 meeting (Consent Agenda Item #3). ISO-NE requested an effective date of December 12, 2022 for these changes. Comments on this filing are due on or before **November 2, 2022**. Thus far, doc-less interventions have been filed by Calpine, Dominion, Eversource, National Grid, NESCOE, and the MA DPU. If you have any questions concerning this proceeding, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **FCA18 Schedule Modifications (ER23-50)**

On October 11, 2022, ISO-NE and NEPOOL jointly filed Tariff changes to modify the schedule for FCA18. The modifications compress the schedule for FCA18 in order that FCA18 can be conducted as originally scheduled (on February 5, 2024) notwithstanding delays in FA16 and FCA17 that otherwise would have caused the FCA18 auction date to slip. The Participants Committee supported the changes over two meetings – the September 1 and October 6, 2022 meetings (Consent Agenda Items #5 and 2, respectively). ISO-NE requested an effective date of December 11, 2022 for these changes. Comments on this filing are due on or before **November 1, 2022**. Thus far, doc-less interventions have been filed by Dominion, Eversource, National Grid, NEPGA, NESCOE, and the MA DPU. If you have any questions concerning this proceeding, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **New England’s Order 2222 Compliance Filing (ER22-983)**

New England’s *Order 2222* Compliance Filing remains pending before the FERC. As previously reported, ISO-NE, NEPOOL and the PTO AC (“Filing Parties”) submitted on February 2, 2022 Tariff revisions (“*Order 2222* Changes”) in response to the requirements of *Order 2222*. The Filing Parties stated that the *Order 2222* Changes create a pathway for Distributed Energy Resource Aggregations (“DERAs”) to participate in the New England Markets by: creating new, and modifying existing, market participation models for DERA use; establishing eligibility requirements for DERA participation (including size, location, information and data requirements); setting bidding parameters for DERAs; requiring metering and telemetry arrangements for DERAs and individual Distributed Energy Resources (“DERs”); and providing for coordination with distribution utilities and relevant electric retail regulatory authorities (“RERRAs”) for DERA/DER registration, operations, and dispute resolution purposes.

Comments, following an extension of time granted by the FERC in response to a request by Advanced Energy Management Alliance (“AEMA”), were due on or before April 1, 2022. NEPOOL filed supplemental comments on March 28. Protests and comments were filed by: [AEE/PowerOptions/SEIA](#); [Environmental Organizations](#);⁵² [MA AG](#); [Votus](#); [AEMA](#) and [4 New England US Senators](#).⁵³ Doc-less interventions were filed by: Avangrid (CMP/UI), Calpine, Centrica Business Solutions Optimize (out-of-time), Constellation, ENE, Enerwise,

⁵² Environmental Organizations are Acadia Center, Conservation Law Foundation (“CLF”), Environmental Defense Fund (“EDF”), Massachusetts Climate Action Network, NRDC, Sierra Club, and the Sustainable FERC Project.

⁵³ Senators Markey (MA), Sanders (VT), Warren (MA), and Whitehouse (RI).

Eversource, FirstLight, MA AG, National Grid, NESCOE, NRG, MA DPU, MPUC (out-of-time), APPA, and EEI. ISO-NE (April 20) and National Grid/Avangrid/Eversource (April 19) filed answers to the protests and adverse comments. Since the last Report, [AEE/PowerOptions/SEIA](#) and [AEMA](#) answered the ISO-NE and National Grid/Avangrid/Eversource answers.

(-001) Deficiency Letter. On May 18, 2022, the FERC issued a 25-page deficiency letter directing ISO-NE to provide, on or before June 17, 2022, additional information and clarifications. ISO-NE filed its 39-page response to the deficiency letter on June 17, 2022. Comments in response to ISO-NE's deficiency letter response were due on or before July 8, 2022 and a joint protest was filed by AEE, AEMA, PowerOptions, and SEIA ("[Joint Protest](#)"). The Joint Protest, while supportive of certain responses (those regarding the exemption of DERAs from the Small Generator Interconnection Procedures ("SGIP") prior to 2026, locational requirements for DER aggregation, and the role of host utilities in identifying potential conflicts with retail program participation), protested the adequacy of ISO-NE responses regarding proposed metering and telemetering requirements for behind-the-meter ("BTM") DERs. On July 25, 2022, ISO-NE answered the July 8 Joint Protest. On August 9, 2022, AEE, AEMA, PowerOptions, and SEIA [answered](#) ISO-NE's July 25 answer.

This matter is pending before the FERC. If you have any questions concerning this matter, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com); Eric Runge (617-345-4735; ekrunge@daypitney.com); or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **IEP Remand (ER19-1428-005)**

On September 23, 2022, the FERC issued an order⁵⁴ directing ISO-NE to refile, on or before **November 23, 2022**, Tariff provisions governing the Inventoried Energy Program ("IEP") consistent with the D.C. Circuit's decision.⁵⁵ ISO-NE's proposed Tariff changes, which must remove nuclear, biomass, coal, and hydroelectric generators from the IEP, will be reviewed at the November 2 Participants Committee meeting. If you have any questions concerning this matter, please contact Sebastian Lombardi (860-275-0663; slombardi@daypitney.com) or Rosendo Garza (860-275-0660; rgarza@daypitney.com).

IV. OATT Amendments / TOAs / Coordination Agreements

- **Attachment F Revisions Reflecting RIE Addition as PTO (ER23-299)**

On October 31, 2022, The Narragansett Electric Company d/b/a Rhode Island Energy ("RIE") filed revisions to Attachment F of the OATT to reflect its addition as a newly independent Participating Transmission Owner ("PTO"). A January 1, 2023 effective date was requested. Comments on the RIE Attachment F Revisions are due on or before **November 21, 2022**. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Attachment F Depreciation Normalization Requirement Revisions (ER23-197)**

On October 26, 2022, certain Transmission Owners⁵⁶ filed revisions to Attachment F of the OATT to apply the IRS's ADIT proration formula to their actual (true-up) revenue requirements and to thereby maintain

⁵⁴ *ISO New England Inc.*, 180 FERC ¶ 61,181 (Sep. 23, 2022) ("*2022 IEP Remand Order Directing Compliance*").

⁵⁵ *Belmont Mun. Light Dept., et al., v. FERC*, 2022 WL 2182810 (June 17, 2022) (the "*IEP Decision*"). The *IEP Decision* leaves intact the FERC's June 2020 IEP Remand Order (*ISO New England Inc.*, 171 FERC ¶ 61,235 (June 18, 2020)) except for the inclusion of nuclear, biomass, coal, and hydroelectric generators in ISO-NE's IEP, the inclusion of which the Court found arbitrary and capricious (because those resources were unlikely to change their behavior in response to the IEP payments). Because the Court believed "there is not substantial doubt that FERC would have adopted IEP if it had not included these resources in the first place [and] IEP can function sensibly without them", the Court found that it had the authority to sever this portion from the overall program and therefore vacated that portion of IEP from the remainder of the IEP. The Court upheld the remainder of the IEP and remanded the matter to the FERC for further proceedings consistent with its opinion.

⁵⁶ The TO filers are as follows: Central Maine Power Co. ("CMP"); Eversource Energy Service Co. ("Eversource") on behalf of The Conn. Light and Power Co. ("CL&P"), Public Service Co. of New Hampshire ("PSNH"), NSTAR Elec. Co. ("NSTAR"); Fitchburg Gas and Elec.

compliance with the IRS's depreciation normalization requirements and to ensure their continued ability to use accelerated depreciation. Estimated revenue impacts were identified in the filing. A January 1, 2023 effective date was requested. Comments on these Attachment F Revisions are due on or before **November 16, 2022**. Thus far, Calpine has submitted a doc-less intervention. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Phase I/II HVDC-TF Order 881 Compliance Filing: HVDC TOA (ER22-2467) and Sched. 20-A Common Attachment M (ER22-2468)**

On July 22, 2022, following a requested 10-day extension of time granted by the FERC, a Phase I/II HVDC-TF Order 881 compliance filing was submitted in two parts ((i) changes to the HVDC TOA and (ii) changes to Schedule 20-Common Attachment M) by: ISO-NE, the Asset Owners,⁵⁷ and the Schedule 20A Service Providers.⁵⁸ Specifically, the Filing proposed changes to the **HVDC TOA** (ER22-2467) to address the Order 881 requirements related to transmission ratings and rating procedures and to **Schedule 20A-Common** (ER22-2468) to ensure compliance with Order 881 with respect to transmission rating transparency and transmission service (together, the "Phase I/II HVDC-TF Order 881 Compliance Filing"). Comments on the Phase I/II HVDC-TF Order 881 Compliance Filing were due on or before August 12, 2022; none were filed. The IRH Management Committee submitted a doc-less intervention. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Order 881 Compliance Filing: New England (ER22-2357)**

As previously reported, ISO-NE, NEPOOL, the PTO AC, and CSC (the "Filing Parties") filed, on July 12, 2022, proposed revisions to the OATT in response to the requirements of Order 881⁵⁹ ("Order 881 Compliance Changes"). Specifically, the Filing Parties proposed the addition of a new Attachment Q to the OATT, and to revise OATT Schedules 18 (MTF; MTF Service) and 21 (Local Service - Common). The Order 881 Compliance Changes (the Attachment Q and Schedule 18 changes) were supported by the Participants Committee at its June 21-23 Summer Meeting (Consent Agenda Item No. 2). An effective date of September 10, 2022 was requested, with changes to Attachment Q and Schedule 21 to become applicable by their own terms in July 2025. Comments on the Order 881 Compliance Changes are due on or before August 2, 2022; none were filed. Eversource, Narragansett Electric Company ("Narragansett") and National Grid filed doc-less interventions. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Order 676-J Compliance Filing Part I (CSC-Schedule 18-Attachment Z) (ER22-1168)**

On March 2, 2022, in response to the requirements of Order 676-J,⁶⁰ ISO-NE and CSC filed revisions to ISO-NE Tariff Schedule 18 Attachment Z to incorporate the new cybersecurity and PFV standards contained in

Light Co.; Green Mountain Power Corp.; Maine Elec. Power Co.; New England Power Co. d/b/a National Grid; New Hampshire Transmission, LLC; The United Illuminating Co.; Vermont Transco, LLC; and Versant Power.

⁵⁷ The "Asset Owners" are, collectively, New England Hydro-Transmission Electric Company, New England Hydro-Transmission Corporation, New England Electric Transmission Corporation, and Vermont Electric Transmission Company ("VETCO").

⁵⁸ The "Schedule 20A Service Providers" are: Central Maine Power Co. ("CMP"); The Conn. Light and Power Co. and Public Service Co. of NH ("Eversource"); Green Mountain Power Cor. ("GMP"); New England Power Co. ("NEP"); NSTAR Electric Co.; The United Illuminating Co. ("UI"); Vermont Electric Cooperative, Inc. ("VEC"); and Versant Power.

⁵⁹ *Managing Transmission Line Ratings*, Order No. 881, 177 FERC ¶ 61,179 (Dec. 16, 2021); *Managing Transmission Line Ratings*, Order No. 881-A, 179 FERC ¶ 61,125 (May 19, 2022) (together, "Order 881").

⁶⁰ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-J, 175 FERC ¶ 61,139 (May 20, 2021) ("Order 676-J"). Order 676-J revised FERC regulations to incorporate by reference the latest version (Version 003.3) of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by NAESB's Wholesale Electric Quadrant. The WEQ Version 003.3 Standards include, in their entirety, the WEQ-023 Modeling Business Practice Standards contained in the WEQ Version 003.1 Standards, which address the technical issues affecting Available Transfer Capability ("ATC") and Available Flowgate Capability ("AFC")

the North American Energy Standards Board (“NAESB”) Wholesale Electric Quadrant (“WEQ”) Version 003.3 Standards (“Schedule 18 Order 676-J Part I Changes”).⁶¹ An effective date as of the date of the FERC order accepting these changes was requested. Comments on this filing were due on or before March 23, 2022; none were filed. Doc-less interventions were filed by CSC and NEPOOL. There was no activity since the last Report and this matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Order 676-J Compliance Filing Part I (TOs-Schedule 20/21-Common) (ER22-1161)**

Also on March 2, 2022, in response to the requirements of *Order 676-J*, the PTO AC, ISO-NE, and the Schedule 20A Service Providers (“S20SPs”) (collectively, the “TOs”) filed revisions to ISO-NE Tariff Schedules 20A-Common and 21-Common to incorporate the new cybersecurity and PFV standards contained in NAESB WEQ Version 003.3 Standards (“Schedule 20/21-Common Order 676-J Part I Changes”).⁶¹ An effective date as of the date the FERC may determine was requested. Comments on this filing were due on or before March 23, 2022; none were filed. Doc-less interventions were filed by NEPOOL and Eversource. There was no activity since the last Report and this matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Order 676-J Compliance Filing Part I (ISO-NE-Schedule 24) (ER22-1150)**

Again on March 2, 2022, in response to the requirements of *Order 676-J*, ISO-NE filed revisions to ISO-NE Tariff Schedule 24 (Incorporation by Reference of NAESB Standards) to incorporate the new cybersecurity and PFV standards contained in NAESB WEQ Version 003.3 Standards (“Schedule 24 Order 676-J Part I Changes”).⁶¹ An effective date no earlier than June 2, 2022 was requested. The Transmission Committee recommended that the Participants Committee support the Schedule 24 Order 676-J Part I Changes at its March 23 meeting, and the Participants Committee supported the changes at the April 7 meeting (Consent Agenda Item # 1). Comments on this filing were due on or before March 23, 2022; none were filed. NEPOOL, Eversource, MA DPU, and National Grid submitted doc-less interventions. There was no activity since the last Report and this matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

V. Financial Assurance/Billing Policy Amendments

No Activity to Report

VI. Schedule 20/21/22/23 Changes & Agreements

- **Schedule 21-NEP: Removal of References to Narragansett; Update Reference to NGrid LCC (ER23-165)**

On October 24, 2022, New England Power Company (“NEP”) filed revisions to Schedule 21-NEP. The revisions remove references in Schedule 21-NEP to The Narragansett Electric Company (“Narragansett”) as an affiliate of NEP and any Narragansett-specific rate provisions. NEP also proposed minor revisions to Schedule 21-NEP to update references in the local service schedule to the National Grid Local Control Center (“LCC”) (f/k/a REMVEC). NEP requested a January 1, 2023 effective date for the revisions. Comments on this filing are due on or before **November 14, 2022**. Thus far, Narragansett has filed a doc-less intervention. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

calculation for wholesale electric transmission services, with the addition of certain revisions and corrections. The FERC also revised its regulations to provide that transmission providers must avoid unduly discriminatory and preferential treatment in the calculation of ATC.

⁶¹ Compliance filings for the rest of the WEQ Version 003.3 Standards (Schedule 24 Order 676-J Part II Changes) were due 12 months after implementation of the WEQ Version 003.2 Standards, or no earlier than Oct. 27, 2022.

- **Schedule 21-RIE (ER23-16)**

On October 4, 2022, The Narragansett Electric Company d/b/a Rhode Island Energy (“RIE”) filed revisions to Schedule 21 and Attachment E of Section II of the OATT to establish RIE’s rates, terms, and conditions for the provision of Local Service and to accommodate RIE as a new Participating Transmission Owner (“PTO”). Comments on this filing were due on or before October 26, 2022 and were filed by National Grid (supporting RIE’s filing) and the Rhode Island Division of Public Utilities and Carriers (“RI DPUC”) (expressing concern that this proceeding’s record is inadequate to demonstrate the justness and reasonableness of RIE’s filing and requesting that REI (i) confirm that its filing complies with all of the commitments made by PPL in connection with approval of the Narragansett acquisition; (ii) confirm that its filing will carry forward the rate treatment of the Block Island Transmission System approved earlier in 2022;⁶² and (iii) provide additional information regarding the rate impacts of the proposed changes). This matter is now pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Schedule 21-NEP: Narragansett/Pawtucket Power Decommissioning CRA (ER22-2732)**

On October 18, 2022, the FERC accepted, effective July 26, 2022, a Decommissioning Cost Reimbursement Agreement (“CRA”) between Narragansett and Pawtucket Power Associates LP (Pawtucket’).⁶³ As previously reported, the CRA facilitates the performance of certain work that Pawtucket requested Narragansett undertake to support the decommissioning of certain interconnection facilities and related equipment for Pawtucket’s 69 MW Rhode Island generating facility that was completely retired on June 1, 2022. Unless the October 18 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Schedule 21-VP: 2021 Annual Update Settlement Agreement (ER20-2119-001)**

On March 25, 2022, Versant Power submitted a joint offer of settlement between itself and the MPUC to resolve all issues raised by the MPUC in response to Versant’s 2021 annual charges update filed, as previously reported, on June 15, 2021, and as amended on June 20, 2021 and July 8, 2021 (the “Versant 2021 Annual Update Settlement Agreement”). Under Part V of Attachment P-EM to Schedule 21-VP, “Interested Parties shall have the opportunity to conduct discovery seeking any information relevant to implementation of the [Attachment P-EM] Rate Formula. . . .” and follow a dispute resolution procedure set forth there. In accordance with those provisions, the MPUC identified certain disputes with the 2021 Annual Update, all of which are resolved by the Versant 2021 Annual Update Settlement Agreement. Comments on the Versant 2021 Annual Update Settlement Agreement were due on or before April 14, 2022; none were filed. This matter remains pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Schedule 21-VP: 2020 Annual Update Settlement Agreement (ER15-1434-005)**

On November 19, 2021, Versant Power submitted a joint offer of settlement between itself and the MPUC to resolve all issues raised by the MPUC in response to Versant’s 2020 annual charges update filed, as previously reported, on June 15, 2020 (the “Versant 2020 Annual Update Settlement Agreement”). Under Part V of Attachment P-EM to Schedule 21-VP, “Interested Parties shall have the opportunity to conduct discovery seeking any information relevant to implementation of the [Attachment P-EM] Rate Formula. . . .” and follow a dispute resolution procedure set forth there. In accordance with those provisions, the MPUC identified certain disputes with the 2020 Annual Update, all of which are resolved by the Versant 2020 Annual Update Settlement Agreement. Comments on the Versant 2020 Annual Update Settlement Agreement were due on or before December 10, 2021; reply comments, December 19, 2021; none were filed. There was no

⁶² See Filing of Third Revised Service Agreement Nos. TSA-NEP-83 and TSA-NEP86 Under Schedule 21-NEP to the ISO New England Inc. Open Access Transmission Tariff, *ISO New England Inc.*, Docket No. ER22-927 (filed Jan. 31, 2022); *ISO New England Inc.*, Docket No. ER22-927 (Mar. 31, 2022) (unpublished letter order accepting changes).

