

EXECUTIVE SUMMARY
Status Report of Current Regulatory and Legal Proceedings
as of November 1, 2023

The following activity, as more fully described in the attached Litigation Report, has occurred since the report dated October 3, 2023 ("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



No Activities to Report

II. Rate, ICR, FCA, Cost Recovery Filings



* 5	2024 NESCOE Budget (ER23-91)	Oct 13	ISO-NE files materials for funding NESCOE's 2024 operations; comment date Nov 3, 2023
		Oct 13-30	NESCOE, National Grid, NEPOOL intervene
* 5	2024 ISO-NE Administrative Costs and Capital Budgets (ER24-90)	Oct 13	ISO-NE files its 2024 administrative costs and capital budgets; comment date Nov 3, 2022
		Oct 24-31	NEPOOL, National Grid, NESCOE, MA DPU intervene
		Oct 31	NEPOOL files comments supporting ISO-NE 2024 Budgets
* 6	Essential Power Newington CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing (ER24-80)	Oct 12	Essential Power Newington requests recovery of \$276,421 in CIP-IROL Costs incurred between Jul 1, 2022 and Jun 30, 2023; comment deadline Nov 2, 2023
		Oct 13-24	National Grid, NESCOE file doc-less motions to intervene
6	Stonepeak Kestrel CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing (ER23-2429)	Oct 16	FERC accepts revisions allowing for recovery of \$1,483,297 in eligible CIP-IROL Costs, <i>eff. Sep 16, 2023</i>
7	Bucksport Generation (Schedule 17) Section 205 Cost Recovery Filing (ER23-2428)	Oct 13	FERC accepts revisions allowing for recovery of \$251,419 in eligible CIP-IROL Costs, <i>eff. Sep 29, 2023</i>
8	Mystic 8/9 COSA (ER18-1639)		
8	(-025) First CapEx Settlement Agreement Tariff Sheets Filing	Oct 27	FERC accepts Tariff Sheets Filing, <i>eff. Jun 1, 2022</i>
8	(-024) Mystic I Order on Remand Modification Order	Oct 6	FERC issues an order modifying the discussion in the <i>Mystic I Order on Remand</i> and setting aside that <i>Order</i> , in part
9	(-000) Public Systems' Request for Disclosure of Audit Information	Oct 6	FERC denies Public Systems' request
9	(-018) Second CapEx Info Filing	Oct 20	NESCOE provides notice of withdrawal of its Formal Challenge No. III.B to the Second CapEx Info Filing related to support for the property tax component of the AFRR

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



* 12	DASI Proposal (ER24-275)	Oct 31	ISO-NE and NEPOOL jointly file DASI changes; comment deadline Nov 21, 2023
		Nov 1	HQUS, Public Citizen intervene
* 12	ISO/RTO Credit-Related Information Sharing (ER24-138)	Oct 18	ISO-NE and NEPOOL jointly file changes; comment deadline Nov 8, 2023

* 12	Effective Date Deferral – Binary Storage Facility DARD Regulation (ER24-115)	Oct 16	ISO-NE requests that the effective date be deferred for the implementation of provisions permitting Battery Storage Facilities to offer Regulation when acting as a DARD; comment deadline Nov 6, 2023
		Oct 18	NEPOOL, Calpine intervene
12	IEP Parameter Updates (ER23-1588)	Oct 6	FERC issues <i>IEP Parameter Updates Allegheny Notice</i> , denying PIOs request for reh'g by operation of law
13	SATOA Revisions (ER23-739; ER23-743)	Oct 19	FERC accepts SATOA Revisions; notice of Revisions' actual effective date to be filed no less than 30 days prior to implementation (currently projected to be <i>Jul 1, 2024</i>)
13	New England's <i>Order 2222</i> Compliance Filing (ER22-983)	Oct 6	FERC issues an Allegheny Order on the requests for clarification and/or reh'g of its Mar 1, 2023 <i>Order 2222 Compliance Order</i>

IV. OATT Amendments / TOAs / Coordination Agreements



* 16	UI Att. F App. D Depreciation Rate Changes (ER24-272)	Oct 31	UI files changes to incorporate revised depreciation rates used to calculate UI's annual transmission revenue requirements; comment deadline Nov 7, 2023
* 16	National Grid Attachment F App. A PBOP Fixed Expense Revisions (ER24-125)	Oct 17	National Grid files revisions to Appendix A to Attachment F to update NEP's fixed expense amount for transmission-related PBOP; comment deadline Nov 7, 2023
16	Attachment F Corrections & Updates (ER23-2940)	Oct 5, 10 Oct 19	RI Energy, National Grid intervene Public Systems file comments supporting corrections and updates
16	Versant Power Att. F App. D Depreciation Rate Change (ER23-2483)	Oct 4	FERC accepts change, eff. <i>Jan 1, 2025</i>
17	<i>Order 676-J</i> Compliance Filings Part II (ER23-1771; ER23-1774; ER23-1782; ER23-1785)	Oct 26	FERC accepts each of the <i>Order 676-J</i> Compliance Filings Part II, eff. <i>Feb 1, 2024</i> , directing compliance filings by ISO-NE/NEPOOL and Versant, by Nov 27, 2023 , to include in their tariff records the citation to their orders granting the waivers requested

V. Financial Assurance/Billing Policy Amendments



No Activities to Report

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



* 18	Schedule 21-VP: Versant/Jonesboro LSA (ER24-24)	Oct 4	ISO-NE and Versant file a LSA by and among Versant, ISO-NE, NE Renewable Power, and Jonesboro
* 18	Schedule 21-ES: PSNH/Great Lakes Hydro IA Termination (ER24-17)	Oct 4	Eversource files notice of termination of superseded IA
* 19	Schedule 21-GMP: Annual True Up Calculation Informational Filing (ER12-2304)	Oct 30	GMP submits annual info filing containing true-up calculation of its actual costs for the 2022 Service Period

VII. NEPOOL Agreement/Participants Agreement Amendments



No Activities to Report

VIII. Regional Reports



* 20	Capital Projects Report - 2023 Q3 (ER24-94)	Oct 13 Oct 24-25 Oct 31	ISO-NE files 2023 Q3 Report; comment deadline Nov 3, 2023 National Grid, NEPOOL intervene NEPOOL files comments supporting 2023 Q3 Report
20	Capital Projects Report - 2023 Q2 (ER23-2620)	Oct 4	FERC accepts Q2 Report, eff. <i>Jul 1, 2023</i>
* 20	LFTR Implementation: 60 th Quarterly Status Report (ER07-476)	Oct 13	ISO-NE files its 60th quarterly report
* 20	IMM Quarterly Markets Reports - 2023 Summer (ZZ24-4)	Oct 27	IMM files Summer 2023 Report

IX. Membership Filings



* 21	Nov 2023 Membership Filing (ER24-276)	Oct 31	New Members: BlueWave Public Benefit Corp.; Flatiron Energy Capital; Glenvale; New England Power and Light; Precept Power; and Wallingford Energy; Name Changes: Blueprint Power Technologies LLC and PSE US Holdings Inc. (f/k/a AMP Solar US Holdings Inc.); comment deadline Nov 21, 2023
21	Sep 2023 Membership Filing (ER23-2756)	Oct 27	FERC accepts the following NEPOOL memberships: Phoenix Energy Group (Supplier Sector); 3Degrees Group, Inc. (GIS-Only Participant); (ii) the termination of the Participant status of: Just Energy (U.S.); NRG Power Marketing, Norwalk Power and Somerset Power; and WP&G Holdings; and (iii) the name change of NRG Business Marketing, LLC (f/k/a Direct Energy Business Marketing, LLC)

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



* 22	Order 901: IBR Reliability Standards (RM22-12)	Oct 19	FERC issues <i>Order 901</i> ; informational filing due Jan 19, 2024
22	Changes to NERC ROPs (RR23-4)	Oct 6	APPA, LPPC and TAPS submit joint comments
23	2024 NERC/NPCC Business Plans and Budgets (RR23-3)	Oct 19	FERC accepts NERC's 2024 proposed Business Plan and Budget, as well as the Business Plans and Budgets for the Regional Entities, including NPCC, for 2024
23	Report of Comparisons of 2022 Budgeted to Actual Costs for NERC and the Regional Entities (RR23-2)	Oct 26	FERC accepts NERC's annual comparisons of actual to budgeted costs for 2022 for NERC and its 6 Regional Entities

XI. Misc. - of Regional Interest



23	203 Application: Energy Harbor / Vistra (EC23-74)	Oct 10 Oct 13 Oct 20	OH OCC, NOPEC, PJM IMM protest/comment on Deficiency Letter Response FERC tolls deadline to act on Application to Apr 11, 2024 Vistra/Energy Harbor answer Oct 10 protests/comments
* 24	PURPA Enforcement Petition: Allco Finance Ltd (VT PUC) (EL23-92)	Oct 13	FERC issues a notice of its intent not to initiate an enforcement action in response to the Allco VT PUC PURPA Complaint
* 24	CL&P / WE 400 Groton Road D&E Agreement (ER24-303)	Nov 1	Eversource files D&E Agreement in connection with the interconnection of WE 400 Groton Road's 50 MW-load data; comment deadline Nov 22, 2023
* 24	NSTAR-ENE Use Rights Transfer Agreement (ER24-269)	Oct 31	NSTAR files for acceptance an Agreement with ENE for the Transfer of Use Rights on the Phase I/II HVDC Transmission Facilities

25	D&E Agreement Amendment: PSNH/NECEC (ER23-2645)	Oct 13	FERC accepts amendment, eff. <i>Aug 18, 2023</i>
25	MPD OATT Changes to Depreciation Rates (ER23-2085)	Oct 19	FERC accepts changes, eff. <i>Jun 1, 2024</i>
25	LSAs: RI Energy/ISO-NE/BIPCO (ER23-1003; ER23-1000)	Oct 23	RIE files amendments to the LSAs; comment deadline Nov 13, 2023

XII. Misc. - Administrative & Rulemaking Proceedings



26	ACPA Petition for Capacity Accreditation Tech Conf (AD23-10)	Oct 18-19	ACPA , PJM IMM answer Oct 2 comments
* 26	Reliability Technical Conference (AD23-9)	Oct 10 Oct 30	SPP IMM submit comments FERC issues Second Supplemental Notice of Technical Conference ; ISO-NE submits pre-tech conf comments
27	Joint Federal-State Task Force on Electric Transmission (AD21-15)	Oct 18	NARUC nominates PA PUC Vice Chair Kimberly Barrow to serve out the remainder of Joseph L. Fiordaliso's one-year term
28	Order 897: Extreme Weather Vulnerability Assessments (RM22-16; AD21-13)	Oct 25	ISO-NE and TOs submit 51-page Report
29	Order 2023: Interconnection Reforms (RM22-14)	Oct 25	FERC issues an order that extends the <i>Order 2023</i> compliance filing deadline to Apr 3, 2024

XIII. FERC Enforcement Proceedings



Natural Gas-Related Enforcement Actions

* 33	AES Alamitos and AES Redondo Beach (IN23-15)	Oct 24	FERC approves Stipulation and Consent Agreement that resolves OE's investigation into AES's submission of inaccurate data to CAISO; AES must disgorge \$2.97 million to CAISO, pay a \$1.2 million civil penalty , and submit to OE compliance monitoring
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XIV. Natural Gas Proceedings



No Activity to Report

XV. State Proceedings & Federal Legislative Proceedings



No Activity to Report

XVI. Federal Courts



37	Order 2222 Compliance Orders (23-1167, 23-1168, 23-1169, 23-1170)(consolidated)	Oct 10 Oct 12	FERC asks for further 90-day abeyance Court grants FERC request; motions to govern future proceedings due Jan 24, 2024
38	Seabrook Dispute Order (23-1094, 23-1215) (consol.)	Oct 12 Oct 26 Oct 30	Intervenors for Respondent file Joint Brief NextEra files Reply Brief NextEra files Joint Appendix
39	Mystic II (ROE & True-Up) (21-1198 <i>et al.</i>) (consol.)	Oct 25 Oct 26	Constellation proposes continued abeyance for an additional 90 days Court orders cases to remain in abeyance; parties directed to file motions to govern future proceedings by Jan 24, 2024
41	Algonquin Atlantic Bridge Project Orders (22-1146, 22-1147) (consol.)	Oct 27	Petitioners ask that each of the consolidated cases be dismissed voluntarily

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, 2023

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, 2023. If you have questions, please contact us.

I. Complaints/Section 206 Proceedings

- **Brookfield IEP Complaint (IEP Exclusion of Pumped Storage ESFs) (EL23-89)**

On September 21, 2023, the FERC granted the complaint filed by Brookfield Renewable Trading and Marketing LP ("Brookfield") regarding the exclusion of pumped storage hydroelectric facilities that are Electric Storage Facilities ("ESFs") from the Inventoried Energy Program ("IEP").² In granting the Complaint, effective August 2, 2023, the FERC found "pumped storage [ESFs] are similarly situated to battery storage [ESFs] for purposes of participation in the [IEP] ... [agreed] with Brookfield that the ISO-NE Tariff is unduly discriminatory because it prohibits pumped storage [ESFs] from similarly participating in the [IEP]".³ Accordingly, the FERC ordered ISO-NE to revise its Tariff. Any challenges to the *Brookfield IEP Complaint Order* are due on or before October 23, 2023. The changes to the Tariff in response to the *Order* were supported by the Markets Committee and will be voted by the Participants Committee at the November 2, 2023 meeting (Consent Agenda Item #3). If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com) or Sebastian Lombardi (860-275-0663; slombardi@daypitney.com).

- **206 Proceeding: ISO Market Power Mitigation Rules (EL23-62)**

As reported below, this Section 206 proceeding, instituted by the FERC on May 5, 2023 (pursuant to its finding that the existing ISO-NE Tariff provisions related to the mechanics of its market power mitigation and the consideration of any proposed fuel price adjustment, may be unjust and unreasonable),⁴ is being held in abeyance. Parties to this proceeding include: NEPOOL, Calpine, Connecticut Office of Consumer Counsel ("CT OCC"), Massachusetts ("MA") Attorney General ("MA AG"), NEPGA, New England States Committee On Electricity

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 *Brookfield Renewable Trading and Marketing LP v. ISO New England Inc.*, 184 FERC ¶ 61,169 (Sep. 21, 2023) ("*Brookfield IEP Complaint Order*").

³ *Id.* at P 31.

⁴ *Dynegy Marketing and Trade, LLC and ISO New England, Inc.*, 183 FERC ¶ 61,091 (May 5, 2023) ("*Dynegy Mitigation Order*"). In the *Dynegy Mitigation Order*, ISO-NE was directed 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 discriminatory. The refund effective date for this proceeding is May 12, 2023.

(NESCOE”), Public Systems,⁵ Electric Power Supply Association (“EPSA”), MA Department of Public Utilities (“MA DPU”), Maine Public Utilities Commission (“MPUC”), and Public Citizen.

Being Held In Abeyance. On July 14, 2023, the FERC granted ISO-NE’s June 28, 2023 motion, supported by NEPOOL on July 5, 2023, requesting that the FERC hold this proceeding in abeyance to allow potential ISO-NE Tariff design changes to be vetted through the Participant Processes. Changes in response to the *Dynegy Mitigation Order* are to be voted by the Participants Committee at its November 2, 2023 meeting (Consent Agenda Item #2). The FERC stated that it would not take any action on this 206 proceeding before **February 1, 2024**.

If you have any questions concerning this matter, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com) or Sebastian Lombardi (860-275-0663; slombardi@daypitney.com).

- **RENEW Network Upgrades O&M Cost Allocation Complaint (EL23-16)**

The December 13, 2022 complaint by RENEW Northeast, Inc. (“RENEW”) against ISO-NE and the Participating Transmission Owners (“PTOs”), which seeks changes to the ISO-NE Tariff (Schedules 11 and 21) that would eliminate the direct assignment of Network Upgrade Operations and Maintenance (“O&M”) costs to Interconnection Customers,⁶ remains pending before the FERC. As previously reported, the proposed revisions to Schedule 11 of the Tariff were voted by the Transmission Committee at its October 26, 2021 meeting, and were discussed at the Participants Committee’s November 3, 2021 meeting. RENEW asked the FERC to issue an order granting the Complaint by April 14, 2023 (approximately 60 days prior to the June 15, 2023 deadline for the NE PTOs to publish a draft of the Annual Update to the data used in the transmission formula rate). Both of those dates have since passed.