⁶³ *The Narragansett Electric Co.*, Docket No. ER22-2732-000 (Oct. 18, 2022) (unpublished letter order).

activity since the last Report and this matter remains pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activity to Report

VIII. Regional Reports

- **Opinion 531-A Local Refund Report: FG&E (EL11-66)**

Fitchburg Gas & Electric's ("FG&E") June 29, 2015 refund report for its customers taking local service during *Opinion 531-A*'s refund period remains pending. If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Opinions 531-A/531-B Regional Refund Reports (EL11-66)**

The TOs' November 2, 2015 refund report documenting resettlements of regional transmission charges by ISO-NE in compliance with *Opinions No. 531-A*⁶⁴ and *531-B*⁶⁵ also remains pending. If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Opinions 531-A/531-B Local Refund Reports (EL11-66)**

The *Opinions 531-A and 531-B* refund reports filed by the following TOs for their customers taking local service during the refund period also remain pending before the FERC:

- | | | |
|-----------------------|-----------------|-----------------------|
| ◆ Central Maine Power | ◆ National Grid | ◆ United Illuminating |
| ◆ Emera Maine | ◆ NHT | ◆ VTransco |
| ◆ Eversource | ◆ NSTAR | |

If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Capital Projects Report - 2022 Q3 (ER23-114)**

On October 14, 2022, ISO-NE filed its Capital Projects Report and Unamortized Cost Schedule covering the third quarter ("Q3") of calendar year 2022 (the "Report").⁶⁶ Report highlights included the following new projects: (i) FCM Order 2222 (\$1.15 million); and (ii) IT Asset Workflow Integration and Updates (\$1.06 million). Projects with a significant changes (with amounts returned to the Emerging Work Fund following in parentheses) were (i) 2022 Issue Resolution (\$120,000); (ii) Privileged Account Management Security Enhancements (\$105,900); and (iii) Packet Broker Infrastructure Replacement Project (\$105,500). Comments on the 2022 Q3 Report are due on or before November 4, 2022. On October 31, NEPOOL intervened doc- lessly and submitted comments supporting the Report. If you have any questions concerning this matter, please contact Paul Belval (860-275-0381; pnbelval@daypitney.com).

- **LFTR Implementation: 56th Quarterly Status Report (ER07-476; RM06-08)**

ISO-NE filed the 56th of its quarterly status reports regarding LFTR implementation on October 14, 2022. ISO-NE reported that it implemented monthly reconfiguration auctions (accepted in ER12-2122) beginning with the month of October 2019. ISO-NE further reported that, while it will continue to evaluate its as-filed LFTR design and financial assurance issues, including an ongoing evaluation of the FTR market and risk associated with FTRs and LFTRs, it is currently focused on higher priority market-design initiatives. ISO-NE

⁶⁴ Martha Coakley, Mass. Att'y Gen., 149 FERC ¶ 61,032 (Oct. 16, 2014) ("*Opinion 531-A*").

⁶⁵ Martha Coakley, Mass. Att'y Gen., Opinion No. 531-B, 150 FERC ¶ 61,165 (Mar. 3, 2015) ("*Opinion 531-B*").

⁶⁶ ISO New England Inc., Docket No. ER21-2632 (Oct. 1, 2021) (unpublished letter order).

concluded its report by describing the 18-month implementation that would be required once the LFTR financial assurance issues are resolved. These status reports are not noticed for public comment.

- **Reserve Market Compliance (33rd) Semi-Annual Report (ER06-613)**

As directed by the original ASM II Order,⁶⁷ as modified,⁶⁸ ISO-NE submitted its 33rd semi-annual reserve market compliance report on October 3, 2022. In the 33rd report, ISO-NE stated that it “will begin discussions with stakeholders in the coming months regarding development of day-ahead ancillary services, and is currently seeking to file the proposed market design changes by the end of 2023. As those discussions proceed, the ISO will update the Commission regarding the relation of the proposed day-ahead ancillary services to a forward TMSR market, through future reports in this docket.” The October 3 report was not noticed for public comment. If there are questions on this matter, please contact Dave Doot (860-275-0102; dtdoot@daypitney.com).

IX. Membership Filings

- **November 2022 Membership Filing (ER23-310)**

On October 31, 2022, NEPOOL requested that the FERC accept (i) the memberships of: Derby Fuel Cell, LLC [Related Person to Fuel Cell Energy Companies, DFC ERG CT and Bridgeport Fuel Cell (AR Sector, RG Sub-Sector)]; KCE CT 5, KCE CT 7, KCE CT8, and KCE CT 9 [Related Persons to KCE CT 1 and 2 (Provisional Group Member); Maven Energy, LLC (Supplier Sector); Rhode Island Bioenergy, LLC [Related Person to Rhode Island Bioenergy Facility, LLC (AR Sector, RG Sub-Sector, Small RG Group Member); Rhode Island Division of Public Utilities Carriers End User Sector); Sunnova Energy Corporation (AR Sector, DG Sub-Sector); and Triolith Energy Fund, LP (Supplier Sector); (ii) the termination of the Participant status of EIP Investment, LLC (Provisional Group Member); and (iii) the name change of Stones DR, LLC (f/k/a Centrica Business Solutions Optimize, LLC). Comments on the November Membership filing are due on or before November 21, 2022.

- **October 2022 Membership Filing (ER22-2982)⁶⁹**

On September 30, 2022, NEPOOL requested that the FERC accept (i) the memberships of Danske Commodities US LLC (Supplier Sector); The Massachusetts Climate Action Network (End User Sector); MFT Energy US 1 LLC (Supplier Sector); and Spotlight Power LLC (Supplier Sector); and (ii) the termination of the Participant status of IPKeys Power Partners, Inc. (Supplier Sector). Comments on the October Membership filing were due on or before October 21, 2022; none were filed. This matter is pending before the FERC.

X. Misc. - ERO Rules, Filings; Reliability Standards

Questions concerning any of the ERO Reliability Standards or related rule-making proceedings or filings can be directed to Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **CIP Standards Development: Informational Filings on Virtualization and Cloud Computing Services Projects (RD20-2)**

As previously reported, NERC is required to file on an informational basis quarterly status updates regarding the development of new or modified Reliability Standards pertaining to virtualization and cloud computing services. NERC submitted its most recent informational filing regarding one active CIP standard development project (Project 2016-02 – Modifications to CIP Standards (“Project 2016-02”)) on September 15,

⁶⁷ See *NEPOOL and ISO New England Inc.*, 115 FERC ¶ 61,175 (2006) (“ASM II Order”) (directing the ISO to provide updates on the implementation of a forward TMSR market), *reh’g denied* 117 FERC ¶ 61,106 (2006).

⁶⁸ See *NEPOOL and ISO New England Inc.*, 123 FERC ¶ 61,298 (2008) (continuing the semi-annual reporting requirement with respect to the consideration and implementation of a forward market for Ten-Minute Spinning Reserve (“TMSR”)).

⁶⁹ There was no September membership filing.

2022.⁷⁰ Project 2016-02 focuses on modifications to the CIP Reliability Standards to incorporate applicable protections for virtualized environments. A revised schedule for Project 2016-02, which has not changed since the last (June 2022) quarterly report, calls for final balloting of revised standards in October 2022, NERC Board of Trustees Adoption in November 2022 and filing of the revised standards with the FERC in December 2022.

- **2023 NERC/NPCC Business Plans and Budgets (RR22-4)**

On August 23, 2022, and as amended on September 12, 2022 (to correct MISO-related numbers), NERC submitted its proposed Business Plan and Budget, as well as the Business Plans and Budgets for the Regional Entities, including NPCC, for 2023. FERC regulations⁷¹ require NERC to file its proposed annual budget for statutory and non-statutory activities 130 days before the beginning of its fiscal year (January 1), as well as the annual budget of each Regional Entity for their statutory and non-statutory activities, including complete business plans, organization charts, and explanations of the proposed collection of all dues, fees and charges and the proposed expenditure of funds collected. NERC reports that its proposed 2023 funding requirement represents an overall increase of approximately 13.7% over NERC's 2022 funding requirement. The NPCC U.S. allocation of NERC's net funding requirement is \$10.97 million. NPCC has requested \$18.14 million in statutory funding (a U.S. assessment per kWh (2021 NEL) of \$0.0000600) and \$1.07 million for non-statutory functions. Comments on NERC's amended filing were due on or before **October 7, 2022**. As previously reported, EEI submitted comments supporting NERC's budget plan and budget ("BP&B"), but suggesting that the size of the budget increase warrants subsequent analysis to ensure the effectiveness of the new expenditures. NERC answered EEI's comments, committing to public accountability for its BP&B, and requesting that the FERC allow NERC's efforts underway to "identify qualitative and quantitative ways to illustrate NERC's value relative to its budget" to continue during the 2024 BP&B planning process. There were no further comments and this matter is now pending before the FERC.

- **NPCC Bylaws Changes (RR22-2)**

As previously reported, the FERC conditionally approved, on July 8, 2022, changes to the NPCC Bylaws (the "Bylaws") designed to, among other things: (1) to improve corporate governance; (2) to ensure consistency with the Not-for-Profit Corporation Law of the State of New York ("N-PCL"), pursuant to which NPCC is organized; and (3) to remove extraneous provisions from the Bylaws, create efficiencies, and reflect changes at NPCC since 2012 (when the last changes to the Bylaws were filed).⁷² In accepting the Bylaws Changes, the FERC directed NERC/NPCC to submit in a compliance filing, due, following an extension of time requested and granted, on or before October 6, 2022, changes that (i) provide members being terminated for failure to comply with bylaw provisions related to qualifications, obligations, and conditions of membership (a) notice within a reasonable time period of the NPCC Board's membership termination decision and the reason(s) for the action and (b) the option to appeal the membership termination in accordance with the due process requirement in FPA Section 215; and (ii) specifically describe the method of providing public notice of member meetings. The FERC found Public Citizen's protest⁷³ beyond the scope of the proceeding. The Bylaws changes were accepted effective as of the date of the order, or July 8, 2022, as requested.

Compliance Filing. On October 5, 2022, NERC and NPCC submitted as directed their compliance filing in response to the July 8, 2022 order. The compliance filing revises the Bylaws to (i) require that prior to terminating any NPCC Member under section 4.6, the NPCC Board must provide the affected Member 21 days prior written

⁷⁰ The other project which had been addressed in prior updates, Project 2019-02, has concluded, and the FERC approved in RD21-6 the Reliability Standards revised as part of that project (CIP-004-7 and CIP-011-3) on Dec. 7, 2021.

⁷¹ 18 CFR § 39.4(b) (2022).

⁷² *N. Am. Elec. Rel. Corp.*, 180 FERC ¶ 61,016 (July 8, 2022).

⁷³ In its protest, Public Citizen argued that the FERC should require a change to the composition of NPCC's Board of Directors, suggesting that NPCC be compelled to ensure that, of NPCC's eight board sectors and 15 voting members, "household consumer advocates" have two voting seats in Sector 7 (Sub-Regional Reliability Councils, Customers, Other Regional Entities and Interested Entities), and that regulators, reliability coordinators, and end-users compose at least half of the voting seats of the board.

notice and an opportunity to cure the problem or appeal the reason for the proposed termination; (ii) to specify that the meeting notices shall be posted on NPCC's public website in a "reasonably prominent location; and (iii) to update the NPCC Bylaws' Table of Contents. Comments on the compliance filing were due on or before October 26, 2022; none were filed. The compliance filing is pending before the FERC.

- **Notice of Penalty: National Grid (NP22-33)**

On September 29, 2022, NERC filed a Notice of Penalty regarding National Grid's violation of Reliability Standards FAC-008-3 (Transmission Vegetation Management) Requirements 6 and 8, and PRC-023-4 (Transmission Relay Loadability) Requirement 1. Specifically, NPCC, NERC's Regional Entity for the Northeast, determined that National Grid (i) did not maintain accurate Facility Ratings consistent with its Facility Ratings Methodology at Facilities used for the planning and operation of the Bulk Power System ("BPS") in New York and New England, (ii) did not provide to its Reliability Coordinator accurate Facility Ratings or the accurate identity of the most limiting element of the Facility for a total of 154 Facilities (or 21% of the Entity's Facilities in scope of the Standard), and (iii) had 16 protective relay settings affecting 13 transmission lines, seven of which were 345 kV feeders and eight were part of an IROL, which did not meet various Criteria specified in PRC-023-4 R1. NERC said that the violations were caused by ineffective inter-departmental coordination or silos between departments, and contributing causes included insufficient communication, gaps in procedures, insufficient training, and failure to recognize the loadability impact of limiting transformers installed in series with applicable feeders on protection relays' settings.

To resolve all outstanding issues arising from NPCC's determinations and findings, NPCC and National Grid entered into a Settlement Agreement in which National Grid agreed to a **\$512,000 penalty**, in addition to other activities outlined in the Settlement Agreement. Pursuant to 18 CFR § 39.7(e), and because the FERC determined that it would not further review the Notice of Penalty,⁷⁴ the penalty became effective October 29, 2022. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

XI. Misc. - of Regional Interest

- **203 Application: Seneca Energy II / BP (EC23-18)**

On October 31, 2022, Seneca Energy II, LLC ("Seneca") and wholly owned subsidiaries of BP Products North America Inc. ("BP") requested authorization for a transaction pursuant to which Seneca will ultimately become a Related Person of BP. Comments on the 203 application are due on or before **November 21, 2022**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: ConEd / RWE (EC23-17)**

On October 28, 2022, RWE Renewables Americas, LLC ("RWE") and ConEd⁷⁵ requested authorization for a transaction pursuant to which RWE will acquire 100% of the equity interests in ConEd's Clean Energy Businesses (including NEPOOL members Consolidated Edison Energy, Inc.; Consolidated Edison Development, Inc.; and Consolidated Edison Solutions, Inc. (but not Consolidated Edison Company of New York)). Comments on the 203 application are due on or before **November 28, 2022**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Great River Hydro / HQI US (EC23-16)**

Also on October 28, 2022, Great River Hydro, LLC ("Great River Hydro") and HQI US Holding LLC ("HQI US"), an indirect and wholly-owned subsidiary of Hydro-Québec ("HQ") requested authorization for a transaction

⁷⁴ *N. Am. Elec. Rel. Corp.*, 181 FERC ¶ 61,082 (Oct. 28, 2022).

⁷⁵ "ConEd" includes Consolidated Edison, Inc., its wholly-owned subsidiary Con Edison Clean Energy Businesses, Inc. ("CEB"), and CEB's public utility subsidiaries (together, members of the Supplier Sector). RWE's NEPOOL Related Person (Cassadaga Wind LLC) is a member of the Supplier Sector.

pursuant to which HQI US will indirectly acquire 100% of the membership interests in Great River Hydro. Comments on this 203 application are due on or before **November 18, 2022**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: EDF Energy / BP Retail (EC22-122)**

On September 21, 2022, BP Retail Energy LLC (“BP Retail”) and EDF Energy Services, LLC (“EDF Energy”) requested authorization for a transaction pursuant to which BP Retail will acquire 100% of the membership interests in EDF Energy. Comments on this 203 application were due on or before October 12, 2022; none were filed. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Salem Harbor / Lenders (EC22-117)**

On October 31, 2022, the FERC authorized⁷⁶ as requested a transaction pursuant to which the direct and indirect equity interests in Salem Harbor that are currently directly and indirectly held by Salem Harbor Power FinCo, LP will be transferred to a newly formed Delaware limited liability company (“New HoldCo”), and (2) the equity interests of New HoldCo will be issued to Salem Harbor’s lenders (the “Lenders”) under a pre-petition credit facility. Among other standard conditions, the October 31 order requires that notice must be filed within 10 days of consummation of the transaction, which as of the date of this Report has not yet occurred. If you have any questions, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533). If you have any questions, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Centrica / CPower (EC22-90)**

As previously reported, the FERC authorized on September 29, 2022 the sale of 100% of the equity interests in Centrica Business Solutions Optimize (“Centrica”) to Enerwise Global Technologies, LLC d/b/a CPower (“CPower”).⁷⁷ On October 12, 2022, Centrica and CPower filed a notice that the sale was consummated on October 6, 2022. Accordingly, CPower and Centrica (now known as Stones DR, LLC, see Section IX above (ER23-310)) are now Related Persons and together with Jericho Power and LS Power Grid Northeast, LLC are members of the AR Sector’s RG Sub-Sector. Reporting on this proceeding is now concluded. If you have any last questions, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Waterside Power / KKR (EC22-79)**

As previously reported, the FERC authorized on August 19, 2022 the sale of 100% of the equity interests in Applicants, including Generation Group Seat Member Waterside Power, among others,⁷⁸ to Cretaceous Bidco Limited (“Buyer”), a special purpose vehicle indirectly owned by funds, investment vehicles and/or separately managed accounts advised and/or managed by one or more subsidiaries of KKR & Co. Inc. (“KKR & Co.” and, together with its subsidiaries, (“KKR”)).⁷⁹ Pursuant to the *August 19 Order*, notice must be filed within 10 days of consummation of the transaction, which as of the date of this Report has not yet occurred. If you have any questions, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

⁷⁶ *Salem Harbor Power Development LP*, 181 FERC ¶ 62,084 (Oct. 31, 2022).

⁷⁷ *Centrica Business Solutions Optimize, LLC and Enerwise Global Technologies, LLC*, 180 FERC ¶ 62,175 (Sep. 29, 2022).

⁷⁸ In addition to Waterside Power, “Applicants” are: Lea Power Partners, LLC; Badger Creek Limited; Chalk Cliff Limited; Double C Generation Limited Partnership; High Sierra Limited; Kern Front Limited; McKittrick Limited; Bear Mountain Limited; Live Oak Limited; and WGP Redwood Holdings, LLC.

⁷⁹ *Lea Power Partners, LLC*, 180 FERC ¶ 62,086 (Aug. 19, 2022) (“*August 19 Order*”).

- **203 Application: Stonepeak / JERA Americas (EC22-71)**

On June 1, 2022, Stonepeak⁸⁰ requested authorization for the sale of 100% of the interests in Canal Power Holdings LLC to a wholly-owned affiliate of JERA Americas Inc. ("JERA Americas").⁸¹ Comments on the 203 application were due on or before June 22, 2022 and were filed by the MA AG (which encouraged the FERC to take the time necessary to comprehensively review the Application based on potential regional and SENE Capacity Zone competition and rate impacts) and Public Citizen (which raised four issues: (i) the potential threat to competition and rates that could be caused by the concentration of power generation ownership by JERA in ISO-NE and NYISO; (ii) the need for additional information to assess impacts on competition and rates as well as potential divestiture requirements to mitigate any threats to competition and rates; (iii) a desire for public disclosure of the purchase price; and (iv) what threats to rates might result from the Related Person relationships to be created and reflected in the NEPOOL stakeholder process). On July 1, 2022, Stonepeak answered the comments and protest. On August 8, 2022, Applicants submitted an informational filing informing the FERC that the Applicants and parties to the Transaction have received all other required regulatory approvals and the FERC's authorization in this proceeding is the only remaining regulatory approval for the Transaction and requested a FERC order authorizing the transaction by August 15, 2022. Notwithstanding Applicants' request, this matter remains pending before the FERC. If you have any questions, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Service Agreement Cancellation: NEP/Pawtucket (ER23-144)**

On October 19, 2022, New England Power submitted a Notice of Cancellation of the Firm Local Generation Deliverability Service Agreement ("Service Agreement") with Pawtucket Power Associates Limited Partnership ("Pawtucket"). Pawtucket decommissioned and retired the generating facility covered by the Service Agreement effective June 1, 2022. Therefore, the Service Agreement is no longer required. NEP requested a December 19, 2022 effective date for the Notice of Cancellation. Comments on this filing are due on or before **November 9, 2022**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **D&E Agreement: CL&P/NY Transco (ER22-2830)**

On September 12, 2022, CL&P filed an Agreement for Engineering, Design and Procurement (the "D&E Agreement") between itself and New York Transco LLC ("NY Transco"). The D&E Agreement sets forth the terms and conditions under which CL&P will perform the necessary services to address the impacts of NY Transco's reinforcement of a major 345 kV transmission corridor in New York that will have reliability impacts on the New England System. CL&P requested that the D&E Agreement be accepted for filing as of September 13, 2022. Comments on this filing were due on or before October 3, 2022; none were filed. NY Transco filed a doc-less intervention. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **A&R E&P Agreement: Seabrook/NECEC Transmission (ER22-2807)**

On October 24, 2022, the FERC accepted an amended and restated Engineering and Procurement Agreement between NextEra Energy Seabrook, LLC ("Seabrook") and NECEC Transmission LLC ("NECEC") (the "A&R E&P Agreement").⁸² As previously reported, the A&R Agreement covers the final engineering drawings through the procurement and delivery of the 24.5 kV generator circuit breaker and ancillary equipment to Seabrook Station in advance of the Fall 2024 outage. The parties agreed to enter into the A&R EP Agreement to provide for greater clarity, rather than amending the original E&P Agreement. This filing was not intended

⁸⁰ "Stonepeak" includes Canal Power Holdings LLC ("Seller"), and its indirect wholly-owned, public utility subsidiaries, Canal Generating LLC ("Canal Generating"), Canal 3 Generating LLC ("Canal 3"), Bucksport Generation LLC ("Bucksport"), and Stonepeak Kestrel Energy Marketing LLC ("Stonepeak Marketing").

⁸¹ JERA Americas Related Persons include Provisional Member Cricket Valley Energy Center, LLC.

⁸² *NextEra Energy Seabrook, LLC*, Docket No. ER22-2807-000 (Oct. 24, 2022) (unpublished letter order).

to affect the pending proceedings in either Docket No. EL21-3-000 or EL21-6-000 described in Section I above. The A&R E&P Agreement was accepted for filing effective as of September 8, 2022. Unless the October 24 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Versant Power MPD OATT Order 881 Compliance Filing (ER22-2358)**

On July 12, 2022, in response to the requirements of *Order 881*, Versant Power filed a proposed new Attachment T to the Versant Power Open Access Transmission Tariff for the Maine Public District (“MPD OATT”). Attachment T, Versant reported, incorporates all the contents of the *pro forma* OATT’s new Attachment M. An effective date of July 12, 2025 was requested in an errata filing submitted on August 1, 2022. On August 2, 2022, MPUC submitted comments asserting that Versant’s Compliance Filing, without further detail, is insufficient to meet the requirements of *Order 881* and should either (i) be rejected outright, ordering Versant to re-file with sufficient detail, or (ii) subject to a deficiency letter requiring further information with respect to the Compliance Filing. MPUC withdrew those comments on August 31, 2022 in exchange for certain understandings with Versant Power (including MPUC’s attendance, as a non-voting participant, at any NMISA working group discussions on *Order 881* implementation planning and Versant Power’s submission of informational compliance filings to keep the FERC apprised of versant’s progress in developing its AAR implementation plan). On September 6, 2022, Versant Power supplemented its compliance filing to confirm the MPUC’s understandings, as delineated in its Notice of Withdrawal. This matter is pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Versant Power MPD OATT Order 676-J Compliance Filing Part I (ER22-1142)**

As previously reported, Versant Power filed revisions to Section 4 of the Versant OATT for the Maine Public District (“MPD OATT”) to incorporate the new cybersecurity and PFV standards contained in NAESB WEQ Version 003.3 Standards in response to the requirements of *Order 676-J*, (“Versant MPD OATT Order 676-J Part I Changes”).⁶¹ A placeholder effective date was submitted. Comments on this filing were due on or before March 23, 2022; none were filed. This matter remains pending before the FERC. If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Orders 864/864-A (Public Util. Trans. ADIT Rate Changes): New England Compliance Filings (various)**

In accordance with *Order 864*⁸³ and *Order 864-A*,⁸⁴ and extensions of time granted, New England’s transmission-owning public utilities submitted their *Order 864* compliance filings, with specific dockets and filing dates of the filings still pending or accepted since the last Report identified in the following table. The FERC has, at

⁸³ *Public Util. Trans. Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (Nov. 21, 2019), *reh’g denied and clarification granted in part*, 171 FERC ¶ 61,033 (Apr. 16, 2020) (“*Order 864*”). *Order 864* requires all public utility transmission providers with transmission rates under an OATT, a transmission owner tariff, or a rate schedule to revise those rates to account for changes caused by the 2017 Tax Cuts and Jobs Act (“2017 Tax Law”). Specifically, for transmission formula rates, *Order 864* requires public utilities (i) to deduct excess Accumulated Deferred Income Taxes (“ADIT”) from or add deficient ADIT to their rate bases and adjust their income tax allowances by amortized excess or deficient ADIT; and (ii) to incorporate a new permanent worksheet into their transmission formula rates that will annually track ADIT information (“ADIT Worksheet”). The **ADIT Worksheet** must contain the following five specific categories of information: (i) how any ADIT accounts were re-measured and the excess or deficient ADIT contained therein (“**Category 1 Information**”); (ii) is the accounting for any excess or deficient amounts in Accounts 254 (Other Regulatory Liabilities) and 182.3 (Other Regulatory Assets) (“**Category 2 Information**”); (iii) whether the excess or deficient ADIT is protected (and thus subject to the Tax Cuts and Jobs Act’s normalization requirements) or unprotected (“**Category 3 Information**”); (iv) the accounts to which the excess or deficient ADIT are amortized (“**Category 4 Information**”); and (v) the amortization period of the excess or deficient ADIT being returned or recovered through the rates (“**Category 5 Information**”). In addition, the FERC stated that it expects public utilities to identify each specific source of the excess and deficient ADIT, classify the excess or deficient ADIT as protected or unprotected, and list the proposed amortization period associated with each classification or source.

⁸⁴ *Public Util. Trans. Rate Changes to Address Accumulated Deferred Income Taxes*, 171 FERC ¶ 61,033, Order No. 864-A (Apr. 16, 2020) (“*Order 864-A*”).

this point, addressed all but one of the *Order 864* compliance filings (UI's May 10 filing). The *Order 864* compliance proceeding that remains open and those filings accepted since the last Report are as follows:

Docket(s)	Transmission Provider	Date of Last Filing	Date Accepted
ER21-1130 ER20-2572	New England TOs (RNS)	Feb 18, 2022	Oct 7, 2022
ER20-2429	CMP (LNS)	May 6, 2022	Oct 26, 2022
ER21-1702	CMP (Schedule 1 Appendix A Implem. Rule)	Feb 28, 2022	Oct 26, 2022
ER20-2551	NEP (Sched. 21-NEP and TSA-NEP-22 Compliance Revs.)	Jul 18, 2022	Oct 25, 2022
ER20-2219	NEP (Tariff No. 1)	Oct 3, 2022	Oct 25, 2022
ER20-2553	NEP (MECO/Nantucket LSA)	Jul 18, 2022	Oct 25, 2022
ER22-1850	UI	May 10, 2022	Pending

XII. Misc. - Administrative & Rulemaking Proceedings⁸⁵

- **Interregional HVDC Merchant Transmission (AD22-13)**

On July 19, 2022, Invenergy Transmission filed a petition requesting that the FERC hold a technical conference to explore ways to potentially make available and compensate certain grid reliability and resilience benefits associated with interregional high voltage direct current ("HVDC") merchant transmission. Any comments to be considered by the FERC in its determination of any action to be taken were due on or before August 26, 2022. Comments were filed by 13 parties and included, among others, [CSC](#), [ENGIE](#), [Invenergy](#), [Phase I/II Asset Owners and IRH](#), [Joint Consumer Advocates](#), [MISO](#), [ACORE](#), [ACPA](#), [SEIA](#), and [Neptune and Hudson](#). [Invenergy](#) answered the comments filed by [MISO](#). This matter is pending before the FERC.

- **Reliability Technical Conference (Nov 10) (AD22-10)**

On November 10, 2022, from 12-5 pm, the FERC will convene its annual Commissioner-led technical conference to discuss policy issues related to the reliability of the Bulk-Power System. The conference will be in person, open for the public to attend, and without fee for attendance. The FERC issued supplemental notices on October 4 and 28, 2022, which identified both the panel compositions and speakers. The conference's two panels are: (I) "Managing the Electric Grid to Advance Reliability" (to explore the current state of grid reliability and efforts that can be undertaken to improve it); and (II) "Managing Cyber Security Threats, the CIP Reliability Standards, and Best Practices for the Bulk-Power System" (to discuss how cyber security governance encompasses the CIP Reliability Standards and compliance as well as best practices; the challenges of implementing appropriate oversight; and ways in which industry can address these challenges to improve its response to evolving vulnerabilities and threats to reduce the risk to the BPS).

- **New England Gas-Electric Forum (AD22-9)**

The FERC held a New England Gas-Electric Forum on September 8, 2022 in Burlington, VT. The purpose of the Forum was to discuss and achieve a greater understanding among stakeholders in defining the electric and natural gas system challenges in the New England Region. Topics discussed included the historical context of New England winter gas-electric challenges, concerns and considerations for upcoming winters such as reliability of gas and electric systems and fuel procurement issues, and whether additional information or modeling exercises are needed to inform the development of solutions to these challenges. On September 21, 2022, the FERC invited parties wishing to submit comments regarding the topics discussed at the Forum to do so on or before **November**

⁸⁵ Reporting on the following Administrative & Rulemaking proceedings has been suspended since the last Report and will be continued if and when there is new activity to report: Improving Generating Units Winter Readiness (AD22-4); NOI: Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses (RM22-5); NOI: Reactive Power Capability Compensation (RM22-2); NOI: Removing the DR Opt-Out in ISO/RTO Markets (RM21-14).

7, 2022. Since the last Report, a transcript of the conference was posted in the FERC's eLibrary and comments were posted from four individuals and the [Business & Industry Association of New Hampshire](#).

- **Transmission Planning and Cost Management Technical Conference (AD22-8)**

On October 6, 2022, the FERC convened a Commissioner-led technical conference regarding transmission planning and cost management for transmission facilities developed through local or regional transmission planning processes. The 5 panels throughout the day addressed: (1) the processes by which transmission providers develop local transmission planning criteria, identify local transmission needs using those criteria, and evaluate and choose local transmission facilities to address those needs; (2) whether local transmission facility costs are adequately scrutinized; (3) the processes by which transmission providers evaluate, select, and develop regional transmission facilities for reliability; (4) whether regional transmission facilities for reliability costs are adequately scrutinized; and (5) cross-cutting themes and potential best practices for both local transmission facilities and regional reliability transmission planning and cost management, in addition to innovative approaches that could be explored further, including the possibility of establishing a role for an Independent Transmission Monitor, and mechanisms to support enhanced transparency. Advance materials were submitted by representatives on behalf of: [ISO-NE](#), [CA PUC](#), [KY PSC](#), [NC Utils. Comm. Public Staff](#), [NV PUC](#), [RI PUC](#), [AEE](#), [AEP](#), [Ameren](#), [AMP/APPA](#), [Ari Peskoe](#), [L. Azar](#), [Clean Energy Buyers Assoc.](#), [Coalition of MISO Customers](#), [Harvard Electricity Law Initiative](#), [ITC Holdings](#), [LPPC](#), [IA Consumer Advocate](#), [J. Macey](#), [NESCOE](#), [Northern California Power Agency](#), [Northwest & Intermountain Power Producers Coalition](#), [OH Consumers' Counsel](#), [OH PUC](#), [Old Dominion Elec. Coop.](#), [PJM](#), [G. Poulus](#), [SPP](#), [Potomac Economics](#), [Southern California Edison](#), [Southern Environmental Law Center](#), and [TAPS/FMPA](#) and [WIRES](#).

On September 30 and October 4, the FERC issued supplemental notices that included a final agenda, including further details regarding the agenda and speakers, for this technical conference. An additional supplemental notice identifying the opportunity for interested parties to submit post-technical conference comments has yet to be issued. On November 1, 2022, a transcript of the technical conference was posted in the FERC's eLibrary.

- **NOI: Dynamic Line Ratings (AD22-5)**

On February 17, 2022, the FERC issued a notice of inquiry ("NOI")⁸⁶ seeking comments on (i) whether and how the required use of dynamic line ratings ("DLR") is needed to ensure just and reasonable wholesale rates; (ii) whether the lack of DLR requirements renders current wholesale rates unjust and unreasonable; (iii) potential criteria for DLR requirements; (iv) the benefits, costs, and challenges of implementing DLRs; (v) the nature of potential DLR requirements; and (vi) potential timeframes for implementing DLR requirements. This NOI represents the first step in the FERC's effort to gather more information about the costs and benefits, and potentially mandating the use, of DLRs. A more [detailed summary](#) was provided to the Transmission Committee and is posted on the Transmission Committee's [webpage](#).

Initial comments were due April 25, 2022 and filed by: [ISO-NE](#); [DC Energy](#); [Eversource](#); [Clean Energy Parties](#); [Potomac Economics](#); [CT DEEP](#); [NERC](#); [US DOE](#); [CAISO](#); [MISO](#); [NYISO](#); [Org of MISO States](#); [PJM](#), [SPP](#); [SPP MMU](#); [AEP](#); [Alliant](#); [APPA](#); [APS](#); [AZ PUC](#); [Clean Energy Entities](#); [Dayton Power](#); [EEI](#); [ELCON](#); [Entergy](#); [IN Util. Reg. Comm.](#); [ITC](#); [LA DPW](#); [MISO TOs](#); [NRECA](#); [NYISO TOs](#); [PPL](#); [R Street Institute](#); [Southern Co.](#); [TAPS](#); [Tri-State](#); [Electricity Canada](#); [Electric Grid Monitoring](#); [Line Vision](#); [Idaho Power](#).

⁸⁶ *Implementation of Dynamic Line Ratings*, 178 FERC ¶ 61,110 (Feb. 17, 2022) ("Dynamic Line Ratings NOI").

Reply comments were due on or before May 25, 2022⁸⁷ and were filed by: [AEP](#), [Clean Energy Entities](#),⁸⁸ [EEI](#), [Joint Consumer Advocates](#), [MISO TOs](#), and the [R Street Institute](#). This matter is pending before the FERC.

- **Joint Federal-State Task Force on Electric Transmission (AD21-15)**

The next (fifth) meeting of the FERC-established Joint Federal-State Task Force on Electric Transmission (“Transmission Task Force”)⁸⁹ will be held on November 15, 2022, in New Orleans, LA. All interested persons were invited to file comments in this docket suggesting agenda items by October 7, 2022. Comments were filed by ACRE and G. van Uytven. Task Force members will consider those comments in developing the agenda for the November 15, 2022 public meeting. Of note, since the last Report, NARUC nominated and the FERC accepted⁹⁰ Chair Tricia Pridemore of the Georgia Public Service Commission to represent the Southeastern Association of Regulatory Utility Commissioners (“SEARUC”) region of NARUC on the Task Force for the remainder of the one-year term of Chairman Ted Thomas of the Arkansas Public Service Commission, who resigned his position.

Recent Transmission Task Force Public Meetings⁹¹

- ♦ **July 20, 2022.** A fourth meeting was held in San Diego, CA, on July 20, 2022. Discussion addressed (i) interregional transmission planning & transmission project development; and (ii) the FERC’s *Transmission NOPR*. A transcript of the meeting was posted in eLibrary on August 11, 2022. The FERC invited post-meeting comments addressing issues raised during and in the agenda for the July 20 meeting. Those comments were due on or before September 2, 2022. Comments were filed by [ACRE](#), [AEP](#), [Invenergy](#), [MISO](#), and [PJM](#).