Responses, comments and protests were filed in late January 2023 by [ISO-NE](#) (which alternatively moved to dismiss itself as a party (“[ISO-NE Jan 19 Motion](#)”)), the [PTO AC](#), [NEPOOL](#), [AEU/Clean Energy Council](#), [CPV Towantic](#), [Glenvale](#), [MA AG](#), [NECOS](#), [NEPGA](#), and [NESCOE](#). Doc-less interventions only were filed by Calpine, CMMEC, EMI, Eversource, Narragansett (“RI Energy”), National Grid, New Leaf Energy, NextEra, NRG, Versant, CT DEEP, MA DPU, the American Clean Power Association (“ACPA”), Solar Energy Industries Association (“SEIA”), and Public Citizen. In additional rounds of briefing, [RENEW](#) answered [ISO-NE’s Jan 19 Motion](#); [RENEW](#), the [PTO AC](#), and [National Grid](#) filed answers to the January 23 protests/comments; ISO-NE answered RENEW’s February 7 answer; and [CPV Towantic](#), [Glenvale](#), and the [MA AG](#) filed answers to the February 7 answers. There was no activity since the last Report. As noted, this matter remains pending before the FERC. If you have questions on this proceeding, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Margaret Czepiel (202-218-3906; mzczepiel@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,⁷ set the TOS’ Base ROE at 10.57%

⁵ “Public Systems” for purposes of this proceeding are, collectively: the Connecticut Municipal Electric Energy Cooperative (“CMEEC”), Massachusetts Municipal Wholesale Electric Company (“MMWEC”), New Hampshire Electric Cooperative (“NHEC”), and Vermont Public Power Supply Authority (“VPPSA”).

⁶ RENEW also requested (i) that it be considered an Interested Party or afforded adequate opportunity to participate and access transmission rate information under the PTOs’ Formula Rate Protocols and (ii) the PTOs be directed to provide greater transparency regarding O&M costs in the interconnection process.

⁷ 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*”).

(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*).⁸ However, the FERC's orders were challenged, and in *Emera Maine*,⁹ the U.S. Court of 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)¹⁰ and third (EL14-86)¹¹ 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.¹² 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 proceeding¹³ also went to hearing before an Administrative Law Judge ("ALJ"), Judge Glazer, who issued his initial decision on March 27, 2017.¹⁴ 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

⁸ *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*").

⁹ *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).

¹⁰ 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%.

¹¹ 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.

¹² *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*").

¹³ 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.

¹⁴ *Belmont Mun. Light Dept. v. Central Me. Power Co.*, 162 FERC ¶ 63,026 (Mar. 27, 2018) ("*Base ROE Complaint IV Initial Decision*").

FPA.¹⁵ 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.¹⁶ 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*¹⁷ (EL14-12; EL15-45) in Section XI below). The FERC established a paper hearing on how its proposed methodology should apply to the four pending ROE proceedings.¹⁸

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%.¹⁹ 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

¹⁵ *Id.* at P 2.; Finding of Fact (B).

¹⁶ *Coakley v. Bangor Hydro-Elec. Co.*, 165 FERC ¶ 61,030 (Oct. 18, 2018) (“*Order Directing Briefs*” or “*Coakley*”).

¹⁷ *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 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*.

¹⁸ *Id.* at P 19.

¹⁹ *Id.* at P 59.

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 Customers²⁰ 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 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*²¹ 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

- **2024 NESCOE Budget (ER24-91)**

This proceeding was initiated by ISO-NE’s October 13, 2023 filing of the budget for funding NESCOE’s 2024 operations. The 2024 Operating Expense Budget for NESCOE is \$2,596,014. The amount to be recovered reflects true-ups from 2023 (over-collections of \$862,664). Accordingly, if accepted, the NESCOE budget will result in a charge of \$0.00807 per kilowatt (“kW”) of Monthly Network Load (a \$0.00106/kW increase from 2023). The 2024 NESCOE budget was supported by the Participants Committee at its October 5, 2023 meeting. Comments and any interventions are due on or before November 3. Thus far, NEPOOL, 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).

- **2024 ISO-NE Administrative Costs and Capital Budgets (ER24-90)**

Also on October 13, 2023, ISO-NE filed for recovery of its 2024 administrative costs (the “2024 Revenue Requirement”) and submitted its capital budget and supporting materials for calendar year 2024 (“2024 Capital Budget”, and together with the 2024 Revenue Requirement, the “2024 ISO Budgets”). The 2024 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 13 filing, ISO-NE reported that the 2023 Revenue Requirement is \$276.9 million (a \$36.7 million or 15.3% increase over 2023), which decreases to \$273.9 million after the over-collection for 2022 is subtracted. Of that total, ISO-NE’s administrative costs (i.e., the 2024 Core Operating Budget) comprise \$244.3 million; depreciation and amortization of regulatory assets, \$32.6 million; and a \$3.0 million true-up decrease for 2022 over-collections.

²⁰ For purposes of the motion seeking clarification, “Customers” are CT PURA, MA AG and EMCOS.

²¹ *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).

ISO-NE further reported that the 2024 Capital Budget is \$35 million, a \$1.5 million increase over 2023, and is comprised of the following (with 2024 projected costs and target completion dates, if available, in parentheses):

▸ Day-Ahead Ancillary Services Improvements (Mar 2025)	(\$3.8 million)	▸ CIP Electronic Security Perimeter Redesign Phase II (Dec 2024)	(\$2 million)
▸ nGem Software Development Part III (Mar 2025)	(\$2.5 million)	▸ Enterprise Resource Planning System Replacement (Mar 2025)	(\$1.6 million)
▸ Operating System Server Upgrade Phase I (Jul 2024)	(\$1.2 million)	▸ Resource Capacity Accreditation (Dec 2025)	(\$1 million)
▸ Solar DNE Dispatch Phase II (Oct 2024)	(\$900,000)	▸ Microsoft 365 Service Adoption (Sep 2024)	(\$1 million)
▸ IMM Data Analysis Phase IV (May 2024)	(\$500,000)	▸ 2024 Issue Resolution Project (Dec 2024)	(\$1 million)
▸ Energy Management System ("EMS") Short-term Load Forecast (Jul 2024)	(\$400,000)	▸ Order 2222 (Dec 2026)	(\$500,000)
▸ IT Asset Workflow ("ITAW") Integration and Updates (May 2024)	(\$200,000)	▸ Privileged Account Management Security Enhancements Phase II (Dec 2024)	(\$500,000)
▸ EMS Host Monitoring Software Replacement (Jan 2024)	(\$100,000)	▸ Capitalized Interest	(\$1.5 million)
▸ Settlement Technology Improvements (Mar 2024)	(\$100,000)	▸ Non-Project Capital Expenditures	(\$5.3 million)
▸ nGem RT Mkt Clearing Engine Implementation (Jun 2025)	(\$6 million)	▸ Other Emerging Work	(\$1.6 million)
▸ Order 881 Compliance (Jun 2025)	(\$3.3 million)		

The 2024 ISO-NE Budgets were supported by the Participants Committee at its October 5, 2023 meeting. Comments on this filing are due November 3, 2023. Thus far, NEPOOL filed comments supporting the 2024 Budgets and NEPOOL, National Grid, NESCOE, and MA DPU have filed doc-less interventions. If there are any questions on this matter, please contact Paul Belval (860-275-0381; pnbelval@daypitney.com).

- **EP Newington CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing (ER24-80)**

On October 12, 2023, Essential Power Newington, LLC ("EP Newington") requested FERC acceptance of its revised rate schedule to allow recovery of eligible medium-impact Interconnection Reliability Operating Limits ("IROL") critical infrastructure protection ("CIP") costs ("IROL-CIP Costs") under Schedule 17 of the ISO-NE Tariff, effective *December 11, 2023*. EP Newington seeks to recover **\$276,421** in incremental medium impact CIP-IROL Costs incurred between July 1, 2022 and June 30, 2023. Comments on EP Newington's request are due on or before **November 2, 2023**. Thus far, doc-less interventions have been filed by National Grid and NESCOE. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Stonepeak Kestrel CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing (ER23-2429)**

On October 16, 2023, the FERC accepted Stonepeak Kestrel Energy Marketing LLC's ("Stonepeak Kestrel") revised rate schedule that will allow it to recover under Schedule 17 of the ISO-NE Tariff **\$1,483,297** in eligible CIP-

IROL Costs incurred between March 29, 2021 and March 31, 2023.²² The rate schedule revisions became effective September 16, 2023. Unless the *Stonepeak Kestrel CIP-IROL Costs Order* is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **Bucksport Generation (Schedule 17) Section 205 Cost Recovery Filing (ER23-2428)**

Similarly, on October 13, 2023, the FERC accepted Bucksport Generation LLC's ("Bucksport Generation") revised rate schedule to allow it to recover **\$251,419** in eligible medium-impact CIP-IROL Costs incurred between March 29, 2021 and March 31, 2023.²³ The rate schedule revisions became effective September 29, 2023. Unless the *Bucksport CIP-IROL Costs Order* is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

- **BHD Regulatory Asset - Establishment & Recovery Through Rates (ER23-1598)**

On April 7, 2023, Versant Power requested authorization to (i) establish a regulatory asset for the Bangor Hydro District ("BHD") totaling \$15,622,081 in capitalized regulatory overhead costs (identified in a recent FERC audit as incorrectly allocated as construction costs) as of January 1, 2024, and amortize this asset over a period of 16 years on a straight-line basis beginning January 1, 2024, subject to FERC approval; and (ii) recover as an expense in transmission rates under the ISO-NE OATT a return of the unamortized balance of the regulatory asset effective January 1, 2026 and continuing for 16 years. Comments on Versant's request were due on or before April 28, 2023. On May 3, the MPUC moved to intervene out-of-time and protest. In its protest, the MPUC requested that Versant be required to refund retail customers for the improper collection of "Allocation of Overhead Costs to Construction Work in Progress" and to provide additional detail regarding the amounts included. On May 5, 2023, Versant answered the MPUC protest.

Deficiency Letter and Deficiency Letter Response (-001). On June 5, 2023, the FERC issued a deficiency letter directing Versant to provide additional information related to inputs to Filing Exhibits 1 and 2, which support the amount of the proposed regulatory asset. Specifically, Versant was directed to provide "all records that Versant provided to Commission audit staff in Docket No. FA20-9-000 related to the proposed regulatory asset and explain how these records support the instant filing". Versant filed its response on July 5, 2023 (which re-set the filing date and deadline for FERC action (see below)). Comments on Versant's deficiency letter response were due on or before July 26, 2023; none were filed. On July 19, the Maine Office of the Public Advocate ("MOPA") filed a motion to intervene (out-of-time).

Joint Offer of Settlement (-002). On September 22, Versant filed a joint offer of settlement ("Settlement Offer") between itself, the MPUC and MOPA. Versant stated the Settlement Offer, if accepted, would resolve all issues raised by the MPUC in this proceeding, including those described above. Comments on the Settlement Offer were due on or before October 12, 2023; none were filed. The Settlement Offer is pending before the FERC.

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

- **Mystic COS Agreement Updates to Reflect Constellation Spin Transaction²⁴ (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 ("COSA") to reflect

²² *Stonepeak Kestrel Energy Marketing LLC*, Docket No. ER23-2429-001 (Oct. 16, 2023) ("*Stonepeak Kestrel CIP-IROL Costs Order*").

²³ *Bucksport Generation LLC*, Docket No. ER23-2428-002 (Oct. 13, 2023) ("*Bucksport CIP-IROL Costs Order*").

²⁴ 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.

Mystic's current upstream ownership.²⁵ The changes were accepted effective as of June 1, 2022, but subject to refund and to the outcome of paper hearing (or settlement procedures) on the issues of capital structure and cost of debt raises issues. Mystic filed an offer of settlement on September 8, 2022 to resolve all issues set for hearing and settlement proceedings and the FERC accepted that offer of settlement on November 2, 2022,²⁶ directing Mystic to make a compliance filing with revised tariff records in eTariff format reflecting the FERC's action in the November 2 order. Mystic submitted that compliance filing on December 2, 2022 (ER22-1192-003). No comments were received by the December 23, 2022 comment date, and there was no activity in this proceeding since the last Report. This compliance filing remains pending before the FERC. FERC action on the compliance filing will conclude this proceeding. 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)**

Mystic I Remand. As previously reported, the DC Circuit issued a decision on August 23, 2022²⁷ that, among other things: (i) granted State Petitioners' petitions for review on the cost allocation issue; (ii) vacated the clawback portions excluding Everett costs and the challenged delay provision of the orders under review; and (iii) remanded the cases to 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*.

(-000) Third CapEx Info Filing. On September 15, 2023, 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 "Third 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, 2024 to May 31, 2024 ("2024 CapEx Projects"). This filing was not noticed for public comment by the FERC.

(-025) First CapEx Settlement Agreement Tariff Sheets Filing. As directed in the August 1, 2023 order conditionally approving the First CapEx Settlement Agreement,²⁸ Mystic filed, on August 30, 2023, revised tariff records in eTariff format, effective *June 1, 2022*, to reflect the FERC's action ("Tariff Sheets Filing"). Comments on the Tariff Sheets filing were due on or before September 20, 2023; none were filed. The Tariff Sheets filing was accepted on October 27, 2023 (effective June 1, 2022).²⁹

(-024) Mystic Request for Rehearing of Mystic I Order on Remand. On April 27, 2023, Mystic requested rehearing and/or clarification of the March 28, 2023 *Mystic I Order on Remand*.³⁰ Mystic asserted that (a) the FERC should have considered and rejected NESCOE's arguments about "truing up" and challenging the Revenue Credit; (b) the Tank Congestion Charge and the calculation of the Forward Sales Margin credited to Mystic and its ratepayers should not be included in the true-up process; and (c) if the FERC does not grant rehearing on (a) or (b), in the alternative, it should clarify that the scope of review during the true-up for Revenue Credits and the Forward Sale Margin Shared with Mystic is not a prudence review and does not require disclosure of granular, unmasked transaction data. On May 30, 2023, the FERC issued a "Notice of Denial of Rehearings by Operation of Law and Providing for Further Consideration".³¹ The Notice confirmed that the 60-day period during which a

²⁵ *Constellation Mystic Power, LLC*, 179 FERC ¶ 61,081 (May 2, 2022) ("*May 2, 2022 Order*").

²⁶ *Constellation Mystic Power, LLC*, 181 FERC ¶ 61,099 (Nov. 2, 2022).

²⁷ *Constellation Mystic Power, LLC v. FERC*, 45 F.4th 1028 (D.C. Cir. 2022) ("*Mystic I Remand Order*").

²⁸ *Constellation Mystic Power, LLC*, 184 FERC ¶ 61,070 (Aug. 1, 2023) ("*Mystic First CapEx Info Settlement Order*").

²⁹ *Constellation Mystic Power, LLC*, Docket No. ER18-1639-025 (Oct. 27, 2023) (unpublished letter order).

³⁰ *Constellation Mystic Power, LLC*, 182 FERC ¶ 61,200 (Mar. 28, 2023) ("*Mystic I Order on Remand*"), *reh'g denied by operation of law*, 183 FERC ¶ 62,115 (May 30, 2023) ("*Mystic I Order on Remand Allegheny Notice*").

³¹ *Mystic I Order on Remand Allegheny Notice*.

petition for review of the *Mystic I Order on Remand* can be filed with an appropriate federal court was triggered when the FERC did not act on Mystic's request for clarification and/or rehearing of the *Mystic I Order on Remand*.