- **Modernizing Electricity Market Design - Resource Adequacy (AD21-10)**

ISO/RTO Reports. On April 21, 2022, the FERC issued an order⁹² directing each independent system operator (“ISO”) and regional transmission organization (“RTO”), including ISO-NE, to submit on or before **October 18, 2022** a report that describes: (1) current system needs given changing resource mixes and load profiles; (2) how it expects its system needs to change over the next five and 10 years; (3) whether and how it plans to reform its energy and ancillary services (“EAS”) markets to meet expected system needs over the next five and 10 years; and (4) information about any other reforms, including capacity market reforms and any other resource adequacy reforms that would help it meet changes in system needs.

ISO-NE Report. On October 18, 2022, [ISO-NE](#) (as well as the other ISO/RTOs) filed its report in response to the *Order Directing Reports*. Comments in response to the RTO/ISO reports are due on or before **December 19, 2022**. The FERC will review the reports and comments to determine whether further action is appropriate.

⁸⁷ The *Dynamic Line Ratings NOI* was published in the Fed. Reg. on Feb. 24, 2022 (Vol. 87, No. 37) pp. 10,349-10,354.

⁸⁸ The “Clean Energy Entities” are the Working for Advanced Transmission Technologies Coalition (“WATT”), ACPA, AEE, and SEIA.

⁸⁹ *Joint Federal-State Task Force on Electric Transmission*, 175 FERC ¶ 61,224 (June 18, 2021). The Transmission Task Force is comprised of all FERC Commissioners as well as representatives from 10 state commissions (two from each NARUC region). State commission representatives will serve one-year terms from the date of appointment by FERC and in no event will serve on the Task Force for more than three consecutive terms. The Transmission Task Force will convene multiple formal meetings annually, with FERC issuing orders fixing the time and place and agenda for each meeting, and the meetings will be open to the public for listening and observing and on the record. The Transmission Task Force will focus on “topics related to efficiently and fairly planning and paying for transmission, including transmission to facilitate generator interconnection, that provides benefits from a federal and state perspective.” New England is represented by Commissioners Riley Allen (VT PUC) and Matt Nelson (Chair, MA DPU), each of whom will be serving a second term during the Sept. 1, 2022 – Aug. 31, 2023 term. See *Order on Nominations, Joint Federal-State Task Force on Elec. Trans.*, 180 FERC ¶ 61,030 (July 15, 2022).

⁹⁰ *Joint Federal-State Task Force on Elec. Trans.*, 181 FERC ¶ 61,088 (Oct. 31, 2022) (order listing new member).

⁹¹ Summaries of the first – third meetings of the Transmission Task Force can be found in previous Reports.

⁹² *Modernizing Wholesale Electricity Market Design*, 179 FERC ¶ 61,029 (Apr. 21, 2022) (“*Order Directing Reports*”).

2021 Technical Conferences. The *Order Directing Reports* follows a series of staff-led technical conferences, convened in 2021 and summarized in previous Reports, addressing ISO/RTO resource adequacy⁹³ and energy and ancillary services markets.⁹⁴

- **NOPR: Duty of Candor (RM22-20)**

On July 28, 2022, the FERC issued a NOPR⁹⁵ proposing to add a new section to its regulations to require that any entity communicating with the FERC or other specified organizations (e.g. ISO/RTOs, FERC-approved market monitors, NERC and its Regional Entities, or transmission providers) related to a matter subject to FERC jurisdiction submit accurate and factual information and not submit false or misleading information, or omit material information (“Duty of Candor Requirements”). An entity would be shielded from violation of the new regulation if it has exercised due diligence to prevent such occurrences. The FERC’s current regulations prohibit, in defined circumstances, inaccurate communications to the FERC and other organizations upon which the FERC relies to carry out its statutory obligations. However, because those requirements cover only certain communications and impose a patchwork of different standards of care for such communications, the FERC believes that a broadly applicable duty of candor will improve its ability to effectively oversee jurisdictional markets. It further indicated that its proposed due ‘diligence standard’ and other limitations are intended to minimize the additional burdens to industry that come with the new Duty of Candor Requirements.

On September 1, 2022, Joint Associations⁹⁶ requested an additional month to submit comments.⁹⁷ On September 14, 2022, the FERC granted that request. Accordingly, initial comments are now due **November 11, 2022**.

- **NOPR: Advanced Cybersecurity Investment (RM22-19)**

On September 22, 2022, the FERC issued a NOPR⁹⁸ proposing to provide incentive-based rate treatments for the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce by utilities for the purpose of benefitting consumers by encouraging investments by utilities in advanced cybersecurity technology and participation by utilities in cybersecurity threat information sharing programs, as directed by the Infrastructure Investment and Jobs Act of 2021 (“Infrastructure and Jobs Act”). This

⁹³ The FERC held two staff-led technical conferences addressing resource adequacy, one on Mar. 23, 2021 (with post-conference comments focused on PJM-specific issues) and the other on May 25, 2021 (focused on the wholesale markets administered by ISO-NE). Following the Mar. 23 conference, more than 45 sets of initial comments were filed, including by: [AEE](#), [Calpine](#), [Cogentrix](#), [Dominion](#), [Exelon](#), [FirstLight](#), [LS Power](#), [NESCOE](#), [NEPGA](#), [NRG](#), [PSEG](#), [Shell](#), [Vistra](#), [CT DEEP](#), [EEL](#), [EPSA](#), and [NRECA/APPA](#). Reply comments were filed by [ACPA](#), [AEP](#), [EPSA](#), [Exelon](#), [Joint Consumer Advocates](#), [LS Power](#), [Old Dominion Electric Cooperative](#) (“ODEC”), [PJM Power Providers](#) (“P3”), [Public Interest Organizations](#) (“PIOs”), and the [Retail Electric Supply Association](#) (“RESA”). Following the May 25 conference, comments were filed by: [AEE](#), [Calpine](#), [CT Parties](#), [Dominion](#), [Eversource](#), [MMWEC](#), [NESCOE](#), [NEPGA](#), [NextEra](#), [NRG](#), [Public Interest Orgs](#), [Vistra](#), [AEMA](#), [EPSA](#), [RENEW](#).

⁹⁴ The FERC held two staff-led technical conferences addressing ISO/RTO EAS markets, one on Sept. 14, 2021; the second on Oct. 12, 2021. Transcripts of both technical conferences are posted in eLibrary. In advance of the EAS technical conferences, FERC staff issued on Sept. 7, 2021 a White Paper entitled “[Energy and Ancillary Services Market Reforms to Address Changing System Needs](#)” summarizing recent EAS markets reforms as well as reforms then under consideration. Initial comments on the topics discussed during the EAS technical conferences were filed by: [ISO-NE](#), [Appian Way Energy Partners](#), [Constellation](#), [Dominion](#), [Envir. Defense Fund](#), [FirstLight](#), [LS Power](#), [CAISO](#), [MISO](#), [NYISO](#), [PJM](#), [SPP](#), [MMU](#), [ACPA](#), [Clean Energy Organizations](#), [EEL](#), [Energy Trading Institute](#), [EPRI](#), [EPSA](#), [Middle River Power](#), [National Hydropower Assoc.](#), [NYSERDA](#), [PJM Providers Group](#), and [Public Citizen](#). Reply comments were filed by [EPRI](#), [NERC and its Regional Entities](#) and [Vistra](#).

⁹⁵ *Duty of Candor*, 180 FERC ¶ 61,052 (July 28, 2022) (“*Duty of Candor NOPR*”).

⁹⁶ “Joint Associations” included the following trade associations on behalf of their respective members: the American Gas Association (“AGA”), American Public Gas Association (“APGA”), Interstate Natural Gas Association of America (“INGA”), Edison Electric Institute (“EEI”), Electric Power Supply Association (“EPSA”), Energy Trading Institute (“ETI”), Natural Gas Supply Association (“NGA”), and Process Gas Consumers Group (“PGCG”).

⁹⁷ The *Duty of Candor NOPR* was published in the *Fed. Reg.* on Aug. 12, 2022 (Vol. 87, No. 155) pp. 49,784-49,793.

⁹⁸ *Incentives for Advanced Cybersecurity Investment; Cybersecurity Incentives*, 180 FERC ¶ 61,189 (Sep. 22, 2022) (“*Advanced Cybersecurity Investment NOPR*”).

NOPR also terminated the NOPR proceeding in Docket RM21-3 (*Dec 2020 Cybersecurity Incentives NOPR*)⁹⁹ described in previous Reports. Initial comments on the *Advanced Cybersecurity Investment NOPR* are due on or before **November 7, 2022**; reply comments, **November 21, 2022**.¹⁰⁰

- **NOPR: Extreme Weather Vulnerability Assessments (RM22-16; AD21-13)**

On June 16, 2022, as corrected on July 12, 2022, the FERC issued a notice¹⁰¹ proposing to require transmission providers to submit one-time informational reports describing their current or planned policies and processes for conducting extreme weather vulnerability assessments¹⁰² (how they establish a scope for their extreme weather vulnerability assessments, develop inputs, identify vulnerabilities and determine exposure to extreme weather hazards, estimate the costs of impacts, and develop mitigation measures to address extreme weather risks). Initial comments were due August 30, 2022¹⁰³ and were filed by over 13 parties, including among others, [Eversource](#), [NRDC](#), [NERC](#), [MISO](#), [PJM](#), and [EPSC](#). This matter is pending before the FERC.

- **NOPR: Interconnection Reforms (RM22-14)**

On June 16, 2022, the FERC issued a notice of proposed rulemaking (“NOPR”),¹⁰⁴ more than 400 pages long, that proposes reforms to the *pro forma* Large Generator Interconnection Procedures (“LGIP”), *pro forma* Small Generator Interconnection Procedures (“SGIP”), *pro forma* Large Generator Interconnection Agreement (“LGIA”), and *pro forma* Small Generator Interconnection Agreement (“SGIA”) to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies.

Initial Comments. Initial comments were due October 13, 2022¹⁰⁵ and over 130 sets of comments were filed, including: [NEPOOL](#), [ISO-NE](#), [NESCOE](#), [AEE](#), [Anbaric](#), [Avangrid](#), [Cypress Creek Renewables](#), [Dominion](#), [EDF Renewables](#), [ENGIE](#), [Envir. Defense Fund](#), [Longroad](#), [National Grid](#), [NextEra](#), [PPL](#), [RWE](#), [Shell](#), [VELCO](#), [Vistra](#), [ACPA](#), [ACRE](#), [APPA](#), [US DOE](#), [EEI](#), [ELCON](#), [EPRI](#), [EPSC](#), [IRC](#), [NARUC](#), [NERC](#), [NRECA](#), [PIOs](#), [R Street Institute](#), [SEIA](#), [State Agencies](#), and [WIRES](#).

Reply Comments. Following a request by EEI for a 30-day extension of time to submit reply comments, supported by AAE, ACPA, ACRE, and SEI, and granted by the FERC on October 28, 2022, reply comments are now due **December 14, 2022**.

The proposed reforms fall into three main categories: (1) reforms to implement a first-ready, first-served cluster study process; (2) reforms to increase the speed of interconnection queue processing; and (3) reforms to incorporate technological advancements to the interconnection process. Within each of these categories, the FERC proposes a wide array of reforms, and requests comment.

⁹⁹ *Cybersecurity Incentives*, 173 FERC ¶ 61,240 (Dec. 17, 2020) (“*Dec 2022 Cybersecurity Incentives NOPR*”). As described in previous Reports, the *Dec 2022 Cybersecurity Incentives NOPR* proposed to establish rules for incentive-based rate treatment for voluntary cybersecurity investments by a public utility for or in connection with the transmission or sale of electric energy subject to FERC jurisdiction, and rates or practices affecting or pertaining to such rates for the purpose of ensuring the reliability of the Bulk Power System.

¹⁰⁰ The *Advanced Cybersecurity Investment NOPR* was published in the *Fed. Reg.* on Oct. 6, 2022 (Vol. 87, No. 193) pp. 60,567-60,580.

¹⁰¹ *One-Time Informational Reports on Extreme Weather Vulnerability Assessments; Climate Change, Extreme Weather, and Elec. Sys. Rel.*, 179 FERC ¶ 61,196 (June 16, 2022) (“*Extreme Weather Vulnerability Assessments NOPR*”).

¹⁰² “Extreme weather vulnerability assessments” are proposed to be defined as “analyses that identify where and under what conditions jurisdictional transmission assets and operations are at risk from the impacts of extreme weather events, how those risks will manifest themselves, and what the consequences will be for system operations”.

¹⁰³ The *Extreme Weather Vulnerability Assessments NOPR* was published in the *Fed. Reg.* on July 1, 2022 (Vol. 87, No. 126) pp. 39,414-39,426.

¹⁰⁴ *Improvements to Generator Interconnection Procedures and Agreements*, 179 FERC ¶ 61,194 (June 16, 2022) (“*Interconnection Reforms NOPR*”).

¹⁰⁵ The *Interconnection Reforms NOPR* was published in the *Fed. Reg.* on July 5, 2022 (Vol. 87, No. 127) pp. 39,934-40,032.

To implement the **first-ready, first-served cluster study process**, the FERC proposes to:

- ◆ Require transmission providers offer an alternative option for an informational interconnection study that would not require a project enter the interconnection queue;
- ◆ Make cluster studies the required interconnection study method under the *pro forma* LGIP;
- ◆ Allocate the shared costs of the cluster studies so that 90% of the applicable study costs are allocated to interconnection customers on a pro rate basis based on the requested MWs included in the applicable cluster, and 10% of the applicable study costs are allocated to interconnection customers on a per capita basis based on the number of interconnection requests in the applicable cluster;
- ◆ Require transmission providers to allocate network upgrade costs to interconnection customers within a cluster using a proportional impact method, in which the transmission provider will determine the degree to which each generating facility in the cluster contributes to the need for a specific network upgrade;
- ◆ Allow interconnection customers in an earlier-in-time cluster to share the costs of network upgrades with interconnection customers who will significantly benefit from those upgrades but would not share the cost of the network upgrades solely by virtue of being in a later cluster;
- ◆ Increase study deposits based on the size of the generating facility from \$35,000 to \$250,000;
- ◆ Require more stringent site control requirements, and proposes to require an interconnection customer to demonstrate 100% site control for a proposed generating facility when they submit the interconnection request;¹⁰⁶
- ◆ Implement a commercial readiness framework whereby interconnection customers must show demonstrable milestones towards commercial readiness in order to enter the cluster, such as an executed term sheet, reasonable evidence the project was selected in a resource plan, or a provisional LGIA;¹⁰⁷ and
- ◆ Impose withdrawal penalties when the interconnection customer withdraws from the interconnection queue.¹⁰⁸

To **increase the speed of the interconnection queue process**, the FERC proposes to:

- ◆ Eliminate the “reasonable efforts” standard for transmission providers completing interconnection studies and instead impose firm study deadlines and establish penalties that would apply when transmission providers fail to meet these deadlines. The penalty imposed would be \$500 per day that the study is late and would be distributed to interconnection customers on a pro rata basis;
- ◆ Add an entirely *pro forma* affected system study process to address the current lack of uniformity in the study of affected systems, which results in late-stage withdrawals, re-studies and increased costs to remaining interconnection customers;
- ◆ Establish two new *pro forma* agreements, a *pro forma* Affected System Study Agreement (new Appendix 15) and a *pro forma* Affected Systems Facilities Construction Agreement (new Appendix 16); and

¹⁰⁶ The FERC proposes to limit the option to provide a financial deposit in lieu of site control and would only allow this option when regulatory limitations prohibit the interconnection customer from obtaining site control. In such instances, the interconnection customer would submit a deposit of \$10,000 per MW, subject to a floor of \$500,000 and a ceiling of \$2 million.

¹⁰⁷ *Id.* at P 128.

¹⁰⁸ The proposed withdrawal penalty will increase as the interconnection customer moves through the interconnection queue and proposes a chart demonstrating the possible penalties at P 144.

- ◆ Implement an optional resource solicitation study that can be performed by entities required to conduct a resource plan or solicitation. Under this proposed study process, a resource planning agency (such as a state agency or load-serving entity implementing a state mandate) would facilitate a study to group together interconnection requests associated with the qualifying resource solicitation process, and the resources vying for selection in a qualifying state resource solicitation process would be studied together for the purposes of informational interconnection studies.

Finally, as **technological advances to the interconnection process**, the FERC proposes to:

- ◆ Require transmission providers to allow more than one resource to co-locate on a shared site behind a single point of interconnection and share a single interconnection request;
- ◆ Change the way in which transmission providers assess an addition of a generating facility to an interconnection request, requiring that transmission providers evaluate a proposed addition as long as the addition does not change the requested interconnection service level;
- ◆ Enable customers with unused interconnection capacity share that surplus capacity with other resources as long as the original interconnection customer executes an LGIA or requests filing of an unexecuted LGIA;
- ◆ Require transmission providers, at the request of the interconnection customer to use operating assumptions for interconnection studies that reflect the proposed operation of an electric storage resource or co-located storage resource; and
- ◆ Require transmission providers to evaluate grid-enhancing solutions and file an annual informational report on their use of grid-enhancing technologies.

The FERC proposes to require compliance within 180 days of a final rule in this proceeding. Compliance would require transmission providers to file updates to their *pro forma* LGIA, LGIP, SGIA and SGIP, as applicable. If you have any questions concerning the *Interconnection Reforms NOPR*, please contact Margaret Czepiel (202-218-3906; mczepiel@daypitney.com) or Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **NOPR: ISO/RTO Credit Information Sharing (RM22-13)**

On July 28, 2022, the FERC issued a NOPR¹⁰⁹ proposing to revise its regulations to permit ISO/RTOs to share among themselves¹¹⁰ credit-related information regarding market participants.¹¹¹ The FERC believes that the proposed credit information sharing could improve ISO/RTOs' ability to accurately assess market participants' credit exposure and risks and enable ISO/RTOs to respond to credit events more quickly and effectively (minimizing the overall credit-related risks, including risks of unexpected defaults by market participants, in organized wholesale electric markets). The FERC proposal would not permit the information sharing to be conditioned on the specific consent of the market participant, would permit the receiving ISO/RTO to use market participant credit-related information received from another ISO/RTO to the same extent and for the same

¹⁰⁹ *Credit-Related Information Sharing in Organized Wholesale Electric Markets*, 180 FERC ¶ 61,048 (July 28, 2022) ("*ISO/RTO Credit-Related Info Sharing NOPR*").

¹¹⁰ The *ISO/RTO Credit-Related Info Sharing NOPR* does propose credit-related information sharing with markets that are not Commission-jurisdictional (i.e. ERCOT, AESO, IESO or commodities and derivative markets that are subject to the jurisdiction of other regulators, including the Commodity Futures Trading Commission).

¹¹¹ Revisions would be to 18 CFR § 35.47(h). The changes would "[p]ermit the sharing of market participant credit-related information with, and receipt of market participant credit-related information from, other organized wholesale electric markets for the purpose of credit risk management and mitigation, provided such market participant credit-related information is treated upon receipt as confidential under the terms for the confidential treatment of market participant information set forth in the tariff or other governing document of the receiving organized wholesale electric market; and permit the receiving organized wholesale electric market to use market participant credit-related information received from another organized wholesale electric market to the same extent and for the same purposes that the receiving organized wholesale electric market may use credit-related information collected from its own market participants.

purposes that the receiving ISO/RTO may use credit-related information collected from its own market participants, and would not change the existing discretion an ISO/RTO has to act on credit-related information, regardless of the source of that information. The FERC seeks comment on whether ISO/RTOs' credit-related information sharing discretion should be limited in any specific ways or to any specific circumstances.

Initial Comments. Initial comments were due October 7, 2022¹¹² and were filed by, among others: [NEPOOL](#), [Dominion](#), [EEL](#), [Energy Trading Institute](#), [EPSA](#), and the [IRC](#).

Reply Comments. Reply comments are due **November 7, 2022**.

- **NOPR: Transmission System Planning Performance Requirements for Extreme Weather (RM22-10)**

On June 16, 2022, the FERC issued a notice¹¹³ proposing to require that NERC modify Reliability Standard TPL-001-5.1 (Transmission System Planning Performance Requirements) within one year of the effective date of a final rule in this proceeding to address reliability concerns pertaining to transmission system planning for extreme heat and cold weather events that impact the reliable operations of the Bulk-Power System. Specifically, the FERC proposed modifications to TPL-001-5.1 to require: (i) development of benchmark planning cases; (ii) planning for extreme heat and cold events using steady state and transient stability analyses expanded to cover a range of extreme weather scenarios; and (iii) corrective action plans that include mitigation for any instances where performance requirements for extreme heat and cold events are not met. Initial comments were due August 26, 2022¹¹⁴ and were filed by over 37 parties, including, among others, [ISO-NE](#), [Eversource](#), [NESCOE](#), [NRDC](#), [UCS](#), [NERC](#), [ERCOT](#), [MISO](#), [NYISO](#), [PJM](#), [ACPA](#), [EPRI](#), [EPSA](#), [NARUC](#), and [Trade Associations](#). This matter is pending before the FERC.

- **NOPR: Internal Network Security Monitoring for High and Medium Impact BES Cyber Systems (RM22-3)**

On January 20, 2022, the FERC issued a NOPR¹¹⁵ proposing to direct NERC to develop and submit for FERC approval new or modified Reliability Standards that require internal network security monitoring ("INSM")¹¹⁶ within a trusted Critical Infrastructure Protection networked environment for high and medium impact Bulk Electric System ("BES") Cyber Systems. The FERC stated that "including INSM requirements in the CIP Reliability Standards would ensure that responsible entities maintain visibility over communications between networked devices within a trust zone (i.e., within an ESP), not simply monitor communications at the network perimeter access point(s), i.e., at the boundary of an ESP as required by the current CIP requirements. In the event of a compromised ESP, improving visibility within a network would increase the probability of early detection of malicious activities and would allow for quicker mitigation and recovery from an attack."¹¹⁷

Comments on the *Internal Network Security Monitoring NOPR* were due on or before March 28, 2022.¹¹⁸ Comments were filed by: the IRC, NERC, EEL, EPSA, TAPS, Bonneville Power Admin., Consumers Energy, Cynalytica,

¹¹² The *ISO/RTO Credit-Related Info Sharing NOPR* was published in the *Fed. Reg.* on Aug. 8, 2022 (Vol. 87, No. 151) pp. 48,118-48,125.

¹¹³ *Transmission System Planning Performance Requirements for Extreme Weather*, 179 FERC ¶ 61,195 (June 16, 2022) ("*Extreme Weather Transmission System Planning NOPR*").

¹¹⁴ The *Extreme Weather Transmission System Planning NOPR* was published in the *Fed. Reg.* on June 27, 2022 (Vol. 87, No. 122) pp. 38,021-38,044.

¹¹⁵ *Internal Network Security Monitoring for High and Medium Impact Bulk Electric System Cyber Systems*, 178 FERC ¶ 61,038 (Jan. 20, 2022) ("*Internal Network Security Monitoring NOPR*").

¹¹⁶ INSM is a subset of network security monitoring that is applied within a "trust zone," such as an Electronic Security Perimeter ("ESP"), and is designed to address situations where vendors or individuals with authorized access are considered secure and trustworthy but could still introduce a cybersecurity risk to a high or medium impact BES Cyber System.

¹¹⁷ *Id.* at P 2.

¹¹⁸ The *Internal Network Security Monitoring NOPR* was published in the *Fed. Reg.* on Jan. 27, 2022 (Vol. 87, No. 18) pp. 4,173-4,180.

CA Department of Water Resources, Electricity Canada, Entergy, Idaho Power, Juniper Networks, ITC, Microsoft, North American Generator Forum, Nozomi Networks, Operational Technology Cybersecurity Coalition, the US Bureau of Reclamation, and T. Conway. This matter is pending before the FERC.

- **Transmission NOPR (RM21-17)**

Following its ANOPR process,¹¹⁹ the FERC issued on April 21, 2022 a NOPR¹²⁰ that would require public utility transmission providers to:

- (i) conduct long-term regional transmission planning on a sufficiently forward-looking basis to meet transmission needs driven by changes in the resource mix and demand;
- (ii) more fully consider dynamic line ratings and advanced power flow control devices in regional transmission planning processes;
- (iii) seek the agreement of relevant state entities within the transmission planning region regarding the cost allocation method or methods that will apply to transmission facilities selected in the regional transmission plan for purposes of cost allocation through long-term regional transmission planning;
- (iv) adopt enhanced transparency requirements for local transmission planning processes and improve coordination between regional and local transmission planning with the aim of identifying potential opportunities to “right-size” replacement transmission facilities; and
- (v) revise their existing interregional transmission coordination procedures to reflect the long-term regional transmission planning reforms proposed in this NOPR.

In addition, the *Transmission NOPR* would not permit public utility transmission providers to take advantage of the construction-work-in-progress (“CWIP”) incentive for regional transmission facilities selected for purposes of cost allocation through long-term regional transmission planning and would permit the exercise of federal rights of first refusal (“ROFR”) for transmission facilities selected in a regional transmission plan for purposes of cost allocation, conditioned on the incumbent transmission provider with the federal ROFR for such regional transmission facilities establishing joint ownership of the transmission facilities. While the ANOPR sought comment on reforms related to cost allocation for interconnection-related network upgrades, interconnection queue processes, interregional transmission coordination and planning, and oversight of transmission planning and costs, the *Transmission NOPR* does not propose broad or comprehensive reforms directly related to these topics. The FERC indicated that it would continue to review the record developed to date and expects to address possible inadequacies through subsequent proceedings that propose reforms, as warranted, related to these topics.

A number of the elements of the *Transmission NOPR*, if adopted as part of a final rule, would result in some significant changes to how the region’s transmission needs are identified, solutions are evaluated and

¹¹⁹ See *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 176 FERC ¶ 61,024 (July 15, 2021) (“*Transmission Planning & Allocation/Generation Interconnection ANOPR*”). The FERC convened a tech. conf. on Nov. 15, 2021, to examine in detail the issues and potential reforms described in the ANOPR. Speaker materials and a transcript of the tech. conf. are posted in FERC’s eLibrary. Pre-technical conference comments were submitted by over 175 parties, including by: [NEPOOL](#), [ISO-NE](#), [AEE](#), [Anbaric](#), [Avangrid](#), [BP](#), [CPV](#), [Dominion](#), [EDF](#), [EDP](#), [Enel](#), [EPSA](#), [Eversource](#), [Exelon](#), [LS Power](#), [MA AG](#), [MMWEC](#), [National Grid](#), [NECOS](#), [NESCOE](#), [NextEra](#), [NRDC](#), [Orsted](#), [Shell](#), [UCS](#), [VELCO](#), [Vistra](#), [Potomac Economics](#), [ACORE](#), [ACPA/ESA](#), [APPA](#), [EEI](#), [ELCON](#), [Industrial Customer Orgs](#), [LPPC](#), [MA DOER](#), [NARUC](#), [NASUCA](#), [NASEO](#), [NERC](#), [NRECA](#), [SEIA](#), [State Agencies](#), [TAPS](#), [WIRES](#), [Harvard Electric Law Initiative](#), [NYU Institute for Policy Integrity](#), [New England for Offshore Wind Coalition](#), and the [R Street Institute](#). ANOPR reply comments and post-technical conference comments were filed by over 100 parties, including: by: [CT AG](#), [Acadia Center/CLF](#), [CT AG](#), [Dominion](#), [Enel](#), [Eversource](#), [LS Power](#), [MA AG](#), [MMWEC](#), [NESCOE](#), [NextEra](#), [Shell](#), [UCS](#), [Vistra](#), [ACPA/ESA](#), [AEE](#), [APPA](#), [EEI](#), [ELCON](#), [Environmental and Renewable Energy Advocates](#), [EPSA](#), [Harvard ELI](#), [NRECA](#), [Potomac Economics](#), and [SEIA](#). Supplemental reply comments were filed by [WIRES](#), and a group of [former military leaders and former Department of Defense officials](#), and [ACPA/AEE/SEIA](#).

¹²⁰ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 179 FERC ¶ 61,028 (Apr. 21, 2022) (“*Transmission NOPR*”).

selected, and costs recovered and allocated. A more fulsome high-level summary from NEPOOL Counsel of the *Transmission NOPR* was distributed to, and was reviewed with, the Transmission Committee, which will recommend whether NEPOOL should submit comments on the *Transmission NOPR*.

Comments. Following a number of requests for extensions of time, comments on the *Transmission NOPR* were due August 17, 2022.¹²¹ Nearly 200 sets of comments were filed, including comments by [NEPOOL](#), [ISO-NE](#), [Acadia/CLF](#), [Anbaric](#), [AEE](#), [Avangrid](#), [BP](#), [Dominion](#), [Enel](#), [Engie](#), [Eversource](#), [Invenery](#), [LSP Power](#), [MOPA](#), [MMWEC/CMEEC/NHEC/VPPSA](#), [National Grid](#), [NECOES](#), [NESCOE](#), [NextEra](#), [NRG](#), [Onward Energy](#), [Orsted](#), [PPL](#), [Shell](#), [Transource](#), [VELCO](#), [Vistra](#), [ISO/RTO Council](#), [NERC](#), [US DOJ/FTC](#), [MA AG](#), [State Agencies](#), [VT PUC/DPS](#), [Potomac Economics](#), [ACPA](#), [ACRE](#), [APPA](#), [EEI](#), [EPSA](#), [Industrial Customer Organizations](#), [LPPC](#), [NASUCA](#), [NRECA](#), [Public Interest Organizations](#), [SEIA](#), [TAPS](#), [WIRES](#), [Harvard Electricity Law Initiative](#), [New England for Offshore Wind](#), and the [R Street Institute](#).

Reply Comments. Reply comments were due **September 19, 2022**. Nearly 100 sets of reply comments were filed, including by: [ISO-NE](#), [AEE](#), [Anbaric](#), [Avangrid](#), [CT DEEP](#), [Cypress Creek](#), [Dominion](#), [ENGIE](#), [Eversource](#), [Invenery](#), [LS Power](#), [MA AG](#), [NECOS](#), [NESCOE](#), [NextEra](#), [Shell](#), [Transource](#), [UCS](#), [ACPA](#), [ACRE](#), [APPA](#), [EEI](#), [Industrial Customer Organizations](#), [LPPA](#), [NRECA](#), [Public Interest Organizations](#), [R Street](#), and [SEIA](#).

If you have any questions concerning the *Transmission NOPR*, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Margaret Czepiel (202-218-3906; mczepiel@daypitney.com).

- **NOPR: Accounting and Reporting Treatment of Certain Renewable Energy Assets (RM21-11)**

On July 28, 2022, the FERC issued a NOPR¹²² proposing reforms to the accounting and reporting treatment of certain renewable energy assets. Specifically, the FERC proposes changes to the Uniform System of Accounts (“USofA”) and relevant FERC forms to: (i) include new accounts for wind, solar, and other non-hydro renewable assets; (ii) create a new functional class for energy storage accounts; (iii) codify the accounting treatment of renewable energy credits; and (iv) create new accounts within existing functions for hardware, software, and communication equipment. The FERC also seeks comment on whether the Chief Accountant should issue guidance on the accounting for hydrogen. Comments on the *Renewable Energy Assets USofA and Reporting NOPR* are due **November 17, 2022**.¹²³

- **NOPR: Electric Transmission Incentives Policy (RM20-10)**

Supplemental NOPR. In light of comments already received in this proceeding,¹²⁴ the FERC issued on April 15, 2021 a *Supplemental NOPR*¹²⁵ to propose and seek comment on a revised incentive for transmitting and electric utilities that join Transmission Organizations (“Transmission Organization Incentive”). The Incentive would be reduced from 100 to 50 basis points and would be available only for three years. The FERC sought comment on whether voluntary participation should be a requirement, and if so, how “voluntary” should be determined. In addition, the FERC now proposes to require each utility that has received a Transmission Organization Incentive for three or more years to submit a compliance filing revising its tariff to remove the incentive from its

¹²¹ A July 27, 2022, request by the Georgia Public Service Commission (“GA PUC”) for an additional 30 days of time to submit comments and reply comments was denied on Aug. 9, 2022.

¹²² *Accounting and Reporting Treatment of Certain Renewable Energy Assets*, 180 FERC ¶ 61,050 (July 28, 2022) (“*Renewable Energy Assets USofA and Reporting NOPR*”).

¹²³ The *Renewable Energy Assets USofA and Reporting NOPR* was published in the *Fed. Reg.* on Oct. 3, 2022 (Vol. 87, No. 190) pp. 59,870-59,963.

¹²⁴ Over 80 sets of comments on the *March NOPR* were filed on or before the July 1, 2020 comment date, including comments by: Avangrid, EDF Renewables, EMCOS, Eversource, Exelon, LS Power, MMWEC/NHEC/CMEEC, National Grid, NESOCE, NextEra, UCS, CT PURA, and Potomac Economics. Reply comments were filed by AEP, ITC Holding, the N. California Transmission Agency, and WIRES.

¹²⁵ *Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act*, 175 FERC ¶ 61,035 (Apr. 15, 2021) (“*Supplemental NOPR*”).

transmission tariff. The *Supplemental NOPR* did not address the other proposals contained in the *March NOPR*.¹²⁶ A more detailed summary of the NOPR was distributed to the Transmission Committee and discussed at the TC's March 25, 2020 meeting.

Comments on the *Supplemental NOPR* were due on or before June 25, 2021. Over 60 sets of comments were filed, including by the New England TOs, MMWEC/NHEC/CMMEC, NECOS, NESCOE, Potomac Economics, and CT PURA. Reply comments were due on or before July 26, 2021, with 28 sets of comments received, including by the [New England TOs](#), [NECOS](#), [NESCOE](#), [CT PURA/CT DEEP/MA AG](#), [CT AG](#), and [Public Interest Groups](#).¹²⁷ Reply comments were also posted from New England State Parties,¹²⁸ Alliant/Consumers/DTE, AEP, Pacific Gas & Electric, Joint Consumer Advocates, and the ACPA.

September 10, 2021 Workshop. The FERC convened a workshop on September 10, 2021¹²⁹ to discuss certain performance-based ratemaking approaches, particularly shared savings, that may foster deployment of transmission technologies. The notice states that the workshop will explore: the maturity of the modeling approaches for various transmission technologies; the data needed to study the benefits/costs of such technologies; issues pertaining to access to or confidentiality of this data; the time horizons that should be considered for such studies; and other issues related to verifying forecasted benefits. The workshop also discussed whether and how to account for circumstances in which benefits do not materialize as anticipated and may explore other performance-based ratemaking approaches for transmission technologies seeking incentives under FPA section 219, particularly market-based incentives. The FERC issued an agenda for the workshop, which included the final workshop program and expected speakers, on August 23, 2021. The FERC supplemented that notice on September 9, 2021. On October 13, 2021, the FERC posted a transcript of the workshop in eLibrary.