Mystic I Order on Remand Modification Order. On October 6, 2023, the FERC issued an order modifying the discussion in the *Mystic I Order on Remand* and setting aside the prior order, in part.³² Specifically, the FERC set aside its determinations in the *Mystic I Order on Remand* that: (1) interested parties may review and challenge revenues and Revenue Credits during the true-up process; (2) interested parties may review and challenge Tank Congestion Charges during the true-up process; and (3) the revenues from the sliding scale revenue sharing mechanism for third-party vapor sales should be included within the true-up. The FERC concluded that "the language of the true-up and Protocol provisions of the [COS] Agreement, Schedule 3A, does not include these three items within the scope of the true-up, nor is calculation of these items consistent with purpose for the true-up mechanism in the [COS] Agreement because none of them are projected in advance, but rather they are each settled and audited on a monthly basis. The FERC found that "existing cost review and audit processes, ... facilitated by ISO-NE, its auditors, and the Internal Market Monitor, are sufficient to ensure that Mystic adheres to its filed rate with respect to these items and continues to appropriately balance customers' interest in transparency of the formula rate with Mystic's interests in protecting commercially-sensitive information, reducing security risks, and avoiding burdensome audit obligations".³³

Public Systems' Request for Disclosure of Audit Information. The FERC's October 6 *Mystic I Order on Remand Modification Order* also denied Public Systems³⁴ May 19, 2023 request that the FERC direct ISO-NE to release additional information concerning ISO-NE's audit of performance under Mystic COSA ("Audit Information Request"). As previously reported, Public Systems asserted that ISO-NE had released almost no information concerning the audits or the bases for their conclusions that Mystic's performance is consistent with its obligations under the COSA. In the *Mystic I Order on Remand Modification Order*, the FERC found that the additional audit information requested was "not supported by the Mystic Agreement and unnecessary, given the attention that ISO-NE, its auditors, and the Market Monitor give these items on a regular basis".³⁵ Nevertheless, the FERC accepted "ISO-NE's offer to provide additional transparency measures for the remainder of the Mystic Agreement as soon as practicable, starting no later than [December 5, 2023]".³⁶

(-018) Second CapEx Info Filing. Still pending is Mystic's September 15, 2022 "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 were due on or before November 16, 2022 and November 17, 2022, respectively. Mystic responded separately to NESCOE's and ENECOS' challenges. MMWEC/NHEC filed comments supporting ENECOS' formal challenge, emphasizing its support for formal challenge to the pass through of charges incurred by Everett for pipeline transportation reservations. On December 6, 2022, ENECOS answered Mystic's November 17, 2022 answer. Later, on December 22, 2022, Mystic filed a response to ENECOS' December 6 answer, and requested that the FERC reject the Formal Challenges, and accept the Second Filing as expeditiously as possible.

On August 15, 2023, NESCOE, as it had agreed to in the FERC-approved First CapEx Settlement Agreement, submitted a notice that it was withdrawing its October 17, 2022 Formal Challenge No. III.A to the 2022

³² *Constellation Mystic Power, LLC*, 185 FERC ¶ 61,016 (Oct. 6, 2023) ("*Mystic I Order on Remand Modification Order*").

³³ *Id.* at P 12.

³⁴ "Public Systems" for these purposes are: MMWEC, CMEEC, NHEC, VPPSA, the Eastern New England Consumer-Owned Systems ("ENECOS"), and Energy New England, LLC ("ENE").

³⁵ [Order] at P 13.

³⁶ *Id.*

Informational Filing (its challenge that the 2023 CapEx Projects were unsupported). FERC action on the Second CapEx Info Filing remains pending.

Since the last Report, on October 20, 2023, NESCOE provided notice of withdrawal of its Formal Challenge No. III.B to the 2022 Informational Filing related to support for the property tax component of the Annual Fixed Revenue Requirement ("AFRR").

(-014) Revised ROE (Sixth) Compliance Filing. Also still pending is Mystic's December 20, 2021 filing in response to the requirements of the *Mystic ROE Allegheny Order*.³⁷ 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.

30-Day Compliance Filing per Order on ENECOS Mystic COSA Complaint (ER23-1735). On April 27, 2023, Mystic filed, as directed by the FERC's March 28, 2023 *Order on ENECOS Mystic COSA Complaint*,³⁸ changes to the Mystic COSA to include pipeline-related crediting as an explicit provision in the COSA. Mystic also provided additional information/COSA changes to (i) describe the crediting process; (ii) differentiate, through both an explanation in its compliance filing and creation of two new line items in Schedule 3A, the credits and charges included as part of the Fixed Pipeline Costs; (iii) address how and whether the pipeline-related crediting procedure interacts or should interact with the true-up procedure already included in the COSA and revise the true-up as necessary; and (iv) differentiate in the COSA the Pipeline Transportation Costs as Fixed O&M/Return on Investment Costs from the Pipeline Transportation Agreement Costs. Comments on the 30-day compliance filing were due on or before May 18, 2023. ISO-NE and Monitoring Analytics, LLC filed doc-less motions to intervene.

On July 10, 2023, ENECOS submitted comments (out-of-time) asserting that Mystic's compliance filing did not provide information sufficient to show that Mystic's after-the-fact pipeline-related crediting ensures that Mystic customers do not pay for pipeline costs that do not benefit them ("Crediting Issue"), the Schedule 3A true-up process does not provide the opportunity for an adequate verification process, and ISO-NE's COSA-related filings to date have similarly not addressed the Crediting Issue. ENECOS requested that the FERC direct Mystic to provide a work paper to "verify its assertion that it has always applied a full credit for third-party pipeline transportation costs to Constellation LNG's billings to Mystic". On July 20, 2023, Mystic protested ENECOS' comments.

This 30-day compliance filing is pending before the FERC. If you have questions on any aspect of these proceedings, please contact Joe Fagan (202-218-3901; jfagan@daypitney.com) or Margaret Czepiel (202-218-3906; mzczepiel@daypitney.com).

- **Transmission Rate Annual (2024) Update/Informational Filing (ER20-2054-003)**

On July 31, 2023, the PTO AC submitted its annual filing identifying adjustments to Regional Transmission Service charges, Local Service charges, and Schedule 12C Costs under Section II of the Tariff for 2024. The filing reflected the charges to be assessed under annual transmission and settlement formula rates, reflecting actual 2022 cost data, plus forecasted revenue requirements associated with projected PTF, Local

³⁷ An "Allegheny Order" is a merits rehearing order issued on or after the 31st day after receipt of a rehearing request, reflecting the FERC's authority to "modify or set aside, in whole or in part," its order until it files the record on appeal with a reviewing federal court. An Allegheny Order will use "modifying the discussion" if the FERC is providing a further explanation, but is not changing the outcome, of the underlying order; or "set aside" if the FERC is changing the outcome of the underlying order. Aggrieved parties have 60 days after a deemed denial to file a review petition, even if FERC has announced its intention to issue a further merits order.

³⁸ *Belmont Municipal Light Dept., et al. v. Constellation Mystic Power, LLC and ISO New England, Inc.*, 182 FERC ¶ 61,199 (Mar. 28, 2023) ("Order on ENECOS Mystic COSA Complaint", which denied in part, and accepted in part, ENECOS' Complaint against Mystic and ISO-NE challenging the pass-through of firm pipeline transportation costs under the 2nd Amended and Restated Mystic COSA).

Service and Schedule 12C capital additions for 2023 and 2024, as well as the Annual True-up including associated interest. The PTO AC states that the annual updates results in a Pool “postage stamp” RNS Rate of \$154.35/kW-year effective January 1, 2024, an increase of \$12.71 /kW-year from the charges that went into effect on January 1, 2023. 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 \$1.95 kW-year (effective June 1, 2023 through May 31, 2024), a \$0.20/kW-year increase from the Schedule 1 charge that last went into effect on June 1, 2023. Public comments on this filing were due on or before September 19, 2023; none were filed. MOPA filed a doc-less intervention.

The July 31 filing also triggered the commencement of an Information Exchange Period and a Review Period under the Protocols. Interested Parties had until September 15, 2023 to submit information and document requests, and the PTOs are required to make a good faith effort to respond to all requests within 15 calendar days, but by no later than October 15, 2023. During the Review Period, Interested Parties have until **November 15, 2023** 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, 2023. Interested Parties have until **January 31, 2024** to file a Formal Challenge with the FERC.

- **Versant MPD OATT 2022 Annual Update Settlement Agreement (ER20-1977-005)**

On August 30, 2023, Versant submitted a Joint Offer of Settlement (“Versant MPD OATT 2022 Annual Update Settlement Agreement”) between itself and the Maine Wholesale Customer Group, the Aroostook Energy Association, MOPA, and the Maine Public Utilities Commission (together, the “Maine Parties”) which, if approved, would resolve all issues raised by the Maine Parties with regards to Versant’s 2022 annual update to the transmission charges under the MPD OATT. Comments on the Versant MPD OATT 2022 Annual Update Settlement Agreement are due on or before September 20, 2023; none were filed. The Versant MPD OATT 2022 Annual Update Settlement Agreement is pending before the FERC. If you have any questions concerning this proceeding, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

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

RENEW Formal Challenge. RENEW’s January 31, 2023 formal challenge (“Challenge”) to the 2022/23 Update/Informational Filing³⁹ remains pending before the FERC. In the Challenge, RENEW asserted that (i) the TOs failed to provide adequate rate input information in the Annual Informational Filing and in the Information Exchange Period under the Interim Formula Rate Protocols regarding inclusion or exclusion of “O&M costs” on Network Upgrades that the TOs directly assign to Interconnection Customers (and thereby failing to demonstrate that such O&M costs are not being double counted in transmission rates); and (ii) the TO’s Interpretation of “Interested Party” to exclude RENEW violated the Interim Formula Rate Protocols. RENEW thus asked that the FERC (a) require the TOs to show the calculation of the annual O&M charges with sources of data inputs and show how such O&M charges are not being double recovered in transmission rates, and (b) determine that an entity such as RENEW is an Interested Party under the Interim Formula Rate Protocols and that its Information Requests seeking rate inputs and support for the O&M charges on Network Upgrades are within the scope of the Interim Formula Rate Protocols process. Comments on RENEW’s Challenge were due on or before March 16, 2023. Comments and protests were filed by: [Avangrid](#), [Eversource](#), [National Grid](#), [Public Systems](#), [RI Energy](#), [Unitil](#), [Versant Power](#), [VTransco/GMP](#). On March 31, RENEW answered the comments and protests to its Challenge. Subsequently, on April 14, Eversource answered RENEW’s March 31 answer. There was no activity since the last Report. This matter is pending

³⁹ The 2022/23 annual 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. The formula rates in effect for 2023 included a billing true up of seven months of 2021 (June-Dec.). The Pool “postage stamp” RNS Rate, effective Jan. 1, 2023, was \$140.94 /kW-year, a decrease of \$1.84 /kW-year from the charges that went into effect the year prior. The updates to the revenue requirements for Scheduling, System Control and Dispatch Services (the Schedule 1 formula rate) resulted in a Schedule 1 charge of \$1.75 kW-year (eff. 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.

before 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

- **DASI Proposal (ER24-275)**

On October 31, 2023, ISO-NE and NEPOOL jointly filed changes to the Tariff to establish a jointly optimized Day-Ahead Market for Energy and Ancillary Services (“DASI”). The Participants Committee unanimously supported DASI by way of the August 3, 2023 Consent Agenda (Item # 1). Comments on the DASI proposal are due on or before **November 21, 2023**. If you have any questions concerning this proceeding, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **ISO/RTO Credit-Related Information Sharing (ER24-138)**

On October 18, 2023, in response to the requirements of *Order 895*, ISO-NE and NEPOOL jointly filed changes to the Information Policy to (i) permit ISO-NE to share Market Participant, Transmission Customer and Applicant (collectively, “Participants”) credit-related information with other ISO/RTOs; (ii) permit ISO-NE to use credit-related information received from other ISO/RTOs to the same extent and for the same purposes as ISO-NE is permitted under the Tariff with respect to its Participants; and (iii) require ISO-NE to keep such received credit-related information confidential in accordance with the Tariff, in each case for the purpose of credit risk management and mitigation (the “Credit Info Sharing Changes”). The Credit Info Sharing Changes were supported by the Participants Committee by way of the October 5, 2023 Consent Agenda (Item # 6). Comments on the Credit Info Sharing Changes are due on or before **November 8, 2023**. If you have any questions concerning this proceeding, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **Effective Date Deferral Request – Binary Storage Facility DARD Regulation (ER24-115)**

On October 16, 2023, ISO-NE asked that the FERC defer the effective date of *Order 841*-related changes that would permit Binary Storage Facilities to offer Regulation when acting as a Dispatchable Asset Related Demand (“DARD”) in New England Markets (the “Binary Storage Facility DARD Changes”). The Binary Storage Facility DARD Changes are currently scheduled to become effective on January 1, 2024. Instead, ISO-NE asked that the effective date be deferred until such time as there is market interest in Binary Storage Facility DARD Regulation. ISO-NE stated that “Market Participants that operate the existing Binary Storage Facilities do not currently have the physical capability to provide Regulation when participating as a DARD, have not represented any immediate plans to develop that capability, and do not oppose the effective date deferral.” ISO-NE further stated that the deferral would allow internal resources to be reallocated and focus on other pressing project priorities. Comments on the Deferral request are due on or before **November 6, 2023**. Thus far, NEPOOL and Calpine have intervened doc-lessly. If you have any questions or concerns regarding this proceeding, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **IEP Parameter Updates (ER23-1588)**

On August 4, 2023, the FERC accepted ISO-NE and NEPOOL’s proposed revisions to Appendix K to Market Rule 1 to update certain parameters within the Inventoried Energy Program (“IEP Parameter Updates”).⁴⁰ Specifically, the IEP Parameter Updates: (i) replace the IEP’s fixed rate with an indexed rate that automatically adjust to account for changes in gas markets prior to each winter period, (ii) modify natural gas contracting requirements to align the IEP more closely with common industry and commercial practices and the nature of firm pipeline service available in New England; and (iii) are meant to clarify and improve the administration of the IEP. The IEP Parameter Updates were accepted effective as of *August 4, 2023*.

⁴⁰ *ISO New England Inc. and New England Power Pool Participants Comm.*, 184 FERC ¶ 61,082 (Aug. 4, 2023) (“*IEP Parameter Updates Order*”).

Request for Rehearing Denied by Operation of Law; Allegheny Notice. As previously reported, Public Interest Organizations (“PIOs”)⁴¹ requested rehearing of the *IEP Parameter Updates Order*. On October 6, 2023, the FERC issued a “Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration”.⁴² That Notice confirmed that the 60-day period during which a petition for review of the *IEP Parameter Updates Order* can be filed with an appropriate federal court was triggered when the FERC did not act on the requests for rehearing and/or clarification of the *IEP Parameter Updates Order*. The Notice also indicated that the FERC would address, as is its right, the rehearing request in a future order, and may modify or set aside its order, in whole or in part, “in such manner as it shall deem proper.” If you have any questions concerning this proceeding, please contact Rosendo Garza (860-275-0660; rgarza@daypitney.com).

- **SATOA Revisions (ER23-739; ER23-743)**

On October 19, 2024, the FERC accepted⁴³ the SATOA Revisions,⁴⁴ finding “that the proposed SATOA Revisions to establish a framework under which an electric storage resource may be considered a transmission asset are just and reasonable and not unduly discriminatory or preferential”. The FERC did not direct ISO-NE to adopt any additional reporting requirements related to operation of SATOAs.⁴⁵ The FERC did, however, direct the Filing Parties (ISO-NE, NEPOOL, and the PTO AC) to make a filing notifying the FERC of the actual effective date of the proposed SATOA Revisions “no less than 30 days prior to the date ISO-NE implements the [SATOAs Revisions]” (expected to be *July 1, 2024*). Any challenges to the *SATOAs Order* must be filed on or before **November 18, 2023**. 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)**

In a lengthy compliance Order⁴⁶ issued March 1, 2023, the FERC approved in part, and rejected in part, ISO-NE, NEPOOL and the PTO AC’s (“Filing Parties”) *Order 2222 compliance filing*⁴⁷ (“*Order 2222 Compliance Order*”).⁴⁸

In the *Order 2222 Compliance Order*, the FERC directed a number of revisions and additional compliance and informational filings to be filed within 30, 60 or 180 days of the *Order 2222 Compliance Order*:

⁴¹ “PIOs” are for purposes of this proceeding: the Sierra Club and Conservation Law Foundation (“CLF”).

⁴² *ISO New England Inc. and New England Power Pool Participants Comm.*, 185 FERC ¶ 62,009 (Oct. 6, 2023) (“*IEP Parameter Updates Allegheny Notice*”).

⁴³ *ISO New England Inc.*, 185 FERC ¶ 61,044 (Oct. 19, 2023) (“*SATOAs Order*”).

⁴⁴ The “SATOAs Revisions” enable electric storage facilities to be planned and operated as transmission-only assets (“SATOAs”) to address system needs identified in the OATT’s regional system planning process.

⁴⁵ *Id.* at P 71.

⁴⁶ Commissioners Danly and Clements each provided separate concurrences with, and Commissioner Christie provided a separate dissent from, the *Compliance Order*. Commissioners Danly and Christie, despite their opposing positions on the Compliance Order, both reiterated their reasons for dissenting from *Order 2222* and concern for FERC overreach and difficulty with complying with *Order 2222*. In her separate concurrence, Commissioner Clements urged the ISO on compliance to “modify its proposal to address undue barriers and make participation more workable” and “to pursue steps that genuinely open [the New England Markets] to DERs like behind-the-meter resources.”

⁴⁷ As previously reported, the Filing Parties submitted on Feb. 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.

⁴⁸ *ISO New England Inc. and New England Power Pool Participants Comm.*, 182 FERC ¶ 61,137 (Mar. 1, 2023).

- **30-Day Compliance Requirements (-003).** ISO-NE was directed to submit two filings by March 31, 2023. The first, a compliance filing to explain how current Tariff capacity market mitigation rules would apply to Distributed Energy Capacity Resources (“DECR”) participating in FCA18. The second, an informational filing that provides an update on implementation timeline milestones associated with DECR participation in FCA18 and the other markets. Those compliance filings were submitted on March 31, 2023. Comments on the DECR compliance filing (ER22-983-003) were due on or before April 21, 2023; none were filed. The March 31 informational filing was not noticed for public comment. The DECR compliance filing is pending before the FERC.
- **60-Day Compliance Filing (-004).** In a 60-day compliance filing, the FERC ordered ISO-NE:
 - ◆ to revise the Tariff to: (1) have RERRA make the determination of whether to allow customers of small utilities to participate in ISO-NE’s markets through aggregation; (2) require that each DER Aggregator maintain and submit aggregate settlement data for the DERA; (3) designate the DER Aggregator as the entity responsible for providing any required metering information to ISO-NE, and if necessary, establish protocols for sharing meter data that minimize costs and other burdens and address concerns raised with respect to privacy and cybersecurity; (4) designate the DER Aggregator as the entity responsible for providing any required metering information to ISO-NE; and (5) add specificity regarding existing resource non-performance penalties that would apply to a DERA when a Host Utility overrides ISO-NE dispatch instructions.
 - ◆ ISO-NE was also directed to: (1) identify the existing rules requiring a Market Participant that provides energy withdrawal service to be a load serving entity that is billed for energy withdrawal (“LSE Requirement”) and explain whether the LSE Requirement is required of all resources seeking to provide wholesale energy withdrawal service in the energy market; (2) explain why its proposed metering and telemetry requirements were just and reasonable and did not pose an unnecessary and undue barrier to individual DERs joining a DERA; (3) establish protocols for sharing metering data that minimize costs and other burdens and address privacy and cybersecurity concerns; and (4) address how ISO-NE will resolve disputes that are within its authority and subject to its Tariff, regardless of whether there is an available dispute resolution process established by the RERRA.

The 60-day compliance changes were filed on May 9, 2023, except for the requirement related to the submission of metering data, which is the subject of an ISO-NE rehearing request. Comments on the 60-day compliance filing were due on May 30, 2023 and were filed by NEPOOL (supplementing the record) and jointly by AEU/PowerOptions/SEIA (“AEU *et al.*”) (who jointly protested what they asserted was a failure to make any adjustments to facilitate participation by DERs located behind a customer meter, and a failure to justify the metering and telemetry provisions as directed by the FERC). On June 14, 2023, ISO-NE answered the May 30 protest of AEU *et al.* On June 28, 2023, AEU *et al.* filed answer to ISO-NE’s June 14 answer. The 60-day compliance changes are pending before the FERC.

- **180-Day Compliance Filing (-005).** On or before August 28, 2023, the FERC directed ISO-NE to file a further compliance filing explaining how the current Tariff capacity market mitigation rules would apply to DECRs participating in FCA19 and beyond.

On August 28, 2023, ISO-NE and NEPOOL jointly filed the 180-day compliance changes (“Mitigation Compliance Revisions”). ISO-NE requested a March 1, 2024 effective date for the Mitigation Compliance Revisions. Further, ISO-NE asked that the FERC issue an order accepting the Mitigation Compliance Revisions no later than November 1, 2023 to allow sufficient time for

implementation of the proposed revisions prior to the scheduled qualification process for FCA19. Also, consistent with the requests made in ISO-NE's Request for Rehearing and 30-Day Informational and Compliance Filing in this docket, ISO-NE proposed March 1, 2024 as the new effective date for the rules allowing DECRs to participate in the FCM. Comments on the Mitigation Compliance Revisions were due on or before September 18, 2023; none were filed. The Mitigation Compliance Revisions are pending before the FERC.

Requests for Rehearing and/or Clarification (-002). On March 31, 2023, [ISO-NE](#) and [New England Public Utilities](#)⁴⁹ requested rehearing and/or clarification of the *Order 2222 Compliance Order*. **ISO-NE** urged the FERC to reconsider allowing DECRs to participate in FCA18 and designating the DER Aggregator as the entity responsible for transmitting DERA metering data. **New England Public Utilities** urged the FERC to adopt the DER metering and settlement approach proposed by the Filing Parties (*Order 2222 Changes*) and clarify (1) that PTOs and distribution utilities are not prohibited from requiring metering and settlement data from DERs to satisfy their obligations to perform wholesale settlement and retail customer billing and (2) that it would not be unjust and unreasonable for utilities to recover costs related to investment and expenses incurred to modify its metering, billing, settlement, cyber security and other systems, to accommodate submetering of Behind-the-Meter DER participating in the wholesale market as part of a DERA. On April 14, 2023, **MA AG** answered New England Public Utilities' request for rehearing and clarification and requested that the FERC address the recovery of costs necessary to implement Behind-the-Meter DER submetering and the allocation of costs to DER aggregators and program participants. On April 17, **AEU** answered ISO-NE's request for rehearing (urging the FERC to not reconsider its decision designating the DER Aggregator as the entity responsible for transmitting DERA metering data); ISO-NE answered the AEU answer on May 2, 2023. Answers to ISO-NE's March 31 request for rehearing were filed by May 5 by the **MPUC** (urging the FERC to consider ISO-NE's request to allow PTOs and distribution utilities to meter and transmit DERA data) and May 22 by NECPUC (who also supported ISO-NE's request regarding the entity responsible for transmitting DERA metering data to ISO-NE).

Order 2222 Compliance Allegheny Notice. On May 1, 2023, the FERC issued a "Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration".⁵⁰ That Notice confirmed that the 60-day period during which a petition for review of the *Order 2222 Compliance Order* can be filed with an appropriate federal court was triggered when the FERC did not act on the requests for rehearing and/or clarification of the *Order 2222 Compliance Order*. The Notice also indicated that the FERC would address, as is its right, the rehearing request in a future order, and may modify or set aside its order, in whole or in part, "in such manner as it shall deem proper."

Order 2222 Compliance Allegheny Order. On October 6, 2023, the FERC issued an Allegheny Order⁵¹ on the requests for clarification and/or reh'g of its *Order 2222 Compliance Order*. In the *Order 2222 Compliance Allegheny Order*, the FERC (i) modified the discussion in the *Order 2222 Compliance Order* (e.g. clarifying that metering data may come from or flow through distribution utilities if ISO-NE coordinates with distribution utilities and relevant electric retail regulatory authorities to establish protocols for sharing such metering data and explains how such protocols minimize costs and other burdens and address concerns raised with respect to privacy and cybersecurity);⁵² (ii) set aside the *Order 2222 Compliance Order*, in part (setting aside the November 1, 2022 effective date, in favor, likely, of the effective date proposed by ISO-NE in its subsequent compliance filing);

⁴⁹ "New England Public Utilities" are: National Grid USA on behalf of Massachusetts Electric Co., Nantucket Electric Co., and New England Power Co. ("NGUSA"); Avangrid Networks, Inc. on behalf of CMP and UI ("Avangrid Networks"); and Eversource on behalf of The Connecticut Light and Power Co. ("CL&P"), Public Service Co. of New Hampshire ("PSNH"), and NSTAR Electric Co. ("NSTAR").

⁵⁰ *ISO New England Inc. and New England Power Pool Participants Comm.*, 183 FERC ¶ 62,050 (May 1, 2023) ("*Order 2222 Compliance Allegheny Notice*").

⁵¹ *ISO New England Inc. and New England Power Pool Participants Comm.*, 185 FERC ¶ 61,021 (Oct. 6, 2023) ("*Order 2222 Compliance Allegheny Order*").

⁵² *Id.* at P 24.

and (iii) granted and denied in part the New England Public Utilities' requests for clarification (clarifying that Host Utilities are not prohibited from requiring metering and settlement data from each DER comprising a DERA to satisfy any relevant obligations (e.g. wholesale settlement and/or retail customer billing) and denying as premature the Utilities' cost concerns with the FERC's finding that ISO-NE failed to demonstrate that its proposed metering and telemetry requirements were just and reasonable).⁵³

Federal Court (DC Circuit) Appeals. As previously reported, CMP and UI, National Grid, Eversource, and ISO-NE filed separate appeals of the *Order 2222 Compliance Order*. Those appeals have been consolidated (Case No. 23-1167) and are reported on in [Section XVI below](#).

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).

IV. OATT Amendments / TOAs / Coordination Agreements

- **UI Attachment F App. D Depreciation Rate Changes (ER24-272)**

On October 31, 2023, UI filed changes to Appendix D of Attachment F to the ISO-NE OATT to incorporate the revised transmission plant depreciation and general plant depreciation rates used to calculate UI's annual transmission revenue requirements. Comments on this filing are due on or before **November 21, 2023**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **National Grid Attachment F Appendix A PBOP Fixed Expense Revisions (ER24-125)**

On October 17, 2023, National Grid filed revisions to Appendix A to Attachment F to the ISO-NE OATT to update NEP's fixed expense amount for transmission-related post-retirement benefits other than pensions ("PBOPs") to more accurately reflect the going forward expense level and allow the existing income statement credit incurred under the current formula rate to be refunded to customers. Comments on this filing are due on or before **November 7, 2023**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Attachment F Corrections & Updates (ER23-2940)**

On September 28, 2023, the PTO AC filed proposed revisions to Attachment F of the OATT to correct minor errors in certain worksheets of the "Formula Rate Template" contained in Appendices A and B to Attachment F. The PTO AC stated that the filing is limited to proposed Tariff revisions that fall within Moratorium Exception (i) subpart (o) of Attachment F and that the corrections and updates will not result in any additional costs being paid by New England ratepayers. An effective date of November 23, 2023 was requested. Comments on this filing were due on or before October 19, 2023. Public Systems⁵⁴ filed comments supporting the corrections and updates. National Grid filed a doc-less motion to intervene. 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 Att. F App. D Depreciation Rate Change (ER23-2483)**

On October 4, 2023, the FERC accepted updated depreciation rates for Versant Power's ("Versant") local transmission facilities in eastern and coastal Maine (the "Bangor Hydro District" or "BHD"), as set forth in Appendix D to Attachment F of the ISO-NE OATT.⁵⁵ The rate change was accepted effective *January 1, 2025*,

⁵³ *Id.* at P 25.

⁵⁴ For purposes of this proceeding "Public Systems" are CMEEC, MMWEC, NHEC, and VPPSA.

⁵⁵ *ISO New England Inc. and Versant Power*, Docket No. ER23-2483-000 (Oct. 4, 2023) (unpublished letter order).

as proposed. Unless the October 4 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).

- **Order 676-J Compliance Filings Part II (ER23-1771; ER23-1774; ER23-1782; ER23-1785)**

On May 1, 2023, in accordance with Order 676-J,⁵⁶ the following second *Order 676-J* compliance filings to incorporate, or seek waiver of, the remainder of the WEQ Version 003.3 Standards, were submitted:

- ♦ Order 676-J Compliance Filing Part II (ISO-NE and NEPOOL-Tariff Schedule 24) (ER23-1771);
- ♦ Order 676-J Compliance Filing Part II (CSC-Schedule 18-Attachment Z) (ER23-1774);
- ♦ Order 676-J Compliance Filing Part II (Versant-MPD OATT) (ER23-1782); and
- ♦ Order 676-J Compliance Filing Part II (TOS'-Schedules 20A-Common and 21-Common) (ER23-1785).

On October 26, 2023, the FERC issued orders accepting each of *Order 676-J* Compliance Filings Part II, effective *February 1, 2024*. The FERC accepted the CSC and TOS' compliance filings without change or condition.⁵⁷ The FERC conditionally accepted the ISO-NE and NEPOOL⁵⁸ and Versant⁵⁹ compliance filings, requiring in each case ISO-NE/NEPOOL⁶⁰ and Versant⁶¹ to revise its tariff record on or before **November 27, 2023** to include the citation to its order granting the waivers requested. Challenges, if any, to the ISO-NE and NEPOOL or to the Versant orders are also due on or before **November 27, 2023**. If there are questions on any of these filings, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

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

On June 15, 2023, the FERC conditionally accepted the proposed revisions to the OATT in response to the requirements of *Order 881*⁶² ("OATT *Order 881* Compliance Changes").⁶³ The OATT *Order 881* Compliance Changes were accepted effective as of *July 12, 2025*, subject to two compliance filings – on due on or before August 14, 2023 (60-day compliance filing); the other, **November 12, 2024** (the AAR explanation filing). The 60-day compliance filing must (i) revise the Tariff to specify that transmission service at ISO-NE's seams use AARs as the basis for evaluation for near-term transmission service requests (or explain why ISO-NE should not be required to do so); (ii) revise the Tariff to include the examples listed in the FERC's *pro forma* Attachment M (or explain why ISO-NE should not be required to do so); (iii) remove proposed revisions to Schedule 18 excepting the Cross-Sound Cable from the requirements of *Order 881* (or explain why such changes should not be required); and (iv) revise the Tariff to require ISO-NE in a database that it maintains (rather than dividing responsibility between ISO-NE and transmission owners) to host all transmission line ratings, ratings

⁵⁶ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-J, 175 FERC ¶ 61,139 (May 20, 2021) ("Order 676-J").

⁵⁷ ISO New England Inc. and Cross-Sound Cable Company, LLC, Docket No. ER23-1774-000 (Oct. 26, 2023) (unpublished letter order accepting CSC's compliance filing); *ISO New England Inc.*, Docket No. ER23-1785-000 (Oct. 26, 2023) (unpublished letter order accepting the TO's compliance filing).

⁵⁸ *ISO New England Inc.*, 185 FERC ¶ 61,065 (Oct. 26, 2023) ("ISO-NE/NEPOOL *Order 676-J* Compliance II Order").

⁵⁹ *Versant Power*, 185 FERC ¶ 61,065 (Oct. 26, 2023) ("Versant *Order 676-J* Compliance II Order").

⁶⁰ The FERC granted ISO-NE's request for continued waivers of the NAESB Business Practice Standards in WEQ-001 and WEQ-008 and new waivers of the new standards in WEQ-001, 001-13.2 through 13.2.4.2, 001-20.4, 001-26 through 001-26.7, 001-27 through 001-27.4.3, 001-28 through 001-28.1.3.1. *ISO-NE/NEPOOL Order 676-J Compliance II Order* at P 10.