Notice Inviting Post-Workshop Comments. On October 18, 2021, the FERC issued a notice inviting those interested to file post-workshop comments to address the issues raised during the workshop concerning incentives and shared savings. Comments were due on or before January 14, 2022 and were filed by APPA, CAISO,

¹²⁶ As previously reported, the *March NOPR* proposed revisions to the FERCs existing transmission incentives policy and corresponding regulations, including the following:

- ◆ A shift from risks and challenges to a **consumers' benefits test** that focuses on ensuring reliability and reducing the cost of delivered power by reducing transmission congestion.
- ◆ **ROEs incentive for Economic Benefits.** A 50-basis-point adder for transmission projects that meet an economic benefit-to-cost ratio in the top 75th percentile of transmission projects examined over a sample period and an additional 50-basis-point adder for transmission projects that demonstrate *ex post* cost savings that fall in the 90th percentile of transmission projects studied over the same sample period, as measured at the end of construction.
- ◆ **ROE for Reliability Benefits.** A 50-basis-point adder for transmission projects that can demonstrate potential reliability benefits by providing quantitative analysis, where possible, as well as qualitative analysis.
- ◆ **Abandoned Plant Incentive.** 100 percent of prudently incurred costs of transmission facilities selected in a regional transmission planning process that are cancelled or abandoned due to factors that are beyond the control of the applicant. Recovery from the date that the project is selected in the regional transmission planning process.
- ◆ **Eliminate Transco Incentives.**
- ◆ **Transmission Organization Incentive.** A 50-basis-point increase for transmitting utilities that turn over their wholesale facilities to a Transmission Organization and *only for the first three years after transferring operational control of its facilities*. The FERC seeks comment as to whether participation must be voluntary to receive the incentive, and if so, how the CFERC should determine whether the decision to join is voluntary.
- ◆ **Transmission Technologies Incentives.** Eligible for both a stand-alone, 100-basis-point ROE incentive on the costs of the specified transmission technology project and specialized regulatory asset treatment. Pilot programs presumptively eligible (though rebuttable).
- ◆ **250-Basis-Point Cap.** Total ROE incentives capped at 250 basis points in place of current "zone of reasonableness" limit.
- ◆ **Updated Date Reporting Processes.** Information to be obtained on a project-by-project basis, information collection expanded, updated reporting process.

¹²⁷ "Public Interest Groups" are NRDC, Sierra Club, Sustainable FERC Project, and Western Grid Group.

¹²⁸ "New England State Parties" are CT PURA, CT DEEP and the MA AG.

¹²⁹ Notice of Workshop, *Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act*, Docket Nos. RM20-10 and AD19-19 (Apr. 15, 2021).

Clean Energy Parties,¹³⁰ EDF Renewables, EEI, the Industrial Energy Consumers of America (“IECA”), National Grid, PJM IMM, TAPS.

These matters are pending before the FERC. If you have any questions concerning these matters, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

- **Voltus Petition for a FERC Technical Conference on Order 2222 (RM18-9)**

On December 22, 2021, Voltus, Inc. (“Voltus”) requested that the FERC convene a technical conference regarding Order 2222-related issues sometime in the months of February or March, 2022. Specifically, Voltus requested the technical conference to allow for a collective discussion of key issues arising from the ISO/RTO Order 2222 compliance proposals, including certain regional variability, roles of industry participants, narrowing perceived knowledge gaps, and subsequent FERC guidance, all of which Voltus asserts supports the request for a technical conference. On January 7, 2022, the FERC issued a notice of Voltus’ request, inviting comments on Voltus’ request on or before February 7, 2022. Comments supporting Voltus’ request were filed by: [AEE](#), [AEMA](#), [APPA/NRECA](#), [EEI](#), [ISO-RTO Council](#), [MISO](#), [SPP](#), [Sunrun](#), [Ameren](#), [Camus Energy](#), [Energy Web Foundation](#), [Integrity Energy Partners](#), [Environmental Law and Policy Center](#), [Fermata LLC](#), [Google](#), [Leapfrog Power](#), [Nuvve Holding](#), [Tesla](#), [U Delaware EV Research and Development Group](#), and [Utilidata](#). Voltus’ request remains pending before the FERC.

XIII. FERC Enforcement Proceedings

Electric-Related Enforcement Actions

- **Coaltrain Energy (IN16-4)**

On October 11, 2022, the FERC approved a Stipulation and Consent Agreement with Coaltrain Energy L.P. (“Coaltrain”) and individuals defendants Peter Jones, Shawn Sheehan, Robert Jones, Jeff Miller, and Jack Wells (together with Coaltrain, “Defendants”)¹³¹ that resolved OE’s Part 1b investigation into Defendants’ violation of the FERC’s Anti-Market Manipulation Rule and the FERC’s Market Behavior Rules, and a pending Federal Court lawsuit.¹³² Under the Agreement, in which Defendants neither admit nor deny the alleged violations, Defendants must make restitution payments totaling **\$4 million** and the FERC agreed to dismiss with prejudice its claims against all of the Defendants in the Federal Court lawsuit.

- **ISO-NE (Salem Harbor) (IN18-8)**

On September 30, 2022, the FERC approved a Stipulation and Consent Agreement with ISO-NE¹³³ that resolved OE’s Part 1b investigation into ISO-NE’s capacity payments to Salem Harbor before the new Salem Harbor Generating Station project (“Project”) had been built or had commenced commercial operation. OE determined, among other things, that ISO-NE violated the ISO-NE Tariff by (i) failing to determine a revised COD and other CPS milestones; (ii) failing to submit a Demand Bid into the 2017 ARA3; (iii) issuing an inaccurate Qualified Capacity Value for Salem Harbor; and (iv) restricting the IMM’s access to information about Salem Harbor.

¹³⁰ The “Clean Energy Parties” are: Working for Advanced Transmission Technologies (“WATT Coalition”), ACPA, AEE, American Council on Renewable Energy (“ACORE”), NRDC, and the Sustainable FERC Project.

¹³¹ *Coaltrain Energy, L.P. et al.*, 181 FERC ¶ 61,031 (Oct. 11, 2022) (“*Coaltrain Enforcement Order*”).

¹³² In a penalty order summarized in previous Reports, the FERC found that Defendants had engaged in market manipulation by placing Up To Congestion trades for the sole or primary purpose of collecting Marginal Loss Surplus Allocation payments, rather than to profit from price changes. The FERC also found that Coaltrain had violated its Market Behavior Rules by making false and misleading statements to Enforcement staff about the existence of records created by employee monitoring software. See *Coaltrain Energy, L.P.*, 155 FERC ¶ 61,204 (May 27, 2016).

¹³³ *ISO New England Inc.*, 180 FERC ¶ 61,223 (Sep. 30, 2022) (“*ISO-NE Salem Harbor Enforcement Order*”).

Under the Agreement, in which ISO-NE neither admits nor denies the alleged violations, ISO-NE must **pay a \$500,000 civil penalty** to the United States Treasury, make new investments in its compliance program at an estimated cost of up to **\$350,000**, and submit one annual compliance monitoring report, in accordance with the terms of the Agreement, with the requirement of a second annual report at OE's option. In setting the remedy, which was a downward departure from the FERC's penalty guidelines, OE and the Commission took into consideration the following: (a) ISO-NE was not the only Entity whose conduct contributed to the market harm resulting from the matters covered by the investigation, (b) ISO-NE is a non-profit entity funded by fee-paying entities (ISO-NE customers), and (c) that a financial penalty might be passed on to Market Participants, potentially compounding the harm from what OE concluded were ISO-NE's violations.¹³⁴ The FERC specifically noted that "each ISO/RTO and its management must adhere to the requirements of its Commission-approved tariff, which includes permitting any market monitor the ability to function in a manner consistent with that market monitor's role and obligations under that tariff".¹³⁵ Following issuance of the *ISO-NE Salem Harbor Enforcement Order*, ISO-NE posted a [statement](#) on the Settlement to its website and addressed the matter at the October 6 Participants Committee meeting.

If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Salem Harbor (IN18-8)**

On June 27, 2022, the FERC approved a Stipulation and Consent Agreement with Salem Harbor Power Development LP ("Salem Harbor")¹³⁶ that resolved OE's Part 1b investigation into Salem Harbor's receipt of capacity payments from ISO-NE for its New Salem Harbor Generating Station project ("Project") during the 2017-18 Capacity Commitment Period, a period during which the Project had neither been built nor commenced commercial operation. OE determined, among other things, that Salem Harbor failed to provide "complete updated version[s] of [its] critical path schedule ("CPS") as required by sections III.13.3.2 and III.13.3.2.1 of the ISO-NE Tariff, that narratives Salem Harbor submitted to ISO-NE made false claims regarding the Project's schedule trajectory and omitted numerous important and relevant details regarding the status of the Project and its construction-related delays, and that its CPS submission violated Salem Harbor's Duty of Candor under the FERC's Market Behavior Rules.¹³⁷ Under the Settlement, in which Salem Harbor neither admits nor denies the alleged violations, and subject to limitations of the Bankruptcy Code and in accordance with the treatment afforded to Allowed General Unsecured Claims pursuant to a plan to be approved by the Bankruptcy Court in Salem Harbor's ongoing Chapter 11 Cases, Salem Harbor must **disgorge \$26.7 million**,¹³⁸ and **pay a \$17.1 million civil penalty** to the United States Treasury.¹³⁹ If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **PacifiCorp (IN21-6)**

On April 15, 2021, in the FERC's first-ever Show Cause Order addressing alleged violations of NERC Reliability Standards,¹⁴⁰ the FERC directed PacifiCorp to show cause why it should not be found to have

¹³⁴ Id. at PP 101-103.

¹³⁵ Id. at P 104.

¹³⁶ *Salem Harbor Power Development LP*, 179 FERC ¶ 61,228 (June 27, 2022) ("*Salem Harbor Order*").

¹³⁷ 18 CFR § 35.41(b) (2022).

¹³⁸ ISO-NE was directed to distribute the disgorgement *pro rata* to network load, subject to the limitations of the Bankruptcy Code and the order of the Bankruptcy Court.

¹³⁹ In recommending the remedies, OE considered the roles that multiple individuals and entities played in ISO-NE not submitting a demand bid on Salem Harbor's behalf into ARA3. Neither the Agreement nor the *Salem Harbor Order* asserted violations by any individual or any entity other than Salem Harbor. However, the FERC reserves its right to make a determination as to the facts or issues of law that might give rise to any violation by any other individual or entity. *Salem Harbor Order* at P 58.

¹⁴⁰ *PacifiCorp*, 175 FERC ¶ 61,039 (Apr. 15, 2021) ("*PacifiCorp Show Cause Order*").

violated FPA section 215(b)(1) and section 39.2 of the FERC's regulations by failing to comply with Reliability Standard FAC 009-1 (Establish and Communicate Facility Ratings), Requirement R1, and the successor Reliability Standard FAC-008-3 (Facility Ratings), Requirement R6 (collectively, "FAC-009-1 R1"), which requires a transmission owner to establish and have facility ratings that are consistent with its Facility Ratings Methodology ("FRM"). An Enforcement investigation found that clearance measurements on a majority of PacifiCorp's transmission lines were incorrect under the National Electric Safety Code, which were used to calculate PacifiCorp's facility ratings, thus making PacifiCorp's facility ratings inconsistent with its FRM. Enforcement alleges that PacifiCorp was aware of incorrect clearances on its system since at least 2007 when FAC-009-1 R1 became mandatory, but failed to identify and remedy them in a timely manner, and PacifiCorp's violations began on August 31, 2009, when it implemented its FRM policy, and at least some of the violations continued until August 2017 when PacifiCorp completed remediation of all of its incorrect clearances to make them consistent with its FRM. Enforcement also pointed to the role of the violations in the Wood Hollow, Utah wildfire that lasted from June 23 to July 1, 2012. In light of these alleged violations, the FERC directed PacifiCorp to show cause why it should not be assessed civil penalties in the amount of **\$42 million**.

On July 16, 2021, PacifiCorp answered the PacifiCorp Show Cause Order, denying the alleged violations of FAC-009. Enforcement filed its reply on September 14, 2021. This matter remains pending before the FERC. (Should the FERC choose to pursue a civil penalty against PacifiCorp for the alleged violations, PacifiCorp has already exercised its right to adjudicate these allegations in federal district court.) If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

Natural Gas-Related Enforcement Actions

- **Rover Pipeline, LLC and Energy Transfer Partners, L.P. (CPCN Show Cause Order) (IN19-4)**

On January 20, 2022, the FERC issued an order establishing a hearing to determine whether Rover Pipeline, LLC ("Rover") and its parent company Energy Transfer Partners, L.P. ("ETP" and collectively with Rover, "Respondents") violated section 157.5 of the FERC's regulations and to ascertain certain facts relevant for any application of the FERC's Penalty Guidelines.¹⁴¹

As previously reported, on March 18, 2021, the FERC issued a show cause order¹⁴² in which it directed Rover Pipeline, LLC ("Rover") and Energy Transfer Partners, L.P. ("ETP" and together with Rover, "Respondents") to show cause why they should not be found to have violated Section 157.5 of the FERC's regulations by misleading the FERC in its Application for Certificate of Public Convenience and Necessity ("CPCN") under NGA section 7(c).¹⁴³ The FERC directed Respondents to show cause why they should not be assessed civil penalties in the amount of **\$20.16 million**. On April 5, 2021, the FERC extended by 60 days, to June 18, 2021, the deadline for Respondents' answer. On June 18, 2021, Rover and ETP answered the *Rover/ETP Show CPCN Cause Order*, asserting that the FERC should dismiss this matter and decline to initiate an enforcement action. On July 21, 2021, Enforcement Staff answered Rover/ETP's answer, stating the evidence supports a finding that Rover violated the

¹⁴¹ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 178 FERC ¶ 61,028 (Jan. 20, 2022) ("*Rover/ETP Hearings Order*").

¹⁴² *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 174 FERC ¶ 61,208 (Mar. 18, 2021) ("*Rover/ETP CPCN Show Cause Order*").

¹⁴³ Specifically, Rover stated that it was "committed to a solution that results in no adverse effects" to the Stoneman House, an 1843 farmstead located near Rover's largest proposed compressor station. In truth, the OE Staff Report alleges, Rover was simultaneously planning to purchase the house with the intent to demolish it, if necessary, to complete its pipeline. The OE Staff Report alleges that Rover purchased the house in May 2015 and demolished the house in May 2016. The OE Staff Report further finds that despite taking these actions during the year and a half that Rover's application was pending before the FERC, Rover did not notify the FERC that it purchased the Stoneman House, intended to destroy the Stoneman House, and did destroy the Stoneman House. The OE Staff Report therefore concludes that Rover violated section 157.5's requirement for full, complete and forthright applications, through its misrepresentations and omissions, when it decided not to tell FERC that it had purchased the house and was considering demolishing it, and when Rover demolished it in May 2016 without notifying FERC.

FERC's Regulations and should be assessed the civil penalty identified in the *Rover/ETP Show Cause Order*. Rover answered the July 21 answer on September 15, 2021.

Procedural Schedule Suspended. As previously reported, ALJ Joel DeJesus will be the presiding judge for hearings in this matter. On May 24, 2022, the Honorable Judge Karen Gren Scholer of the U.S. District Court for the Northern District of Texas issued an order staying this proceeding. Consistent with that order and out of an abundance of caution, Judge DeJesus suspended the procedural schedule until such time as the Court's stay is lifted and the parties provide jointly a proposed amended procedural schedule.

- **Rover and ETP (Tuscarawas River HDD Show Cause Order) (IN17-4)**

On December 16, 2021, the FERC issued a show cause order¹⁴⁴ in which it directed Rover and ETP (together, "Respondents") to show cause why they should not be found to have violated NGA section 7(e), FERC Regulations (18 C.F.R. § 157.20); and the FERC's Certificate Order,¹⁴⁵ by: (i) intentionally including diesel fuel and other toxic substances and unapproved additives in the drilling mud during its horizontal directional drilling ("HDD") operations under the Tuscarawas River in Stark County, Ohio, in connection with the Rover Pipeline Project;¹⁴⁶ (ii) failing to adequately monitor the right-of-way at the site of the Tuscarawas River HDD operation; and (iii) improperly disposing of inadvertently released drilling mud that was contaminated with diesel fuel and hydraulic oil. The FERC directed Respondents to show why they should not be assessed civil penalties in the amount of **\$40 million**.

On March 21, 2022, Respondents answered and denied the allegations in the *Rover/ETP CPCN Show Cause Order*. On April 20, 2022, OE Staff answered Respondents' March 21 answer. On May 13, Respondents submitted a surreply, reinforcing their position that "there is no factual or legal basis to hold either [Respondent] liable for the intentional wrongdoing of others that is alleged in the Staff Report." The FERC denied Respondents' request for rehearing of the FERC's January 21, 2022 designation notice.¹⁴⁷ This matter is pending before the FERC.

- **BP (IN13-15)**

On December 17, 2020, the FERC issued *Opinion 549-A*,¹⁴⁸ a 159-page decision addressing arguments raised on rehearing requested of *Opinion 549*.¹⁴⁹ *Opinion 549-A* modifies the discussion in *Opinion 549*, but reaches the same the result (ultimately requiring BP to pay a **\$20.16 million civil penalty (roughly \$24.4 million with accrued interest) and disgorge \$207,169**). Of note, *Opinion 549-A* denied BP's motion to dismiss this enforcement action as time barred (by the five-year statute of limitations set forth in 28 U.S.C. § 2462), finding BP waived any statute of limitations defense by failing to raise it earlier in this proceeding.¹⁵⁰ *Opinion 549-A* revised

¹⁴⁴ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 177 FERC ¶ 61,182 (Dec. 16, 2021) ("*Rover/ETP Tuscarawas River HDD Show Cause Order*").

¹⁴⁵ *Rover Pipeline LLC*, 158 FERC ¶ 61,109 (2017), *order on clarification & reh'g*, 161 FERC ¶ 61,244 (2017), *Petition for Rev., Rover Pipeline LLC v. FERC*, No. 18-1032 (D.C. Cir. Jan. 29, 2018) ("*Certificate or Certificate Order*").

¹⁴⁶ The Rover Pipeline Project is an approximately 711 mile long interstate natural gas pipeline designed to transport gas from the Marcellus and Utica shale supply areas through West Virginia, Pennsylvania, Ohio, and Michigan to outlets in the Midwest and elsewhere.

¹⁴⁷ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 179 FERC ¶ 61,090 (May 11, 2022) ("*Designation Notice Rehearing Order*"). The "Designation Notice" provided updated notice of designation of the staff of the FERC's Office of Enforcement ("OE") as non-decisional in deliberations by the FERC in this docket, with the exception of certain staff named in that notice.

¹⁴⁸ *BP America Inc. et al.*, Opinion No. 549-A, 173 FERC ¶ 61,239 (Dec. 17, 2020) ("*BP Penalties Allegheny Order*").