⁶¹ The FERC granted Versant's request for continued waivers of the NAESB Business Practice Standards in continued waivers of the NAESB Business Practice Standards in WEQ-001-101 through WEQ-001-107; WEQ-002-101 through WEQ-002-107; WEQ-013-101 through WEQ-013-106; and WEQ-001-23. *Versant Order 676-J Compliance II Order* at P 9.

⁶² *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*").

⁶³ *ISO New England Inc.*, 183 FERC ¶ 61,180 (June 15, 2023) ("New England *Order 881* Compliance Order").

methodologies, and exceptions or alternate ratings (or explain why they should not be required to do so). The AAR explanation filing must explain the timelines for calculating or submitting AARs.

(-001) 60-Day Compliance Changes. On August 14, 2023, ISO-NE, NEPOOL, the PTO AC, and CSC jointly filed revisions to Section II of the OATT in response to the requirements of the *New England Order 881 Compliance Order*. The further compliance changes (i) clarify that ISO-NE will use AARs at its seams; (ii) reinsert the list of exceptions in Attachment Q, and specify that the specific criteria for determining whether a transmission line is eligible for an exception will be detailed in ISO-NE's Planning and Operating Procedures; (iii) remove revisions to Schedule 18 proposed to except CSC from the requirements of *Order 881*; and (iv) modify both Attachment Q to the ISO OATT and Attachment M to Schedule 21-Common to require that ISO-NE host all ratings, ratings methodologies, and exceptions in its database. Comments on the further compliance changes were due on or before September 5, 2023; none were filed. The *Order 881 60-Day Compliance Changes* are pending before the FERC.

If you have any questions concerning this matter, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com) or Pat Gerity (860-275-0533; pmgerity@daypitney.com).

V. Financial Assurance/Billing Policy Amendments

No Activities to Report

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

- **Schedule 21-GMP: National Grid/Green Mountain Power LSA (ER23-2804)**

On September 11, 2023, ISO-NE and New England Power ("National Grid") filed a 20-year Local Service Agreement ("LSA") by and among National Grid, ISO-NE and Green Mountain Power ("GMP").⁶⁴ The filing parties stated that the LSA conforms to the *pro forma* LSA contained in the ISO-NE Tariff and supersedes and replaces another conforming LSA among ISO-NE, NEP, and GMP that lists an expiration date of September 30, 2022 (TSA-NEP-25). The LSA was filed separately given the requested effective date (October 1, 2022). Comments on the LSA filing were due on or before October 2, 2023; none were filed. The LSA remains pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Schedule 21-VP: Versant/Jonesboro LSA (ER24-24)**

On October 4, 2023, ISO-NE and Versant Power ("Versant") filed a LSA by and among Versant, ISO-NE, NE Renewable Power, and Jonesboro, LLC ("Jonesboro").⁶⁵ The filing parties stated that the LSA conforms to the *pro forma* LSA contained in the ISO-NE Tariff and reflects a discounted rate. The LSA was filed separately out of an abundance of caution as it was executed more than 30 days after commencement of service. The filing parties asked that the LSA be accepted for filing effective December 2, 2022. Comments on the LSA filing are due on or before **November 2, 2023**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Schedule 21-ES: Eversource/Great Lakes Hydro IA Termination (ER24-17)**

On October 4, 2023, Eversource submitted a notice of termination of the Interconnection Agreement ("IA") between PSNH and Great Lakes Hydro American LLC ("Great Lakes Hydro"). Eversource stated that the IA has been replaced by a standard LGIA, that will be reported in ISO-NE's electric quarterly reports ("EQRs"). Eversource further stated that PSNH has finalized all billing and invoices and no further work is being done or

⁶⁴ The LSA was designated as Service Agreement No. TSA-NEP-114 under the ISO-NE OATT.

⁶⁵ The LSA was designated as Service Agreement No. LSA-ISONE/VERSANT-23-01 under the ISO-NE OATT.

service being provided under the IA. Eversource requested an **October 5, 2023** effective date for the termination of the IA. Comments on the IA termination filing are due on or before **November 2, 2023**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Schedule 21-VP: Versant/Black Bear LSAs (ER23-2035)**

On July 28, 2023, the FERC accepted seven fully executed, non-conforming LSAs by and among Versant Power, ISO-NE and Black Bear Hydro Partners, LLC or Black Bear SO, LLC (together with Black Bear Hydro Partners, "Black Bear").⁶⁶ The service agreements are based on the Form of Local Service Agreement contained in Schedule 21-Common under the ISO-NE OATT, but were filed because they are non-conforming insofar as they reflect different rates from those set forth in Schedule 21-VP. The LSAs were accepted for filing effective August 1, 2023, rather than January 1, 2021 as requested, triggering a refund requirement.⁶⁷ On August 29, 2023, Versant Power submitted a Refund Report detailing the time value refunds it paid to Black Bear Hydro Partners, LLC and Black Bear SO, LLC on August 18, 2023. Comments on the Refund Report were due on or before September 19, 2023; none were filed. The Refund Report remains pending before the FERC. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **Schedule 21-VP: 2022 Annual Update Settlement Agreement (ER20-2054-003)**

On August 29, 2023, Versant submitted a Joint Offer of Settlement ("Versant 2022 Annual Update Settlement Agreement") between itself and the MPUC. Versant stated that, if approved, the 2022 Annual Update Settlement Agreement would resolve all issues raised by the MPUC with respect to the 2022 Annual Update. Comments on the Versant 2022 Annual Update Settlement Agreement were due on or before September 19, 2023; none were filed. MPUC intervened doc-lessly on September 15, 2023. 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-GMP Annual True Up Calculation Informational Filing (ER12-2304)**

On October 30, 2023, pursuant to Section 4 of Schedule 21-GMP, Green Mountain Power ("GMP") submitted its annual informational filing containing the true-up calculation of its actual (rather than estimated) costs for the January 1, 2022 through December 31, 2022 ("2022 Service Period"). The FERC will not notice this filing for public comment, and absent further activity, no further FERC action is expected. If there are questions on this matter, please contact Pat Gerity (860-275-0533; pmgerity@daypitney.com).

VII. NEPOOL Agreement/Participants Agreement Amendments

No Activities to Report

⁶⁶ *ISO New England Inc.*, Docket No. ER23-2035-000 (July 28, 2023) ("Versant Black Bear LSAs Order").

⁶⁷ The FERC denied the requested waiver of its 60-day prior notice requirement (18 C.F.R. § 35.11), finding that the Filing Parties did not make an adequate showing of extraordinary circumstances. Accordingly, Versant was required to refund the time value of revenues collected for the time period the rate was collected without FERC authorization (with refunds limited so as not to cause Versant to operate at a loss) and file a refund report with the FERC.

VIII. Regional Reports⁶⁸

- **Capital Projects Report - 2023 Q3 (ER24-94)**

On October 13, 2023, ISO-NE filed its Capital Projects Report and Unamortized Cost Schedule covering the third quarter (“Q3”) of calendar year 2023 (the “Q3 Report”).⁶⁹ Q3 Report highlights included the following new projects: (i) DASI (\$9.125 million); (ii) Operating System Server Upgrade Phase I (\$2.383 million); (iii) nGEM Quarterly Production Release 2-2023 Integration (\$265,000); and (iv) Offer-Prioritized Mitigation Enhancement (\$140,000). Projects with a significant changes (with amounts returned to the Emerging Work Fund following in parentheses) were (i) Web to Cloud Migration (\$350,000); (ii) MOPR Elimination (\$88,000); and (iii) Control Room Voice Recorder Upgrade (\$71,600). Comments on the 2023 Q3 Report are due on or before November 3, 2023. On October 31, NEPOOL submitted comments supporting the Q3 Report. National Grid intervened doc-lessly. If you have any questions concerning this matter, please contact Paul Belval (860-275-0381; pnbelval@daypitney.com).

- **Capital Projects Report - 2023 Q2 (ER23-2620)**

On October 4, 2023, the FERC accepted ISO-NE’s Capital Projects Report and Unamortized Cost Schedule covering the second quarter (“Q2”) of calendar year 2023 (the “Q2 Report”).⁷⁰ Q2 Report highlights includes the following new projects: (i) nGEM Software Development Part III (\$4.5 million); (ii) IMM Data Analysis Phase IV (\$1.2 million); (iii) Energy Management System Short-term Load Forecast Replacement (\$1.2 million); (iv) Elimination of Minimum Offer Price Rule (\$528,600); (v) Energy Management System Host Monitoring Software Replacement (\$280,600); and (vi) Market Information Server Reporting by Sub-Accounts (\$276,000). Projects with a significant change (amounts returned to the Emerging Work Fund) were (i) Solar Do-Not-Exceed Dispatch Phase II (\$144,100); (ii) Forecast Enhancements (\$173,000); and (iii) Windows Server 2019R2 Deployment Phase I (\$185,500). Unless the October 4 order is challenged, this proceeding will be concluded. If you have any questions concerning this matter, please contact Paul Belval (860-275-0381; pnbelval@daypitney.com).

- **LFTR Implementation: 60th Quarterly Status Report (ER07-476; RM06-08)**

ISO-NE filed the 60th of its quarterly status reports regarding LFTR implementation on October 13, 2023. 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 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.

- **IMM Quarterly Markets Reports – Summer 2023 (ZZ24-4)**

On October 27, 2023, the IMM filed with the FERC its Summer 2023 report of “market data regularly collected by [the IMM] in the course of carrying out its functions under ... Appendix A and analysis of such market data,” as required pursuant to Section 12.2.2 of Appendix A to Market Rule 1. These filings are not noticed for public comment by the FERC. The Summer 2023 Report will be discussed with the Markets Committee at its November 7-8, 2023 meeting.

⁶⁸ Reporting on the *Opinion 531* Refund Reports (EL11-66) has been suspended and will be continued if and when there is new activity to report.

⁶⁹ *ISO New England Inc.*, Docket No. ER21-2632 (Oct. 1, 2021) (unpublished letter order).

⁷⁰ *ISO New England Inc.*, Docket No. ER23-2620-000 (Oct. 4, 2023) (unpublished letter order).

IX. Membership Filings

- **November 2023 Membership Filing (ER24-276)**

On October 31, 2023, NEPOOL requested that the FERC accept: (i) the following Applicants' membership in NEPOOL: BlueWave Public Benefit Corp. [Related Person to Generate Colchester Fuel Cells and Generate NB Fuel Cells (AR Sector, RG Sub-Sector, Large Group Member)]; Flatiron Energy Capital [Related Person to Pawtucket Power Holding (Generation Sector)]; Glenvale (AR Sector, RG Sub-Sector, Large Group Member); New England Power and Light (Supplier Sector); Precept Power (Supplier Sector); and Wallingford Energy [Related Person to Jericho Power et al. (AR Sector, RG Sub-Sector)]; and (ii) the name changes of Blueprint Power Technologies LLC (f/k/a Blueprint Power Technologies Inc.) and PSE US Holdings Inc. (f/k/a AMP Solar US Holdings Inc.). Comments on this filing are due on or before **November 21, 2023**.

- **October 2023 Membership Filing (ER23-2966)**

On September 29, 2023, NEPOOL requested that the FERC accept: (i) the following Applicants' membership in NEPOOL: KCE CT 10, LLC and KCE CT 11, LLC [Provisional Members, Related Persons to KCE CT 5, LLC et al. (AR Sector, Distributed Generation Sub-Sector)]; and Sierra Club (effective *December 1, 2023*, End User Sector); and (ii) the termination of the Participant status of BP Energy Holding Company [Related Person to BP Energy Company et al. (Supplier Sector)]. Comments on this filing were due on or before October 20, 2023; none were filed. The October 2023 Membership Filing is pending before the FERC.

- **September 2023 Membership Filing (ER23-2756)**

On October 27, 2023, the FERC accepted: (i) the following Applicant's membership in NEPOOL: Phoenix Energy Group, LLC (Supplier Sector); and 3Degrees Group, Inc. (GIS-Only Participant); (ii) the termination of the Participant status of: Just Energy (U.S.) Corp. [Related Person to Just Energy Limited and Hudson Energy Services (Supplier Sector)]; NRG Power Marketing LLC, Norwalk Power LLC and Somerset Power LLC [all Related Persons to NRG Business Marketing et al. (Supplier Sector)]; and WP&G Holdings, LLC (Supplier Sector); and (iii) the Name Change of NRG Business Marketing, LLC (f/k/a Direct Energy Business Marketing, LLC). Unless the October 27 order is challenged, this proceeding will be concluded.

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).

- **NERC Report on Evaluation of Physical Reliability Standard (CIP-014) (RD23-2)**

As directed by the FERC's December 15, 2022 order,⁷¹ NERC, on April 14, 2023, provided an updated evaluation of CIP-014 (its "Physical Security Reliability Standard"). NERC concluded that CIP-014 applicability criteria is meeting its objective to "appropriately focus[] limited industry resources on risks to the reliable operation of the BPS associated with physical security incidents at the most critical facilities" and the objective is broad enough to capture the subset of applicable facilities that TOs should identify as "critical" pursuant to the risks assessment mandated by Requirement R1. NERC did not find evidence that an expansion of the applicability criteria would identify additional substations that would qualify as "critical" substations under the CIP-014 Requirement R1 risk assessment, declined to recommend expansion of the CIP-014 applicability criteria, but committed to continued evaluation of the adequacy of the applicability criteria in meeting the objective of CIP-014. Comments on NERC's report were due on or before May 15, 2023 and were filed by, among others: [ISO-NE](#), [Trade Associations](#), and [WIRES](#).

⁷¹ N. Amer. Elec. Rel. Corp., 181 FERC ¶ 61,230 (Dec. 15, 2022).

August 10, 2023 Joint Technical Conference. On August 10, 2023, FERC and NERC staff convened an in-person technical conference at NERC's headquarters in Atlanta, GA. The conference discussed physical security of the Bulk-Power System ("BPS"), including the adequacy of existing physical security controls, challenges, and solutions. Speaker materials are posted in the FERC's eLibrary. Those interested were invited to file post-technical conference comments to address issues raised during the technical conference. Those submitting comments included: [AEP](#), [PJM](#), [EEL](#), [Electricity Canada](#), [EPSA](#), [Foundation for resilient Societies \("FRS"\)](#), [Criticality Services](#), [Grid Coalition](#), [ITC](#), [North American Transmission Forum \("NATF"\)](#), [Secure the Grid](#), [L. Fitzgerald](#), [T. Holiday](#), [S. Naumann](#), and [T. Holiday](#). On October 3, the FERC posted in eLibrary a final transcript of the August 10 joint technical conference.

- **Inverter-Based Resource Registration (RD22-4)**

As directed in the FERC's order accepting NERC's work plan to address registration of Inverter-Based Resources ("IBRs") that are connected to the BPS but not within NERC's definition of the bulk electric system ("non-BES IBRs"),⁷² NERC filed on August 16, 2023, its first progress update on activities by the ERO Enterprise (NERC and the Regional Entities) to execute the Work Plan and initiate revisions to the NERC Registry Criteria to register owners and operators of non-BES IBRs that, in the aggregate, have a material impact on BPS reliability. NERC reported on its plans to post proposed Registry Criteria revisions on the NERC website for a 45-day formal comment in early September. On August 31, 2023, APPA filed comments on the IBR Work Plan Update.

- **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"))⁷³ on September 15, 2023. Project 2016-02 focuses on modifications to the CIP Reliability Standards to incorporate applicable protections for virtualized environments. In the September 15 report, NERC reported that, because ballot body approval was again not achieved for two related Reliability Standards, the schedule for Project 2016-02 has been further revised and now calls for final balloting of revised standards in November 2023, NERC Board of Trustees Adoption in December 2023 and filing of the revised standards with the FERC in January 2024.

- **Order 901: IBR Reliability Standards (RM22-12)**

On October 19, 2023, the FERC issued a final rule⁷⁴ directing NERC to develop new or modified Reliability Standards that address reliability gaps related to inverter-based resources ("IBR") in the following areas: data sharing; model validation; planning and operational studies; and performance requirements. The FERC directed NERC to submit an informational filing on or before **January 19, 2024** that includes a detailed, comprehensive standards development plan providing that all new or modified Reliability Standards necessary to address the IBR-related reliability gaps identified in *Order 901* be submitted to the FERC by **November 4, 2026**.

- **Changes to NERC ROPs (RR23-4)**

On September 15, 2023, NERC proposed revisions to its Rules of Procedure ("RoPs") regarding Reliability Standards (specifically, Section 300 (Reliability Standards Development) and Appendix 3A (Standard Processes Manual)). The proposed revisions include new rules and authorities by which the NERC Board of Trustees may direct the development of needed Reliability Standards on its own initiative, subject to FERC approval. The

⁷² *N. Amer. Elec. Rel. Corp.*, 183 FERC ¶ 61,116 (May 18, 2023) ("IBR Work Plan Order") (requiring NERC to file progress reports every 90 days detailing the progress towards identifying and registering owners and operators of unregistered IBRs).

⁷³ 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.

⁷⁴ *Reliability Standards to Address Inverter-Based Resources*, Order No. 901, 185 FERC ¶ 61,042 (Oct. 19, 2023) ("Order 901").

proposed revisions also include streamlined comment and ballot procedures for draft Reliability Standards, as well as revisions that would both allow NERC the flexibility to implement the streamlined comment and ballot procedures proposed in the petition and consider other streamlining enhancements that may be appropriate and consistent with a fair and open process in the future. Comments on the proposed revisions to NERC's RoPs were due on or before October 6, 2023. The one set of comments filed was submitted jointly by the American Public Power Association ("APPA"), the Large Public Power Council ("LPPC"), and the Transmission Access Policy Study Group ("TAPS") (collectively, the "Joint Commenters").

- **2024 NERC/NPCC Business Plans and Budgets (RR23-3)**

On October 19, 2023, the FERC accepted NERC's proposed Business Plan and Budget, as well as the Business Plans and Budgets for the Regional Entities, including NPCC, for 2024.⁷⁵ As previously reported, NERC's 2024 funding requirement represents an overall increase of approximately 12.5% over NERC's 2023 funding requirement, the NPCC U.S. allocation of NERC's net funding requirement is \$12.26 million, NPCC's statutory funding is \$22.01 million (a U.S. assessment per kWh (2022 NEL) of \$0.000021), and NPCC's non-statutory funding is \$1.15 million. Unless the October 19 order is challenged, this matter will be concluded.

- **Report of Comparisons of 2022 Budgeted to Actual Costs for NERC and the Regional Entities (RR23-2)**

On October 26, 2023, the FERC accepted⁷⁶ NERC's annual comparisons of actual to budgeted costs for 2022 for NERC and the six Regional Entities operating in 2022,⁷⁷ including NPCC. The Report included comparisons of actual funding received and costs incurred, with explanations of significant actual cost-to-budget variances, audited financial statements, and tables showing metrics concerning NERC and Regional Entity administrative costs in their 2020 budgets and actual results.

XI. Misc. - of Regional Interest

- **203 Application: Three Corners Solar/Three Corners Prime Tenant (EC23-90)**

On July 28, 2023, the FERC authorized⁷⁸ the disposition and consolidation of jurisdictional facilities and the lease of an existing generation facility that will result from the commencement of a master lease agreement ("Lease") between Three Corners Solar, LLC ("Lessor") and Three Corners Prime Tenant, LLC ("Lessee") pursuant to which Lessee will lease, operate, and control an approximately 112 MWac solar photovoltaic ("PV") electric generation facility owned by Lessor in Kennebec County, Maine (the "Transaction"). Pursuant to the July 28 order, Lessor and Lessee must file a notice 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 concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **203 Application: Energy Harbor / Vistra (EC23-74)**

On April 17, 2023, Energy Harbor Corp., on behalf of Energy Harbor, LLC and Energy Harbor Nuclear Generation LLC (collectively, the "Energy Harbor Public Utilities"), and Vistra Corp. ("Vistra"), requested FERC authorization for a proposed transaction pursuant to which the Energy Harbor Public Utilities and certain Vistra subsidiaries that are public utilities will become indirectly owned by a newly-formed subsidiary holding company of Vistra – Vistra Vision. Comments on this 203 application were due on or before June 23, 2023. Protests and comments were filed by Northeast Ohio Public Energy Council ("NOPEC"), Office of the Ohio Consumers' Counsel ("OH OCC"), and Monitoring Analytics, LLC (the PJM IMM). Public Citizen filed a doc-less intervention. Vistra and the Energy Harbor Public Utilities responded to the protests and comments. Answers to that answer were filed by

⁷⁵ *N. Amer. Elec. Rel. Corp.*, 185 FERC ¶ 61,047 (Oct. 19, 2023).

⁷⁶ *N. Amer. Elec. Rel. Corp.*, Docket Nos. RR23-2-000 and RR23-2-001 (Oct. 26, 2023) (unpublished letter order).

⁷⁷ Midwest Rel. Org. ("MRO"), Northeast Power Coordinating Council, Inc. ("NPCC"), ReliabilityFirst Corp. ("ReliabilityFirst"), SERC Rel. Corp. ("SERC"), Texas Rel. Entity, Inc. ("Texas RE"), and Western Elec. Coordinating Council ("WECC").

⁷⁸ *Three Corners Solar, LLC and Three Corners Prime Tenant, LLC*, 184 FERC ¶ 62,060 (Jul. 28, 2023).

PJM's IMM. Comments were filed by the Justice Department's Antitrust Division on August 22; Vistra and Energy Harbor answered those comments on September 5.

Deficiency Letter. On August 17, 2023, the FERC issued a deficiency letter identifying the additional information that it needs to process the application. Vistra and Energy Harbor responded to the deficiency letter on September 18, 2023 ("Deficiency Letter Response"). The Deficiency Letter Response constituted an amendment to the application. Comments on the Deficiency Letter Response were due on or before October 10, 2023. Comments were filed by NOPEC, OH OCC, and the PJM IMM. On October 20, Vistra and Energy Harbor answered the OH OCC and PJM IMM comments.

Tolling Order. On October 13, 2023, the FERC issued a notice that it requires additional time to "fully analyze the Application" and tolled the deadline to act on the Application until **April 11, 2024**.⁷⁹

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

- **PURPA Enforcement Petition: Allco Finance Limited (VT PUC) (EL23-92)**

On August 14, 2023, Allco Finance Limited ("Allco") petitioned the FERC to initiate an enforcement action against the Vermont Public Utility Commission ("VT PUC") to remedy what it asserts is the VT DPUC's improper implementation of PURPA. Allco states that the VT PUC has implemented a state law that (i) purports to redefine the size of a Qualifying Facility ("QFs") under PURPA in Vermont, (ii) bars the use of the FERC's least-cost interconnection cost responsibility for a QF's interconnection cost, and (iii) empowers the VT DPUC to exclude all non-hydroelectric QFs greater than 2.2 MW from participating in solicitations for energy and capacity for Vermont's utilities. VT PUC filed a doc-less intervention. On August 24, 2023, VT PUC requested an extension of time to answer the Allco complaint. On August 30, 2024, the FERC granted VT PUC an extension of time, to September 15, 2023, to answer the complaint. On September 14, 2023, VT PUC answered the Allco Complaint.

FERC Notice of Intent Not to Act. On October 15, 2023, the FERC issued a notice of its intent not to initiate an enforcement action in response to the Allco VT PUC Complaint.⁸⁰ The FERC's decision not to act means that Allco may itself bring an enforcement action against the VT PUC in the appropriate court.⁸¹ If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

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

- **CL&P / WE 400 Groton Road D&E Agreement (ER24-303)**

On November 1, 2023, Eversource Energy, on behalf of The Connecticut Light & Power Company ("CL&P"), filed a Design & Engineering ("D&E") Agreement that sets forth the terms and conditions under which CL&P will perform necessary engineering, procurement and design services in connection with the interconnection of WE 400 Groton Road's 50 MW-load data center to CL&P's North Bloomfield 2A 115 kV substation. An effective date of November 2, 2023 was requested. Comments on this filing are due on or before **November 22, 2023**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **NSTAR-ENE Use Rights Transfer Agreement (ER24-269)**

On October 31, 2023, NSTAR filed for acceptance an Agreement for the Transfer of Use Rights on the Phase I/II HVDC Transmission Facilities ("Transfer Agreement") between itself and ENE. An effective date of

⁷⁹ *Energy Harbor Corp. and Vistra Corp.*, 185 FERC ¶ 61,024 (Oct. 13, 2023).

⁸⁰ *Allco Finance Ltd. Et al.*, 185 FERC ¶ 61,006 (Oct. 13, 2023).

⁸¹ 16 U.S.C. § 824a-3(h)(2)(B).

November 26, 2023 was requested. Comments on this filing are due on or before **November 20, 2023**. If you have any questions concerning this matter, please contact Pat Gerity (pmgerity@daypitney.com; 860-275-0533).

- **D&E Agreement Amendment: PSNH/NECEC (ER23-2645)**

On October 13, 2023, the FERC accepted an amendment to the First Engineering, Design and Procurement Agreement (“D&E Agreement”) between Public Service Company of New Hampshire (“PSNH”) and NECEC Transmission LLC (“NECEC”).⁸² As previously reported, the revised D&E Agreement sets forth the terms and conditions under which PSNH was to undertake certain design and engineering activities for the mitigation of violations identified in the preliminary initial interconnection analysis summary for NECEC’s proposed 1,200 MW high-voltage direct current (“HVDC”) line from Québec to Lewiston, ME (Queue Position #979). The amendment was accepted effective as of August 18, 2023. Unless the October 13 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).

- **MPD OATT Changes to Depreciation Rates in Formula Rate (ER23-2085)**

On October 19, 2023, the FERC accepted a revised Attachment J to Versant Power’s OATT for Maine Public District (the “MPD OATT”) to (i) revise its Transmission Plant depreciation rates to reflect a recent depreciation study; and (ii) harmonize the General Plant depreciation rates set forth the MPD OATT with those recently approved by the MPUC for distribution ratemaking purposes.⁸³ The revised Attachment J was accepted effective as of June 1, 2024 (which is the first date of the next rate year under the MPD OATT formula rate), as requested. Unless the October 19 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).

- **LSAs: RI Energy/ISO-NE/BIPCO (ER23-1003; ER23-1000)**

On January 31, 2023, ISO-NE and RIE filed two Local Service Agreements (“LSAs”), as replacements to two current New England Power TSAs (TSA-NEP-83 and TSA-NEP-86), to allow RI Energy to fully recover the Block Island Transmission System (“BITS”) surcharge now that it is both Transmission Owner and Customer under these arrangements. On March 31, 2023, the FERC conditionally accepted the LSA replacing TSA-NEP-86 (ER23-1003), effective January 1, 2023,⁸⁴ and directed RI Energy, on or before May 1, 2023, to add language to the LSA to make explicit that the BITS Surcharge shall be subject to the Protocols for Schedule 21-RIE. That compliance filing was submitted on May 1, 2023 as directed. Also on March 31, 2023, FERC also issued a deficiency letter asking for additional information regarding whether the LSA replacing TSA-NEP-83 (ER23-1000) is subject to the Schedule 21-RIE Protocols. The response to the deficiency letter was also filed, as directed, on May 1, 2023. Comments on both May 1 filings were due on or before May 22, 2023. On May 22, RI Division of Public Utilities and Carriers (“RI Division”) filed a protest requesting that the FERC reject RIE’s May 1 compliance filing and direct it to amend the TSA to incorporate the formula rate protocols contained in ISO-NE OATT Attachment F, Appendix C (ER23-1003). No comments on RIE’s May 1 deficiency letter response were filed (ER23-1000-001). On June 27, ISO-NE and RIE filed a joint motion requesting the FERC hold both proceedings in abeyance to allow RIE to continue discussions with the RI Division to resolve concerns raised by the Division, the resolution of which will affect the LSAs.

Amendments. On October 23, 2023, RIE filed amendments to the LSAs to incorporate the information and challenge procedures contained in Attachment F, Appendix C to the ISO-NE OATT. Those procedures would replace the section O (Audit Provisions) from Schedule II-B of NEP Tariff No. 1 that RIE proposed to incorporate in its Deficiency Response. In filing the Amendments, ISO-NE and RI Energy asked that the FERC no longer hold these

⁸² *Public Service Co. of New Hampshire*, Docket No. ER23-2645-000 (Oct. 13, 2023) (unpublished letter order).

⁸³ *Versant Power*, Docket No. ER23-2085-000 (Oct. 19, 2023) (unpublished letter order).

⁸⁴ *ISO New England Inc.*, Docket No. ER23-1003-000 (Mar. 31, 2023) (unpublished letter order).

proceedings in abeyance. Comments on the Amendments are due on or before **November 13, 2023**. If you have any questions, please contact Eric Runge (617-345-4735; ekrunge@daypitney.com).

XII. Misc. - Administrative & Rulemaking Proceedings⁸⁵

- **ACPA Petition for Capacity Accreditation Technical Conference (AD23-10)**

On August 22, 2023, the American Clean Power Association asked the FERC to convene a technical conference “to explore ways to improve the accreditation of resources’ capacity value in ISO/RTO regions with and without capacity markets, as well as in non-ISO/RTO regions. Comments on the ACPA request were due on or before October 2, 2023. The [IRC](#) opposed the ACPA request. Comments supporting, or not opposing, a technical conference were filed by, among others: [ACRE](#), [AEU](#), [Calpine](#), [Colorado PUC](#), [EPSCA](#), [NYU Law School Policy Integrity Institute](#), [Pine Gate Renewables](#), [SCE](#), [SEIA](#), [Sierra Club](#), [UCS](#), and [University of Chicago Law School](#). Both [ACPA](#) and the [PJM IMM](#) answered the October 2 comments. This matter is pending before the FERC.

- **Reliability Technical Conference (AD23-9)**

On November 9, 2023, the FERC will convene its annual Reliability Technical Conference. The purpose of the Conference is to discuss policy issues related to the reliability and security of the Bulk-Power System (“BPS”). The Conference will also discuss the impact on electric reliability of the Environmental Protection Agency’s (“EPA”) proposed rule under section 111 of the Clean Air Act. The conference will include the following Commissioner-led and staff-led panels: Morning Panel 1: State of Bulk Power System Reliability with a Focus on the Changing Resource Mix and Resource Adequacy (Commission Led); Morning Panel 2: CIP Reliability Standards and the Evolving Grid (Commission Led); Afternoon Panel 1: EPA Presentation of EPA Section 111 Proposed Rule (Commission Led); and Afternoon Panels 2 (Electric Industry Stakeholders Panel) and 3 (Regional, State, and Local Regulatory Entities Panel): Discussion of the Proposed Rule (Staff Led). For further information, please see the FERC’s October 30, 2023 [Second Supplemental Notice of Technical Conference](#). On October 30, 2023, ISO-NE submitted pre-technical conference comments.

- **Interregional Transfer Capability Transmission Planning & Cost Allocation Requirements (AD23-3)**

On December 5-6, 2022, the FERC held a workshop to discuss whether and how the FERC could establish a minimum requirement for Interregional Transfer Capability for public utility transmission providers in transmission planning and cost allocation processes. Specifically, topics included: how to determine the need for and benefit of setting a minimum requirement for Interregional Transfer Capability; what to consider in establishing a potential Interregional Transfer Capability requirement, including who would be responsible for determining a minimum Interregional Transfer Capability requirement and what would be the objective and drivers of such a requirement; what process could be used in establishing a minimum Interregional Transfer Capability requirement to determine key data inputs, modeling techniques, and relevant metrics; and how costs for transmission facilities intended to increase Interregional Transfer Capability should be allocated and how to ensure a minimum amount of Interregional Transfer Capability is achieved and maintained. On February 28, 2023, the FERC invited all those interested to file post-workshop comments to address issues raised during the workshop and the questions listed in the workshop’s Supplemental Notices issued on November 30 and December 2, 2022. Comments were due on or before May 15, 2023. Post-workshop comments were filed by, among others: [Advanced Energy United](#) (“AEU”), [Invenergy](#), [Vistra/NRG](#), [ACPA](#), [ACRE](#), [APPA](#), [ELCON](#), [NRECA](#), [Public Interest Orgs](#), [Eastern Interconnection Planning Collaborative](#), and the [US DOE](#). Reply comments were due on or before June 28, 2023 and were filed by, among others: [AEP](#), [AEU](#), [Clean Energy Buyers Assoc.](#), [EEI](#), [EPSCA](#), [ITC](#), [MISO](#), [NRDC](#), [Vistra/NRG](#). Since the last Report, Commissioner Danly responded to US Senator Charles Shumer’s June 20, 2023 letter addressing FERC’s proposed rulemakings related to transmission planning and cost allocation. This matter is pending before the FERC.