¹⁴⁹ *BP America Inc.*, Opinion No. 549, 156 FERC ¶ 61,031 (July 11, 2016) ("*BP Penalties Order*") (affirming Judge Cintron's Aug. 13, 2015 Initial Decision finding that BP America Inc., BP Corporation North America Inc., BP America Production Company, and BP Energy Company (collectively, "BP") violated Section 1c.1 of the FERC's regulations ("*Anti-Manipulation Rule*") and NGA Section 4A (*BP America Inc. et al.*, 152 FERC ¶ 63,016 (Aug. 13, 2015) ("*BP Initial Decision*").

¹⁵⁰ *BP Penalties Allegheny Order* at P 1.

Ordering Paragraph (C) to direct the disgorged profits to non-profits that disburse the Low Income Home Energy Assistance Program of Texas funds, rather than to the Texas Department of Housing.¹⁵¹

On December 29, 2020, BP filed a notice that it intends to appeal *Opinion 549-A* to the Fifth Circuit Court of Appeals and paid the civil penalty amount on December 28, 2020, under protest and with full reservation of rights pending the outcome of judicial review of that Opinion. On January 19, BP filed a notice that it disgorged \$250,295 (\$207,169 principal plus interest), divided equally (\$83,431.67) among the following 3 entities identified in the “2016 Comprehensive Energy Assistance Program Subrecipient List”: Dallas County Dept. of Health and Human Services (serving Dallas); El Paso Community Action, Project Bravo (Serving El Paso); and Panhandle Community Services (serving Armstrong and numerous other counties), again under protest and with full reservation of rights pending the outcome of judicial review of *Opinion 549/549-A*.

- **Total Gas & Power North America, Inc. et al. (IN12-17)**

On April 28, 2016, the FERC issued a show cause order¹⁵² in which it directed Total Gas & Power North America, Inc. (“TGPNA”) and its West Desk traders and supervisors, Therese Tran f/k/a Nguyen (“Tran”) and Aaron Hall (collectively, “Respondents”) to show cause why Respondents should not be found to have violated NGA Section 4A and the FERC’s Anti-Manipulation Rule through a scheme to manipulate the price of natural gas at four locations in the southwest United States between June 2009 and June 2012.¹⁵³

The FERC also directed TGPNA to show cause why it should not be required to disgorge unjust profits of **\$9.18 million**, plus interest; TGPNA, Tran and Hall to show cause why they should not be assessed civil penalties (TGPNA - **\$213.6 million**; Hall - **\$1 million** (jointly and severally with TGPNA); and Tran - **\$2 million** (jointly and severally with TGPNA)). In addition, the FERC directed TGPNA’s parent company, Total, S.A. (“Total”), and TGPNA’s affiliate, Total Gas & Power, Ltd. (“TGPL”), to show cause why they should not be held liable for TGPNA’s, Hall’s, and Tran’s conduct, and be held jointly and severally liable for their disgorgement and civil penalties based on Total’s and TGPL’s significant control and authority over TGPNA’s daily operations. Respondents filed their answer on July 12, 2016. OE Staff replied to Respondents’ answer on September 23, 2016. Respondents answered OE’s September 23 answer on January 17, 2017, and OE Staff responded to that answer on January 27, 2017.

Hearing Procedures. On July 15, 2021, the FERC issued an order establishing hearing procedures to determine whether Respondents violated the FERC’s Anti-Manipulation Rule, and to ascertain certain facts relevant for any application of the FERC’s Penalty Guidelines.¹⁵⁴ On July 27, Chief Judge Cintron designated Judge Suzanne Krolkowski as the Presiding ALJ and established an extended Track III Schedule¹⁵⁵ for the proceeding.

Discovery in this case is ongoing and is now scheduled to close on December 2, 2022. Further, pursuant to an August 30, 2022 order of the Chief Judge, hearings (estimated to last 3-4 weeks) are scheduled to begin

¹⁵¹ *Id.* at P 319.

¹⁵² *Total Gas & Power North America, Inc.*, 155 FERC ¶ 61,105 (Apr. 28, 2016) (“TGPNA Show Cause Order”).

¹⁵³ The allegations giving rise to the Total Show Cause Order were laid out in a September 21, 2015 FERC Staff Notice of Alleged Violations which summarized OE’s case against the Respondents. Staff determined that the Respondents violated NGA section 4A and the Commission’s Anti-Manipulation Rule by devising and executing a scheme to manipulate the price of natural gas in the southwest United States between June 2009 and June 2012. Specifically, Staff alleged that the scheme involved making largely uneconomic trades for physical natural gas during bid-week designed to move indexed market prices in a way that benefited the company’s related positions. Staff alleged that the West Desk implemented the bid-week scheme on at least 38 occasions during the period of interest, and that Tran and Hall each implemented the scheme and supervised and directed other traders in implementing the scheme.

¹⁵⁴ *Total Gas & Power North America, Inc. et al.*, 176 FERC ¶ 61,026 (July 15, 2021).

¹⁵⁵ The hearing in this proceeding will be convened within 55 weeks (Aug. 15, 2022) and the initial decision issued within 76 weeks (January 9, 2023) of the issuance of the Chief Judge’s order.

January 23, 2023 and an initial decision is thereafter due **July 10, 2023**. Several procedural deadlines in support of that schedule were adjusted for a third time by Judge Krolikowski in an order issued on September 9, 2022.

XIV. Natural Gas Proceedings

For further information on any of the natural gas proceedings, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com).

New England Pipeline Proceedings

The following New England pipeline projects are currently under construction or before the FERC:

- **Iroquois ExC Project (CP20-48)**

- ▶ 125,000 Dth/d of incremental firm transportation service to ConEd and KeySpan by building and operating new natural gas compression and cooling facilities at the sites of four existing Iroquois compressor stations in Connecticut (Brookfield and Milford) and New York (Athens and Dover).
- ▶ Three-year construction project; service request by November 1, 2023.
- ▶ On March 25, 2022, after procedural developments summarized in previous Reports, the FERC issued to Iroquois a certificate of public convenience and necessity, authorizing it to construct and operate the proposed facilities.¹⁵⁶ The certificate was conditioned on: (i) Iroquois' completion of construction of the proposed facilities and making them available for service within **three years** of the date of the; (ii) Iroquois' compliance with all applicable FERC regulations under the NGA; (iii) Iroquois' compliance with the environmental conditions listed in the appendix to the order; and (iv) Iroquois' filing written statements affirming that it has executed firm service agreements for volumes and service terms equivalent to those in its precedent agreements, prior to commencing construction. The March 25, 2022 order also approved, as modified, Iroquois' proposed incremental recourse rate and incremental fuel retention percentages as the initial rates for transportation on the Enhancement by Compression Project.
- ▶ On April 18, 2022, Iroquois accepted the certificate issued in the *Iroquois Certificate Order*.
- ▶ On June 17, 2022, in accordance with the *Iroquois Certificate Order*, Iroquois submitted its Implementation Plan, documenting how it will comply with the FERC's Certificate conditions.
- ▶ The Project is targeted for a 4th quarter, 2023 in-service date.

Non-New England Pipeline Proceedings

The following pipeline projects could affect ongoing pipeline proceedings in New England and elsewhere:

- **Northern Access Project (CP15-115)**

- ▶ The New York State Department of Environmental Conservation ("NY DEC") and the Sierra Club requested rehearing of the *Northern Access Certificate Rehearing Order* on August 14 and September 5, 2018, respectively. On August 29, National Fuel Gas Supply Corporation and Empire Pipeline ("Applicants") answered the NY DEC's August 14 rehearing request and request for stay. On April 2, 2019, the FERC denied the NY DEC and Sierra Club requests for rehearing.¹⁵⁷ Those orders have been challenged on appeal to the US Court of Appeals for the Second Circuit (19-1610).
- ▶ As previously reported, the August 6, 2018 *Northern Access Certificate Rehearing Order* dismissed or denied the requests for rehearing of the *Northern Access Certificate Order*.¹⁵⁸ Further, in an interesting twist, the FERC found that a December 5, 2017 "Renewed Motion for Expedited Action"

¹⁵⁶ *Iroquois Gas Transmission Sys., L.P.*, 178 FERC ¶ 61,200 (2022) (*Iroquois Certificate Order*).

¹⁵⁷ *Nat'l Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 167 FERC ¶ 61,007 (Apr. 2, 2019).

¹⁵⁸ *Nat'l Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 164 FERC ¶ 61,084 (Aug. 6, 2018) ("*Northern Access Rehearing & Waiver Determination Order*"), *reh'g denied*, 167 FERC ¶ 61,007 (Apr. 2, 2019).

filed by National Fuel Gas Supply Corporation and Empire Pipeline, Inc. (the “Companies”), in which the Companies asserted a separate basis for their claim that the NY DEC waived its authority under section 401 of the Clean Water Act (“CWA”) to issue or deny a water quality certification for the Northern Access Project, served as a motion requesting a waiver determination by the FERC,¹⁵⁹ and proceeded to find that the NY DEC was obligated to act on the application within one year, failed to do so, and so waived its authority under section 401 of the CWA.

- ▶ The FERC authorized the Companies to construct and operate pipeline, compression, and ancillary facilities in McKean County, Pennsylvania, and Allegany, Cattaraugus, Erie, and Niagara Counties, New York (“Northern Access Project”) in an order issued February 3, 2017.¹⁶⁰ The Allegheny Defense Project and Sierra Club (collectively, “Allegheny”) requested rehearing of the *Northern Access Certificate Order*.
- ▶ Despite the FERC’s *Northern Access Certificate Order*, the project remained halted pending the outcome of National Fuel’s fight with the NY DEC’s April denial of a Clean Water Act permit. NY DEC found National Fuel’s application for a water quality certification under Section 401 of the Clean Water Act, as well as for stream and wetlands disturbance permits, failed to comply with water regulations aimed at protecting wetlands and wildlife and that the pipeline failed to explore construction alternatives. National Fuel appealed the NY DEC’s decision to the 2nd Circuit on the grounds that the denial was improper.¹⁶¹ On February 2, 2019, the 2nd Circuit vacated the decision of the NY DEC and remanded the case with instructions for the NY DEC to more clearly articulate its basis for the denial and how that basis is connected to information in the existing administrative record. The matter is again before the NY DEC.
- ▶ On November 26, 2018, the Applicants filed a request at FERC for a 3-year extension of time, until February 3, 2022, to complete construction and to place the certificated facilities into service. The Applicants cited the fact that they “do not anticipate commencement of Project construction until early 2021 due to New York’s continued legal actions and to time lines required for procurement of necessary pipe and compressor facility materials.” The extension request was granted on January 31, 2019.
- ▶ On August 8, 2019, the NY DEC again denied Applicants request for a Water Quality Certification, and as directed by the Second Circuit,¹⁶² provided a “more clearly articulate[d] basis for denial.”
- ▶ On August 27, 2019, Applicants requested an additional order finding on additional grounds that the NY DEC waived its authority over the Northern Access 2016 Project under Section 401 of the CWA, even if the NY DEC and Sierra Club prevail in their currently pending court petitions challenging the basis for the Commission’s Waiver Order.¹⁶³
- ▶ On October 16, 2020, Applicants requested, due to ongoing legal and regulatory delays, an additional 2-year extension of time, until December 1, 2024, to complete construction of the Project and enter service. More than 50 sets of comments on the requested extension were filed and on December 1, 2020, the FERC dismissed, without prejudice, Applicants’ request for an extension of time,¹⁶⁴ finding

¹⁵⁹ The DC Circuit has indicated that project applicants who believe that a state certifying agency has waived its authority under CWA section 401 to act on an application for a water quality certification must present evidence of waiver to the FERC. *Millennium Pipeline Co., L.L.C. v. Seggos*, 860 F.3d 696, 701 (D.C. Cir. 2017).

¹⁶⁰ *Nat’l Fuel Gas Supply Corp.*, 158 FERC ¶ 61,145 (2017) (“*Northern Access Certificate Order*”), *reh’g denied*, 164 FERC ¶ 61,084 (Aug 6, 2018) (“*Northern Access Certificate Rehearing Order*”).

¹⁶¹ *Nat’l Fuel Gas Supply Corp. v. NYSDEC et al.* (2d Cir., Case No. 17-1164).

¹⁶² Summary Order, *Nat’l Fuel Gas Supply Corp. v. N.Y. State Dep’t of Env’tl. Conservation*, Case 17-1164 (2d. Cir., issued Feb. 5, 2019).

¹⁶³ See *Sierra Club v. FERC*, No. 19-01618 (2d Cir. filed May 30, 2019); *NYSDEC v. FERC*, No. 19-1610 (2d. Cir., filed May 28, 2019) (consolidated).

¹⁶⁴ *National Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 173 FERC ¶ 61,197 (Dec. 1, 2020).

the request premature. The FERC reiterated its encouragement that pipeline applicants requesting extensions “file their requests no more than 120 days before the deadline to complete construction”, so that the FERC has the relevant information available to determine whether good cause exists to grant an extension of time and whether the FERC’s prior findings remain valid.¹⁶⁵

- ▶ On January 28, 2022, Applicants again requested an additional extension of time, this time until December 31, 2024, to complete construction of the Project and enter service. Comments on that request were due on or before February 16, 2022. Many individual comments and protests were received.
- ▶ On June 29, 2022, the FERC granted Applicants’ request for an additional extension of time. Applicants now have until December 31, 2024 to construct and place the Project into service.¹⁶⁶
- ▶ A request for rehearing of the *Northern Access Project Add’l Extension Order* was denied by operation of law.¹⁶⁷
- ▶ On September 6, 2022, the Sierra Club petitioned the DC Circuit for review of the *Northern Access Project Add’l Extension Order* (see Section XVI below).

XV. State Proceedings & Federal Legislative Proceedings

- **Maine - NECEC Transmission LLC et al. v. Bureau of Parks and Lands et al. (BCD-21-416)**

On August 30, 2022, the Maine Supreme Judicial Court concluded that the legislation enacted as a result of the passage of Maine’s November 2, 2021 ballot question,¹⁶⁸ and that effectively halted construction of the NECEC Project,¹⁶⁹ was unconstitutional to the extent it required the legislation to be applied retroactively to the certificate of public convenience and necessity (“CPCN”) issued for the Project if NECEC had acquired vested rights to proceed with Project construction (by undertaking substantial construction consistent with and in good-faith reliance on the CPCN before the Initiative was enacted). The Court remanded to the Business and Consumer Docket the factual question of whether NECEC performed substantial construction in good faith according to a schedule that was not created or expedited for the purpose of generating a vested rights claim (which it suggested appeared to be the case from the limited record developed in connection with the request for preliminary injunctive relief in this matter).

XVI. Federal Courts

The following are matters of interest, including petitions for review of FERC decisions in NEPOOL-related proceedings, that are currently pending before the federal courts (unless otherwise noted, the cases are before the U.S. Court of Appeals for the District of Columbia Circuit (“DC Circuit”)). An “***” following the Case No. indicates that NEPOOL has intervened or is a litigant in the appeal. The remaining matters are appeals as to which

¹⁶⁵ *Id.* at P 10.

¹⁶⁶ *National Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 179 FERC ¶ 61,226 (June 29, 2022) (“*Northern Access Project Add’l Extension Order*”).

¹⁶⁷ *National Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 180 FERC ¶ 62,099 (Aug. 30, 2022).

¹⁶⁸ The ballot question, approved by 59% of Maine voters, which summarized the citizen’s initiative pursued under Maine’s constitutional provision for direct initiative of legislation (ME. Const. Art. IV, pt. 3, § 18), read: “Do you want to ban the construction of high-impact electric transmission lines in the Upper Kennebec Region and to require the Legislature to approve all other such projects anywhere in Maine, both retroactively to 2020, and to require the Legislature, retroactively to 2014, to approve by a two-thirds vote such projects using public land?”

¹⁶⁹ The New England Clean Energy Connect (“NECEC”) project (the “NECEC Project”) is designed to transmit power generated in Québec through Maine and into Massachusetts. The Project includes a new 145.3-mile, high-voltage direct current (“HVDC”) transmission line, proposed to run from the Maine-Québec border in Beattie Township, ME to a new converter station in Lewiston, ME and from there to an existing substation by a new 1.2-mile, high-voltage alternating current transmission line.

NEPOOL has no organizational interest but that may be of interest to Participants. For further information on any of these proceedings, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **2nd Revised Narragansett LSA Orders (22-1161, 22-1108) (consolidated)**

Underlying FERC Proceeding: ER22-707¹⁷⁰

Petitioner: Green Development

Status: Briefing Underway

On June 15, 2022, Green Development petitioned the DC Circuit for review of the FERC's 2nd Revised Narragansett LSA Orders.¹⁷¹ On June 17, 2022, the Court directed Green Development to file, and Green Development filed, a Docketing Statement, Statement of Issues, any Procedural Motions, and the underlying decisions from which the appeal arises. The FERC filed the Certified Index to the Record on July 28, 2022.

Green Development filed, on August 15, 2022, a Statement of Issues and Docketing Statement. Green Development filed Petitioner's Brief on October 11, 2022. The briefing schedule calls for the following: Respondent's Brief (December 12, 2022); Intervenor for Respondent's Brief (December 19, 2022); Petitioner's Reply Brief (January 9, 2023); Deferred Appendix (January 17, 2023); and Final Briefs (January 31, 2023).

- **Mystic II (ROE & True-Up)**

(21-1198; 21-1222, 21-1223, 21-1224, 22-1001, 22-1008, 22-1026, 22-1215) (consolidated)

Underlying FERC Proceeding: EL18-1639-010, -011,¹⁷² -013¹⁷³ -017¹⁷⁴

Petitioners: Mystic, CT Parties,¹⁷⁵ MA AG, ENECOS

Status: Being Held in Abeyance; Voluntary Motion to Dismiss 22-1215 Granted

As previously reported, this case was initiated when, on October 8, 2021, Mystic petitioned the DC Circuit Court of Appeals for review of the FERC's orders setting the base ROE for the Mystic COS Agreement at 9.33%. The *Mystic ROE Order* and subsequent FERC orders addressing the Mystic ROE issues have all also been appealed by various parties and consolidated under 21-1198. Docketing Statements and Statements of Issues to be Raised, and the Underlying Decision from which the various appeals arise have been filed as new dockets have been opened and then consolidated with 21-1198. As previously reported, the Certified Index to the Record was due, and filed by the FERC, on February 22, 2022. On March 10, 2022, MMWEC and NHEC filed a notice of intent to participate in support of FERC in Case Nos. 21-1198, 22-1008, and 22-1026 and in support of Petitioners in the

¹⁷⁰ *ISO New England Inc. and New England Power Co. d/b/a National Grid*, 178 FERC ¶ 61,115 (Feb. 18, 2022) ("2nd Rev Narragansett LSA Order"). *ISO New England Inc. and New England Power Co. d/b/a National Grid*, 179 FERC ¶ 62,035 (Apr. 18, 2022) (notice of denial of rehearing by operation of law and providing for further consideration). Together, these orders referred to as the "2nd Revised Narragansett LSA Orders".