⁸⁵ Reporting on the following Administrative proceeding has been suspended since the last Report and will be continued if and when there is new activity to report: Interregional HVDC Merchant Transmission (AD22-13); Transmission Planning and Cost Management Technical Conference (AD22-8); and Modernizing Electricity Market Design - Resource Adequacy (AD21-10).

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

The Second New England Gas-Electric Forum (June 20, 2023 in Portland, ME). As discussed and summarized at the 2023 Summer Meeting, the FERC held on June 20, 2023, in Portland Maine, a second New England Winter Gas-Electric Forum to discuss possible solutions to the electricity and natural gas challenges facing the New England region. Pre-Forum Comments and Position Statements were filed by: ISO-NE ([Ltr](#), [Opening Presentation](#), [Extreme Weather Risks](#)), [Constellation \(Allen\)](#), Eversource ([Daly](#), [Divatia](#)), [NEPGA \(Dolan\)](#), [NextEra \(Gardner\)](#), [NHOCA](#), [Vistra](#), [NERC/NPCC](#), [Excelerate](#), [Orsted \(DiOrio\)](#), [National Grid \(Holodak\)](#), [Enbridge](#), [Kinder Morgan](#), [Berkshire Environmental Action Team](#), and [Repsol](#).

On July 10, 2023, the FERC issued a notice inviting parties to submit comments regarding the topics discussed at the Second Forum. Comments were due by August 24, 2023 and were filed by, among others: [NEPOOL](#), [NESCOE](#), [Acadia Center](#), [AEU](#), [Avangrid](#), [Calpine](#), [CLF/UCS/Sierra Club](#), [Constellation](#), [Eversource](#), [FirstLight](#), [Generation Bridge](#), [IECG](#), [LS Power](#), [CT OCC](#), [Maine OPA](#), [MA AG](#), [NH OCA](#), [National Grid](#), [NECOS](#), [New England LDCs](#), [New Leaf](#), [PowerOptions](#), [Public Systems](#), [Repsol](#), [RI Energy](#), [VEIC](#), [Maine PUC](#), [MA DPU](#), [EPSA](#), [INGAA](#), [NGA](#), [Berkshire Envir. Action Team](#), [Fix the Grid Campaign](#), and [Potomac Economics](#). A final transcript of the Forum was posted to eLibrary on July 21, 2023.

The First New England Gas-Electric Forum (September 8, 2022 in Burlington, VT). The purpose of the First 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 7, 2022. Post-Forum Comments were submitted by: [ISO-NE](#), [Acadia](#), [AEU](#), [AIM](#), [Calpine](#), [Constellation](#), [Excelerate](#), [FirstLight](#), [LS Power](#), [NECOS](#), [NEPGA](#), [NESCOE](#), [Public Systems](#), [Repsol](#), [TOs](#), [VELCO](#), [Vistra](#), [Potomac Economics](#), [CT DEEP](#), [AEMA](#), [APGA](#), [EPSA](#), [INGA](#), [NE LDCs](#), [NGSA](#), [New England Council](#), [NEPPA](#), [NH BIA](#), [PIOs](#), [RENEW/ACPA](#), [Berkshire Action Team](#), [Greater Concord Chamber of Comm.](#), [Mass. Alliance for Econ. Dev.](#), [Mass. Business Roundtable](#), [Mass. Coalition for Sustainable Energy](#), [Mass. United Assoc. of Journeymen](#), [Middlesex County Chamber of Commerce](#), [Public Citizen](#), [Western Mass. Economic Dev. Council](#), and Individual Citizens ([M. Axner](#), [E. Blank](#), [S. Botkin](#), [D. Heimann](#), [J. Krieger](#), [B. Little](#), [I. McDonald](#), [J. Neville](#), [W. Persons](#), [R. Spector](#)). On November 22, [National Grid](#) filed reply comments.

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

As previously reported, a transcript of the last (7th) meeting⁸⁶ of the FERC-established Joint Federal-State Task Force on Electric Transmission (“Transmission Task Force” or “JFSTF”) is posted in eLibrary.⁸⁷ In addition, on August 29, 2023, the FERC issued an order listing the state commission representatives who will serve on the Task Force, each for a one-year term, commencing September 1, 2023, and expiring August 31, 2024, including Commissioner Riley Allen (VT PUC) and Chair Marissa Gillett (CT PURA) from the NECPUC region.⁸⁸ Since the last

⁸⁶ Summaries of the first – sixth meetings of the Transmission Task Force can be found in previous Reports.

⁸⁷ *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 Marissa Gillett (Chair, CT PURA). See Order on Nominations, *Joint Federal-State Task Force on Elec. Trans.*, 180 FERC ¶ 61,030 (July 15, 2022).

⁸⁸ The 2023/24 State Commissioner Transmission Task Force members are: (1) Commissioner John Howard, NY PSC; (2) President Joseph Fiordaliso, NJ BPU; (3) Chair Andrew French, KS Corp. Comm.; (4) Chair Dan Scripps, MI PSC; (5) Commissioner Riley Allen, VT PUC;

Report, NARUC nominated PA PUC Vice Chair Kimberly Barrow to serve out the remainder of the one-year term created by the passing of NJ BPU President Joseph L. Fiordaliso.

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

On July 28, 2022, the FERC issued a NOPR⁸⁹ 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 Associations⁹⁰ requested an additional month to submit comments.⁹¹ On September 14, 2022, the FERC granted that request. Accordingly, initial comments were due November 11, 2022 and over 30 sets of comments were filed, including by: [ISO-NE](#), [ISO-NE IMM](#), [ISO-NE EMM](#), [PJM IMM](#), [ABA](#), [AGA](#), [APGA](#), [APPA](#), [EEL](#), [Energy Trade Associations](#), [INGA](#), [NGSA](#), [Nodal Exchange](#), [NRECA](#), [State Agencies](#), [US Chamber of Commerce](#), [DE Riverkeeper Network](#), [New Civil Liberties Alliance](#), and [Nodal Exchange](#). The [US Chamber of Commerce](#) filed reply comments on December 12, 2022. There was no activity in the proceeding since the last Report. This matter is pending before the FERC.

- **Order 897: Extreme Weather Vulnerability Assessments (RM22-16; AD21-13)**

On June 15, 2023, the FERC adopted a reporting requirement⁹² that directs transmission providers to file a one-time informational report describing their current or planned policies and processes for conducting extreme weather vulnerability assessments⁹³ (whether and how transmission providers 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). Each transmission provider was required to file the one-time informational report required by *Order 897* on or before October 25, 2023.⁹⁴ ISO-NE and the TOs submitted their 51-page [Report](#) on October 25, 2023.

(6) Chair Marissa Gillett, CT PURA; (7) Commissioner Kimberly Duffley, NC Utils. Comm.; (8) Chair Tricia Pridemore, GA PSC; (9) Commissioner Darcie Houck, CA PUC; and (10) Chair Thad LeVar, Utah PSC. *Joint Federal-State Task Force on Electric Transmission*, 184 FERC ¶ 61,126 (Aug. 29, 2023) (Order on Nominations).

⁸⁹ *Duty of Candor*, 180 FERC ¶ 61,052 (July 28, 2022) (“*Duty of Candor NOPR*”).

⁹⁰ “Joint Associations” included the following trade associations on behalf of their respective members: the American Gas Assoc. (“AGA”), American Public Gas Assoc. (“APGA”), Interstate Natural Gas Assoc. of America (“INGA”), Edison Electric Institute (“EEL”), EPSC, Energy Trading Institute (“ETI”), Natural Gas Supply Assoc. (“NGA”), and Process Gas Consumers Group (“PGCG”).

⁹¹ The *Duty of Candor NOPR* was published in the *Fed. Reg.* on Aug. 12, 2022 (Vol. 87, No. 155) pp. 49,784-49,793.

⁹² *One-Time Informational Reports on Extreme Weather Vulnerability Assessments; Climate Change, Extreme Weather, and Elec. Sys. Rel.*, Order No. 897, 183 FERC ¶ 61,192 (June 15, 2023) (“*Order 897*”).

⁹³ The FERC defines an extreme weather vulnerability assessment as any analysis that identifies 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.

⁹⁴ *Order 897* was published in the *Fed. Reg.* on June 27, 2023 (Vol. 88, No. 122) pp. 41,477-41,499.

- **Order 2023: Interconnection Reforms (RM22-14)**

On July 28, 2023, the FERC issued Order 2023,⁹⁵ its final rule on proposed 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* SGIA to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies. Order 2023 adopts reforms to: (i) implement a first-ready, first-served cluster study process;⁹⁶ (ii) increase the speed of interconnection queue processing;⁹⁷ and (iii) incorporate technological advancements into the interconnection process.⁹⁸ Many of the reforms adopted in Order 2023 closely track the reforms set out in the FERC’s Notice of Proposed Rulemaking.⁹⁹ However, the FERC did revise aspects of the reforms.¹⁰⁰ Order 2023 will become effective November 6, 2023,¹⁰¹ which is 60 days from the September 6, 2023 publication of Order 2023 in the *Federal Register* (“Publication Date”).

⁹⁵ *Improvements to Generator Interconnection Procedures and Agreements*, Order No. 2023, 184 FERC ¶ 61,054 (July 28, 2023) (“Order 2023”).

⁹⁶ A first-ready, first-served cluster study process improves efficiency in the interconnection study process by including the following elements: increased access to information prior to entering the queue; a mechanism to study interconnection requests in groups where all interconnection requests in the group are equally queued and of equal study priority; and increased financial commitments and readiness requirements to enter and proceed through the queue. In contrast, the existing first-come, first-served serial study process in the *pro forma* LGIA and LGIP provides limited information to interconnection customers prior to entering the queue, assigns interconnection requests an individual queue position based solely on the date of entry into the queue, and contains limited financial and readiness requirements.

In order to implement a first-ready, first-served cluster study process, Order 2023 requires: (1) transmission providers to publicly post available information pertaining to generator interconnection; (2) transmission providers to use cluster studies as the interconnection study method; (3) transmission providers to allocate cluster study costs on a pro rata and per capita basis; (4) transmission providers to allocate network upgrade costs based on a proportional impact method; (5) interconnection customers to pay study and commercial readiness deposits as part of the cluster study process; (6) interconnection customers to demonstrate site control at the time of submission of the interconnection request; and (7) transmission providers to impose withdrawal penalties on interconnection customers for withdrawing from the interconnection queue, with certain exceptions. We also require transmission providers to adopt a transition process to move from the existing serial interconnection process to the new cluster study process.

⁹⁷ In order to increase the speed of interconnection queue processing, Order 2023: (1) eliminates the reasonable efforts standard for conducting interconnection studies and imposes a financial penalty on transmission providers that fail to meet interconnection study deadlines; and (2) establishes an affected system study process and associated *pro forma* affected system agreements.

⁹⁸ In order to incorporate technological advancements into the interconnection process, Order 2023 requires transmission providers to: (1) allow more than one generating facility to co-locate on a shared site behind a single point of interconnection and share a single interconnection request; (2) evaluate the proposed addition of a generating facility at the same point of interconnection prior to deeming such an addition a material modification if the addition does not change the originally requested interconnection service level; (3) allow interconnection customers to access the surplus interconnection service process once the original interconnection customer has an executed LGIA or requests the filing of an unexecuted LGIA; (4) use operating assumptions in interconnection studies that reflect the proposed charging behavior of an electric storage resource; and (5) evaluate the list of alternative transmission technologies enumerated in this final rule during the generator interconnection study process.

⁹⁹ Order 2023 also requires: (i) interconnection customers requesting to interconnect a non-synchronous generating facility to: (a) provide the transmission provider with the models needed for accurate interconnection studies; and (b) have the ability to maintain power production at pre-disturbance levels and provide dynamic reactive power to maintain system voltage during transmission system disturbances and within physical limits; (ii) all newly interconnecting large generating facilities provide ride through capability consistent with any standards and guidelines that are applied to other generating facilities in the balancing authority area on a comparable basis; and (iii) with respect to the *pro forma* SGIP and *pro forma* SGIA, the incorporation of enumerated alternative transmission technologies into the interconnection process, and the provision of modeling and ride through requirements for non-synchronous generating facilities.

¹⁰⁰ Reforms revised in Order 2023 pertain to the cluster study process, allocation of cluster study and network upgrade costs, increased financial commitments and readiness requirements, financial penalties for delayed interconnection studies, the affected system study process, *pro forma* affected system agreements, the material modification process, operating assumptions for interconnection studies, incorporating the enumerated alternative transmission technologies, and ride through requirements. In addition, the FERC declined to adopt the NOPR proposals pertaining to informational interconnection studies, shared network upgrades, the optional resource solicitation study, and the alternative transmission technologies annual report.

¹⁰¹ Order 2023 was published in the Fed. Reg. on Sep. 6, 2023 (Vol. 88, No. 171) pp. 61,041-61,349.

Importantly, the FERC is requiring the submission of compliance filings within 90 calendar days of the Publication Date, or **December 5, 2023** (rather than the 180 days proposed in the NOPR). The FERC said it “believe[s] that it is important to implement this final rule in a timely manner, given the pressing need to reform the interconnection processes, as discussed in this final rule.” The FERC went on to explain that, on the FERC-approved effective date of the transmission provider’s compliance filing with this final rule, the transmission provider will commence the transition study process. After the conclusion of the transition study process, the transmission provider will begin the first standard cluster study process, and in its compliance filing, the transmission provider will indicate the number of calendar days after the conclusion of the transition study process when it will begin this first standard cluster study process (e.g., 30 calendar days after the conclusion of the transition study process).

A more [detailed summary](#) of, and [a presentation](#) on, *Order 2023* was provided to, and discussed with, the Transmission Committee. Compliance will require changes to the Tariff’s *pro forma* LGIA, LGIP, SGIA and SGIP. Absent further changes to the compliance schedule, there will be much to accomplish in a relatively short amount of time.

Requests for Clarification and/or Rehearing. Requests for rehearing, clarification and/or an extension of time were filed by 35 parties. Those parties raised, among other issues, the following:

- ♦ The FERC erred in removing the Reasonable Efforts standard and imposing penalties for late studies;
- ♦ The FERC must clarify aspects of the transition process and use of Transitional Cluster Studies and Transitional Serial Studies;
- ♦ Transmission Providers need additional details on the FERC’s requirement for Transmission Provider’s to publish heatmaps;
- ♦ The FERC must provide insight on the process of performing cluster studies as well as the cost allocation methodology; and
- ♦ Transmission Providers require further clarity regarding the alternative transmission technologies that they are required to review.

Requests for Clarification and/or Rehearing Denied by Operation of Law. On September 28, 2023, the FERC issued a “Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration”.¹⁰² The *Order 2023 Allegheny Notice* confirmed that the 60-day period during which a petition for review of *Order 2023* can be filed with an appropriate federal court was triggered when the FERC did not act on the requests for rehearing and/or clarification of *Order 2023* within the required 30-day period. The Notice also indicated that the FERC would address, as is its right, the rehearing request in a future order, and may modify or set aside its order, in whole or in part, “in such manner as it shall deem proper.” Several parties submitted petitions in Federal Court challenging *Order 2023*. Developments in those proceedings will be report on in Section XVI below.