¹⁷¹ The 2nd Revised Narragansett LSA is a Local Service Agreement ("LSA") among New England Power, Narragansett and ISO-NE. The LSA reflects the construction of the new Iron Mine Hill Road Substation and related transmission modifications, and the assessment to Narragansett of a Direct Assignment Facilities Charge ("DAF Charge") associated with the facilities. The Iron Mine Hill Road Substation, a new 115 kV/34.5 kV substation (including modifications necessary to loop Narragansett's existing 115 kV H17 transmission line through the new substation) will connect to a new 34.5 kV distribution feeder, which will serve as the point of interconnection for several distributed generation projects being developed by Green Development, LLC ("Green Development"), located in North Smithfield, Rhode Island.

¹⁷² *Constellation Mystic Power, LLC*, 176 FERC ¶ 61,019 (July 15, 2021) ("Mystic ROE Order"); *Constellation Mystic Power, LLC*, 176 FERC ¶ 62,127 (Sep. 13, 2021) ("September 13 Notice") (Notice of Denial By Operation of Law of Rehearings of Mystic ROE Order).

¹⁷³ *Constellation Mystic Power, LLC*, 178 FERC ¶ 61,116 (Feb. 18, 2022) ("Mystic ROE Second Allegheny Order"); *Constellation Mystic Power, LLC*, 178 FERC ¶ 62,028 (Jan. 18, 2022) ("January 18 Notice") (Notice of Denial By Operation of Law of Rehearings of Mystic ROE Second Allegheny Order).

¹⁷⁴ *Constellation Mystic Power, LLC*, 179 FERC ¶ 61,011 (Apr. 28, 2022) ("Mystic First CapEx Info. Filing Order"); *Constellation Mystic Power, LLC*, 179 FERC ¶ 62,179 (June 27, 2022) ("June 27 Notice") (Notice of Denial By Operation of Law of Rehearings of Mystic First CapEx Info. Filing Order).

¹⁷⁵ In this appeal, "CT Parties" are the Connecticut Public Utilities Regulatory Authority ("CT PURA"), Connecticut Department of Energy and Environmental Protection ("CT DEEP"), and the Connecticut Office of Consumer Counsel ("CT OCC").

remaining consolidated cases, and filed a statement of issues. On March 17, 2022, CT Parties moved to intervene, and those interventions were granted on May 4, 2022.

As previously reported, on July 8, 2022, Connecticut Parties and ENECOS jointly moved to hold these proceedings in abeyance until 30 days after the DC Circuit issued an opinion in *MISO Transmission Owners v. FERC*, 16-1325 (“*MISO TOs*”) (see below). They requested abeyance on the basis that the consolidated petitions in this proceeding and *MISO TOs* both involve challenges to the FERC’s ROE methodology (the FERC set the ROE used in calculating Constellation’s rates using the methodology challenged in *MISO TOs*). Although Constellation opposed the abeyance request, the Court granted the abeyance request on July 27, 2022, directing the Parties to file motions to govern future proceedings within 30 days of the court’s disposition of *MISO TOs*.

As previously reported, the Court has since decided *MISO TOs*. However, the parties continue to agree that this case should remain in abeyance pending further proceedings in *MISO TOs*, now on remand at the Commission. Accordingly, on October 25, 2022, Mystic, without opposition, asked the Court for an order keeping these proceedings in abeyance and directing that motions to govern future proceedings be filed within 90 days. On October 26, 2022, the Court effectively granted Mystic’s request, ordering that the proceedings remain in abeyance pending further order of the court and directing the parties to file motions to govern future proceedings by **January 24, 2023**.

On October 7, 2022, the Court granted Mystic’s September 7, 2022 motion for voluntary dismissal of Case No. 22-1215, further ordering that the consolidation of Case No. 22-1215 with Case No. 21-1198, et al., be terminated and Case No. 21-1198, et al. remain in abeyance pending further order of the court.

- **Mystic I (Original Cost Test, Capital Structure, Everett Cost Recovery, Clawback, True-Up Mechanism) (20-1343; 20-1361, 20-1362; 20-1365, 20-1368; 21-1067; 21-1070)(consolidated)**
Underlying FERC Proceeding: EL18-1639¹⁷⁶
Petitioners: Mystic (20-1343), NESCOE (20-1361, 21-1067), MA AG (20-1362), CT Parties (20-1365, 20-1368, 21-1070)
Status: Decision Issued; Mandate Not Yet Issued

As previously reported, Mystic, NESCOE, MA AG, and CT Parties separately petitioned the DC Circuit Court of Appeals for review of the FERC’s orders addressing the COS Agreement among Mystic, Constellation and ISO-NE.¹⁷⁷ The cases were consolidated into Case No. 20-1343. Following briefing, oral argument was held on May 5, 2022 before Judges Srinivasan, Henderson and Rao.

On August 23, 2022, the Court issued its decision holding that:

- Mystic’s petition for review be dismissed in part and denied in part;
- State Petitioners’ petitions for review on the cost allocation issue be granted;
- the clawback portions excluding Everett costs and the challenged delay provision of the orders under review be vacated; and
- the cases be remanded for the FERC to address NESCOE’s request for clarification about revenue credits and for clarification of the apparent contradictions in the FERC’s December 2020 Rehearing Order.

On October 17, 2022, the Court issued its mandate, returning the case to the FERC.

¹⁷⁶ July 2018 Order; July 2018 Rehearing Order; Dec 2018 Order; Dec 2018 Rehearing Order; Jul 17 Compliance Order.

¹⁷⁷ The COS Agreement is to provide compensation for the continued operation of the Mystic 8 & 9 units from June 1, 2022 through May 31, 2024.

- **CASPR (20-1333, 21-1031) (consolidated)****
Underlying FERC Proceeding: ER18-619¹⁷⁸
Petitioners: Sierra Club, NRDC, RENEW Northeast, and CLF
Status: Being Held in Abeyance (until March 1, 2024)

As previously reported, the Sierra Club, NRDC, RENEW Northeast, and CLF petitioned the DC Circuit Court of Appeals on August 31, 2020 for review of the FERC's order accepting ISO-NE's CASPR revisions and the FERC's subsequent *CASPR Allegheny Order*. Appearances, docketing statements, a statement of issues to be raised, and a statement of intent to utilize deferred joint appendix were filed. A motion by the FERC to dismiss the case was dismissed as moot by the Court, referred to the merits panel (Judges Pillard, Katsas and Walker), and is to be addressed by the parties in their briefs.

Petitioners have moved to hold this matter in abeyance three times. The Court has granted each request. The most recent request was submitted on July 22, 2022 (third abeyance request) and moved the Court to hold this matter in abeyance until March 1, 2024, the date on which the elimination of MOPR is to be implemented, with motions to govern due 30 days thereafter. The Court granted the third abeyance request on July 25, 2022.

- **Opinion 531-A Compliance Filing Undo (20-1329)**
Underlying FERC Proceeding: ER15-414¹⁷⁹
Petitioners: TOs' (CMP et al.)
Status: Being Held in Abeyance

On August 28, 2020, the TOs¹⁸⁰ petitioned the DC Circuit Court of Appeals for review of the FERC's October 6, 2017 order rejecting the TOs' filing that sought to reinstate their transmission rates to those in place prior to the FERC's orders later vacated by the DC Circuit's *Emera Maine*¹⁸¹ decision. On September 22, 2020, the FERC submitted an unopposed motion to hold this proceeding in abeyance for four months to allow for the Commission to "a future order on petitioners' request for rehearing of the order challenged in this appeal, and the rate proceeding in which the challenged order was issued remains ongoing before the Commission." On October 2, 2020, the Court granted the FERC's motion, and directed the parties to file motions to govern future proceedings in this case by February 2, 2021. On January 25, 2021, the FERC requested that the Court continue to hold this petition for review in abeyance for an additional three months, with parties to file motions to govern future proceedings at the end of that period. The FERC requested continued abeyance because of its intention to issue a future order on petitioners' request for rehearing of the order challenged in this appeal, and the rate proceeding in which the challenged order was issued remains ongoing before the FERC. Petitioners consented to the requested abeyance. On February 11, 2021, the Court issued an order that that this case remain in abeyance pending further order of the court. On April 21, 2021, the FERC filed an unopposed motion for continued abeyance of this case *because* the Commission intends to issue a future order on Petitioners' request for rehearing of the challenged Order Rejecting Compliance Filing, and because the remand proceeding in which the challenged order was issued remains ongoing.

On May 4, 2021, the Court ordered that this case remain in abeyance pending further order of the Court, directing the FERC to file a status report by September 1, 2021 and at 120-day intervals thereafter. The parties were directed to file motions to govern future proceedings in this case within 30 days of the completion of agency proceedings. The FERC's last status report, indicating that the proceedings before the Commission remain ongoing

¹⁷⁸ *ISO New England Inc.*, 162 FERC ¶ 61,205 (Mar. 9, 2018) ("*CASPR Order*").

¹⁷⁹ *ISO New England Inc.*, 161 FERC ¶ 61,031 (Oct. 6, 2017) ("*Order Rejecting Filing*").

¹⁸⁰ The "TOs" are CMP; Eversource Energy Service Co., on behalf of its affiliates CL&P, NSTAR and PSNH; National Grid; New Hampshire Transmission; UI; Unitil and Fitchburg; VTransco; and Versant Power.

¹⁸¹ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) ("*Emera Maine*").

and that this appeal should continue to remain in abeyance, was filed on August 11, 2022. The next status report is due on or before **December 9, 2022**.

Other Federal Court Activity of Interest

- **Northern Access Project (22-1233)**
Underlying FERC Proceeding: **CP15-115**¹⁸²
Petitioners: Sierra Club
Status: Filing of Initial Submissions Underway

On September 6, 2022, the Sierra Club petitioned the DC Circuit for review of *Northern Access Project Add'l Extension Order*. On October 11, 2022, Sierra Club filed a Docketing Statement, a Statement of Issues, and the underlying decision from which the appeal arises. Also on October 11, the FERC moved to hold this proceeding in abeyance. Sierra Club opposed that motion on October 21, 2022. The FERC's motion to hold this proceeding in abeyance is pending before the Court.

- **Order 872 (20-72788,* 21-70113; 20-73375, 21-70113) (consol.) (9th Cir.)**
Underlying FERC Proceeding: **RM19-15**¹⁸³
Petitioners: SEIA et al.

Status: Oral Argument Held March 8, 2022; Awaiting Decision

On September 17, 2020, SEIA petitioned the 9th Circuit Court of Appeals for review of *Order 872*.¹⁸⁴ Briefing is complete and oral argument was held March 8, 2022 before Judges Nguyen, Miller and Bumatay. This matter remains pending before the Court.

- **Opinion 569/569-A: FERC's Base ROE Methodology (16-1325, 20-1182, 20-1240, 20-1241, 20-1248, 20-1251, 20-1267, 20-1513) (consol.)**
Underlying FERC Proceeding: **EL14-12; EL15-45**¹⁸⁵
Petitioners: MISO TOs, Transource Energy, Dec 23 Petitioners et al.
Status: Decision Issued on August 9, 2022; Mandate Issued October 4, 2022 (underlying FERC orders vacated; cases remanded to FERC to reopen proceedings)

The MISO TOs, Transource and "Dec 23 Petitioners",¹⁸⁶ among others, appealed *Opinion 569/569-A*. The MISO TOs' case was consolidated with previous appeals that had been held in abeyance, with the lead case number assigned as 16-1325. Following completion of briefing, oral argument was held on November 18, 2021 before Judges Srinivasan, Katsas and Walker.

On August 9, 2022, the Court issued its decision granting customers' petitions for review, dismissing transmission owners' petitions for review, vacating the underlying FERC orders, and remanding the cases to the

¹⁸² *National Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 179 FERC ¶ 61,226 (June 29, 2022) ("*Northern Access Project Add'l Extension Order*").

¹⁸³ *Transcontinental Gas Pipe Line Co., LLC*, 159 FERC ¶ 62,181 (Feb. 3, 2017); *Transcontinental Gas Pipe Line Co., LLC*, 161 FERC ¶ 61,250 (Dec. 6, 2017).

¹⁸⁴ *Order 872* approved pricing and eligibility revisions to the FERC's long-standing regulations implementing sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), including: state flexibility in setting QF rates; a decrease (to 5 MW) to the threshold for a rebuttable presumption of access to nondiscriminatory, competitive markets; updates to the "One-Mile Rule"; clarifications to when a QF establishes its entitlement to a purchase obligation; and provision for certification challenges.

¹⁸⁵ *Transcontinental Gas Pipe Line Co., LLC*, 159 FERC ¶ 62,181 (Feb. 3, 2017); *Transcontinental Gas Pipe Line Co., LLC*, 161 FERC ¶ 61,250 (Dec. 6, 2017).

¹⁸⁶ "Dec 23 Petitioners" are: Assoc. of Bus. Advocating Tariff Equity; Coalition of MISO Transmission Customers: IL Industrial Energy Consumers; IN Industrial Energy Consumers, Inc.; MN Large Industrial Group; WI Industrial Energy Group; AMP; Cooperative Energy; Hoosier Energy Rural Elec. Coop.; MS Public Service Comm.; MO Pub. Svcs. Comm.; MO Joint Mun. Electric Utility Comm.; Org. of MISO States, Inc.; Southwestern Elec. Coop., Inc.; and Wabash Valley Power Assoc.

FERC to reopen proceedings. In reaching its decision, the Court found that the “FERC failed to offer a reasoned explanation for its decision to reintroduce the risk-premium model [] after initially, and forcefully, rejecting it. Because FERC adopted that significant portion of its model in an arbitrary and capricious fashion, the new [ROE] produced by that model cannot stand. We therefore vacate FERC’s orders.” Because the Court ordered the FERC to vacate its prior rate orders, it dismissed the remaining surviving challenges (e.g. refund and authority issues), which can be resolved in and following the FERC proceedings that will ensue following this remand. Of course, this decision and those proceedings to follow are expected to impact multiple proceedings in which the FERC this now-vacated ROE methodology, including the Mystic ROE proceeding pending before the DC Circuit and the New England ROE cases that are pending before the FERC and from which the ROE issue originated. As noted in the last Report, the Court’s mandate issued on October 4, 2022.

- **Algonquin Atlantic Bridge Project Orders (21-1115*, 21-1138, 21-1153, 21-1155 consol.) and (22-1146, 22-1147 consol.)**
Underlying FERC Proceeding: CP16-9-012¹⁸⁷
Petitioners: LS Power, Algonquin, INGA
Status: Cases 22-1146/47 Deconsolidated and Briefing Schedule Set; Remaining Cases (21-1115 et al.) Being Held in Abeyance Pending Disposition of 22-1146/47

On May 3, 2021, Algonquin petitioned the DC Circuit Court of Appeals for review of the *Briefing Order* and the *April 19 Notice of Denial of Rehearings by Operation of Law*. Appearances, docketing statements and a statement of issues were due and filed June 4, 2021. Also on June 4, 2021, the FERC filed an unopposed motion to hold this proceeding in temporary abeyance, until August 2, 2021, including the filing of the certified index to the record, because “the May 3 petition for review no longer reflects the [FERC]’s latest determination in this matter.” The Court granted the first abeyance motion. On November 15, 2021, the Court granted a third abeyance motion by the FERC, directing the parties to file motions to govern future proceedings by January 31, 2022. On January 31, 2022, Algonquin and INGA asked the Court to extend the abeyance by an additional 120 days (to May 31, 2022). On February 15, 2022, the Court issued an order extending the abeyance and directing the Petitioners to file motions to govern future proceedings by May 31, 2022. On May 31, 2022, Petitioners asked the Court to continue to hold this proceeding in abeyance pending the First Circuit’s disposition of Algonquin’s pending motions to transfer that Court’s cases 20-1458 and 22-1201 (which also challenge the FERC’s authorization of the “Atlantic Bridge Project”).

On June 30, the First Circuit transferred cases 20-1458 and 22-1201 to the DC Circuit. The DC Circuit docketed those cases as 22-1146 and 22-1147, consolidated them with its cases challenging the Atlantic Bridge Project orders (with 21-1115 remaining the lead case), and directed the parties to file a proposed briefing schedule. On July 19, the parties filed a proposal that cases 22-1146 and 22-1147 be severed, proposed a revised briefing format and schedule for those cases, and asked the Court to continue to hold the remaining cases in abeyance (asserting that abeyance may avoid the need for briefing and adjudication of the issues that Algonquin and INGAA would press).

On August 16, 2022, the Court deconsolidated 22-1146 and 22-1147 from 21-1115 et al., which is to remain in abeyance pending a further order of the Court. The Court consolidated Cases 22-1146 and 22-1147 together and issued a briefing schedule that calls for Joint Brief of Petitioners by October 28, 2022; Respondent Brief by January 12, 2023, Joint Brief of Intervenor by January 26, 2023, Joint Reply Brief of Petitioners by February 16, 2023, Deferred Joint Appendix by March 2, 2023, and Final Briefs by March 9, 2023. The date of oral argument and the composition of the merits panel will be provided at a later date. Since the last Report, Petitioners in the consolidated cases filed Petitioners Brief. Next up, Respondent (FERC) Brief.

¹⁸⁷ *Briefing Order; April 19 Notice of Denial of Rehearings by Operation of Law.*

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