Requests for Extension of Time. As previously reported, PJM, MISO and SPP (“*Joint RTOs*”) requested an extension of time, to at least 90 days after the FERC issues a substantive order addressing the arguments on clarification and rehearing, with a request that an order on that request be issued by September 27, 2023. **NEPOOL** requested on October 2, 2023 a 45-day extension of time, to January 19, 2024, to permit adequate regional stakeholder consideration of, input into, and a vote on ISO-NE’s proposed *Order 2023* compliance filing. **EEI** on September 13, 2023, while supporting Joint RTOs’ approach, proposed an alternative that would: extend the compliance deadline until the later of: (i) 90 days after the FERC issues a substantive order addressing arguments on clarification and rehearing (as requested by the Joint RTOs) or (ii) 180 days after *Order 2023* was

¹⁰² *Improvements to Generator Interconnection Procedures and Agreements*, 184 FERC ¶ 62,163 (Sep 28, 2023) (“*Order 2023 Allegheny Notice*”).

published in the *Federal Register*, or March 4, 2024. *Joint California Utilities*¹⁰³ requested an extension of their deadline to 90 days following the FERC's approval of CAISO's compliance filing. *SPP* also requested an extension of the compliance deadline after the last Report.

October 25, 2023 Order Extending Compliance Deadline. On October 25, 2023, the FERC issued an order modifying the discussion in *Order 2023* and setting aside the *Order*, in part, to extend the deadline to submit compliance filings to **April 3, 2024** (210 days after the publication of *Order 2023* in the *Federal Register*).¹⁰⁴ The FERC clarified that its Order does not change or modify any other determination or other deadlines established by *Order 2023*, including the deadline for eligibility for interconnection customers to opt to proceed with a transitional serial study (for those interconnection customers tendered a facilities study agreement) or transitional cluster study (for those interconnection customers assigned a queue position) or to withdraw their interconnection requests without penalty (i.e., 30 calendar days after the transmission provider submits its initial compliance filing (or **May 3, 2024**)).¹⁰⁵ A revised stakeholder schedule for consideration of New England's Order 2023 compliance filing will be discussed at the scheduled November 9, 2023 Transmission Committee meeting.

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

- **Order 895: ISO/RTO Credit Information Sharing (RM22-13)**

On June 15, 2023, the FERC amended its regulations to require ISO/RTOs to have tariff provisions that permit credit-related information sharing with other ISO/RTOs to ensure that credit practices in those markets result in jurisdictional rates that are just and reasonable.¹⁰⁶ *Order 895* will not permit 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 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 stated that the ability of ISO/RTOs to share credit-related information among themselves will improve their ability to accurately assess market participants' credit exposure and risks related to their activities across organized wholesale electric markets and should also enable ISOs/RTOs to respond to credit events more quickly and effectively, minimizing the overall credit-related risks of unexpected defaults by market participants in organized wholesale electric markets. *Order 895* became effective *August 21, 2023*.¹⁰⁷ ISO-NE's proposed compliance changes were supported via the October 5 Consent Agenda (Item # 6), filed, and are pending before the FERC (see Section III above).

- **NOPR: Transmission Siting (RM22-7)**

On December 15, 2022, the FERC issued a NOPR¹⁰⁸ proposing to revise its regulations governing applications for permits to site electric transmission facilities under section 216 of the FPA, as amended by the Infrastructure and Jobs Act. The *Transmission Siting NOPR* is intended to ensure consistency with the Infrastructure and Jobs Act's amendments to FPA section 216, to modernize certain regulatory requirements, and to incorporate other updates and clarifications to provide for the efficient and timely review of permit

¹⁰³ "Joint California Utilities" are: Pacific Gas and Electric Co.; ("PG&E"), San Diego Gas & Electric Co. ("SDG&E"), and Southern California Edison Co. ("SCE").

¹⁰⁴ *Improvements to Generator Interconnection Procedures and Agreements*, 185 FERC ¶ 61,063 (Oct. 25, 2023).

¹⁰⁵ *Id.* at P 11.

¹⁰⁶ *Credit-Related Info. Sharing in Organized Wholesale Elec. Mkts*, Order No. 895, 183 FERC ¶ 61,193 (June 15, 2023) ("*Order 895*").

¹⁰⁷ *Order 895* was published in the Fed. Reg. on June 22, 2023 (Vol. 88, No. 119) pp. 40,696-28,125.

¹⁰⁸ *Applications for Permits to Site Interstate Electric Transmission Facilities*, 181 FERC ¶ 61,205 (Dec. 15, 2022) ("*Transmission Siting NOPR*").

applications. Following a NARUC request for an extension of time granted by the FERC, comments on the *Transmission Siting NOPR* were due on or before May 17, 2023. Comments were filed by [CLF](#), [ALPSC](#), [National Wildlife Federation Action Fund](#), [National Wild Life Federation and State-Affiliated Organizations](#), [AEU](#), [CLF \(May 16\)](#), [NESCOE](#), [ACPA](#), [ACRE](#), [Clean Energy Buyers Assoc.](#), [EDF](#), [EEI/WIRES](#), [Joint Consumer Advocates](#), [Public Interest Organizations](#), [SEIA](#), and [US Chamber of Commerce](#). Commissioner Phillips' and each of the Commissioners' responses to Senator Schumer's and Senator Barrasso's letters have been posted to eLibrary. This matter is pending before the FERC.

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

Following its ANOPR process,¹⁰⁹ the FERC issued on April 21, 2022 a NOPR¹¹⁰ 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

¹⁰⁹ 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](#), [AEU](#), [Anbaric](#), [Avangrid](#), [BP](#), [CPV](#), [Dominion](#), [EDF](#), [EDP](#), [Enel](#), [EPSA](#), [Eversource](#), [Exelon](#), [LS Power](#), [MAAG](#), [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: [CTAG](#), [Acadia Center/CLF](#), [CTAG](#), [Dominion](#), [Enel](#), [Eversource](#), [LS Power](#), [MAAG](#), [MMWEC](#), [NESCOE](#), [NextEra](#), [Shell](#), [UCS](#), [Vistra](#), [ACPA/ESA](#), [AEU](#), [APPA](#), [EEI](#), [ELCON](#), [Environmental and Renewable Energy Advocates](#), [EPSA](#), [Harvard ELI](#), [NRECA](#), [Potomac Economics](#), and [SEIA](#). Supplemental reply comments were filed by [WIRES](#), a group of [former military leaders and former Department of Defense officials](#), and [ACPA/AEU/SEIA](#).

¹¹⁰ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 179 FERC ¶ 61,028 (Apr. 21, 2022) ("*Transmission NOPR*").

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 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.

Comments. Following a number of requests for extensions of time, comments on the *Transmission NOPR* were due August 17, 2022.¹¹¹ Nearly 200 sets of comments were filed, including comments by [NEPOOL](#), [ISO-NE](#), [Acadia/CLF](#), [Anbaric](#), [AEU](#), [Avangrid](#), [BP](#), [Dominion](#), [Enel](#), [Engie](#), [Eversource](#), [Invenergy](#), [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](#), [AEU](#), [Anbaric](#), [Avangrid](#), [CT DEEP](#), [Cypress Creek](#), [Dominion](#), [ENGIE](#), [Eversource](#), [Invenergy](#), [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](#). On November 28, 2022, the New Jersey BPU moved to lodge its recently issued [Board Order](#) selecting transmission projects to be built pursuant to PJM's State Agreement Approach ("SAA") for the purpose of supporting New Jersey's offshore wind ("OSW") goals, the Brattle Group's [SAA Evaluation Report](#), and [PJM's SAA Economic Analysis Report](#), which it stated demonstrates that competitive transmission solicitations can provide significant value to consumers. In December 2022, the [Harvard Electricity Law Initiative](#), and [P. Alaama](#) submitted further comments.

LS Power and NRG filed comments in this proceeding, as well as in (Transmission Planning and Cost Management Joint Federal-State Task Force on Electric Transmission) (AD22-8) and JFSTF proceeding (AD21-15). They asserted that the FERC "cannot sufficiently address the transmission planning issues raised in its Transmission NOPR without addressing the intertwined cost management issues raised in AD22-8-000 and during the October 6, 2022 Technical Conference in AD22-8."

This matter remains pending before the FERC. 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).

XIII. FERC Enforcement Proceedings

Electric-Related Enforcement Actions

- **AES Alamos/Redondo Beach (IN23-15)**

On October 24, 2023, the FERC approved a Stipulation and Consent Agreement with AES Alamos, LLC and AES Redondo Beach, LLC (collectively, "AES")¹¹² that resolved OE's investigation into whether AES, through the submission of inaccurate Physical Maximum (Pmax) values for eight of its electric generating resources located in Southern California (the "Resources") violated CAISO's Tariff and FERC statutes and regulations. The Office of Enforcement determined that 12. During the Relevant Period, AES sold

¹¹¹ 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.

¹¹² *AES Alamos, LLC and AES Redondo Beach, LLC*, 185 FERC ¶ 61,060 (Oct. 24, 2023).

Resource Adequacy (“RA”) contracts for the Resources up to their Master File Pmax values and, in some cases, financially benefitted from RA payments for capacity the Resources could not physically provide. Under the Stipulation and Consent Agreement, in which AES neither admits nor denies the alleged violations, AES agreed to **disgorge \$2.97 million** to CAISO, to pay a **\$1.2 million civil penalty**, and to submit compliance monitoring reports for 2 years (or 3 years at OE’s discretion). 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)**

Procedural Schedule Suspended. As previously reported, on May 24, 2022, the Honorable Judge Karen Gren Scholer of the U.S. District Court for the Northern District of Texas (“Northern District”) issued an order staying this proceeding. Consistent with that order and out of an abundance of caution, ALJ Joel DeJesus, who will be the presiding judge for hearings in this matter,¹¹³ suspended the procedural schedule until such time as the Court’s stay is lifted and the parties provide jointly a proposed amended procedural schedule.

On June 14, 2023, the Commission issued an Order on Presiding Officer Reassignment,¹¹⁴ which (i) directed the Chief ALJ to reassign this proceeding to another ALJ not previously involved in the proceeding (i.e., designate a new presiding officer) once the *June 14 Order* takes effect; (ii) held that the *June 14 Order* will take effect once the Northern District clarifies or lifts its stay for the limited purpose of allowing the *June 14 Order* to take effect or the stay is lifted or dissolved such that hearing procedures may resume; and (iii) stated that this proceeding otherwise remains suspended until the Northern District’s stay is lifted or dissolved such that hearing procedures may resume.

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

On December 16, 2021, the FERC issued a show cause order¹¹⁵ 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,¹¹⁶ 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;¹¹⁷ (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

¹¹³ See *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 178 FERC ¶ 61,028 (Jan. 20, 2022) (“*Rover/ETP Hearings Order*”). The hearings will be 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.

¹¹⁴ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 183 FERC ¶ 61,190 (June 14, 2023) (“*June 14 Order*”).

¹¹⁵ *Rover Pipeline, LLC, and Energy Transfer Partners, L.P.*, 177 FERC ¶ 61,182 (Dec. 16, 2021) (“*Rover/ETP Tuscarawas River HDD Show Cause Order*”).

¹¹⁶ *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*”).

¹¹⁷ 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.

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.¹¹⁸ This matter is pending before the FERC.

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

On April 28, 2016, the FERC issued a show cause order¹¹⁹ 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 2012.¹²⁰

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.¹²¹ On July 27, 2021, Chief Judge Cintron designated Judge Suzanne Krolkowski as the Presiding ALJ and established an extended Track III Schedule for the proceeding.

Discovery in this case closed on December 2, 2022. On December 16, 2022, Respondents filed for a preliminary injunction in the US District Court for the Southern District of Texas (“Southern District”). In order to allow for briefing and a decision on that motion, the FERC placed this proceeding in abeyance.¹²²

On June 14, 2023, the Commission issued an Order on Presiding Officer Reassignment,¹²³ which (i) directed the Chief ALJ to reassign this proceeding to another ALJ not previously involved in the proceeding (i.e., designate a new presiding officer) once the *TGPNA Presiding Officer Reassignment Order* takes effect; (ii) held that the *TGPNA Presiding Officer Reassignment Order* will take effect once the Southern District clarifies or lifts its stay for the limited purpose of allowing the *TGPNA Presiding Officer Reassignment Order* to take effect or the stay is lifted or

¹¹⁸ *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.

¹¹⁹ *Total Gas & Power North America, Inc.*, 155 FERC ¶ 61,105 (Apr. 28, 2016) (“*TGPNA Show Cause Order*”).

¹²⁰ 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.

¹²¹ *Total Gas & Power North America, Inc. et al.*, 176 FERC ¶ 61,026 (July 15, 2021).

¹²² *Total Gas & Power North America, Inc., Total, S.A., Total Gas & Power, Ltd., Aaron Hall, and Therese Tran f/k/a Nguyen*, 181 FERC ¶ 61,252 (Dec. 21, 2022).

¹²³ *Total Gas & Power North America, Inc., Total, S.A., Total Gas & Power, Ltd., Aaron Hall, and Therese Tran f/k/a Nguyen*, 183 FERC ¶ 61,189 (June 14, 2023) (“*TGPNA Presiding Officer Reassignment Order*”).

dissolved such that hearing procedures may resume; (iii) stated that this proceeding otherwise remains suspended until the Southern District's stay is lifted or dissolved such that hearing procedures may resume; and (iv) provided procedural guidance to the new presiding officer. On July 18, Judge Patricia M. French was substituted as Presiding Judge (relieving Judge Krolkowski of all of her duties with respect to this proceeding).

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.¹²⁴ 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.
- ▶ In its September 8, 2023 monthly status report, Iroquois indicated that it is awaiting issuance of air permits from the New York State Department of Environmental Conservation and the Connecticut Department of Energy and Environmental Protection. Iroquois has not yet requested or received authorization to commence construction; accordingly, no construction activities were undertaken in August 2023 and no construction was planned for September.

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,¹²⁵ and that effectively halted construction

¹²⁴ *Iroquois Gas Transmission Sys., L.P.*, 178 FERC ¶ 61,200 (2022) (*Iroquois Certificate Order*).

¹²⁵ 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?"

of the NECEC Project,¹²⁶ 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).

On April 20, 2023, after a week-long trial, a jury ruled 9-0 that developers had completed enough work in good faith before the passage of the ballot question to have a constitutional right to proceed with construction. Based on that verdict, a state judge is expected to conclude that the referendum was unconstitutional. The decision will almost certainly be appealed to the Maine Supreme Judicial Court for a final say.

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 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).

- **Order 2222 Compliance Orders (23-1167, 23-1168, 23-1169, 23-1170)(consolidated)**

Underlying FERC Proceeding: ER22-983¹²⁷

Petitioners: Eversource, ISO-NE, National Grid, and CMP/UI

Status: Being Held In Abeyance; Motions to Govern Future Proceedings Due Jan 24, 2024

On June 30, 2023, ISO-NE (23-1168), CMP/UI (23-1170), Eversource (23-1167), and National Grid (23-1169) petitioned the DC Circuit Court of Appeals for review of the FERC’s orders related to the FERC’s *Order 2222 Compliance Orders*.¹²⁸ On July 3, 2023, the Court consolidated the cases, with Case No. 23-1667 as the lead case. On July 24, 2023, the FERC moved to have the consolidated cases held in abeyance pending the issuance of the Commission’s further order on rehearing. The Court granted that motion on July 27, 2023, with the case to be held in abeyance pending further order of the Court. Since the last Report, on October 10, 2023, the FERC asked that the consolidated appeals be held in abeyance for a period of 90 days to allow time for all parties to assess the FERC’s recent order and to make further filings either with the FERC or with the Court. On October 12, the Court

¹²⁶ 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.

¹²⁷ *ISO New England Inc. and New England Power Pool Participants Comm.*, 182 FERC ¶ 61,137 (Mar. 1, 2023) (“*Order 2222 Compliance Order*”); *ISO New England Inc. and New England Power Pool Participants Comm.*, 183 FERC ¶ 62,050 (May 1, 2023) (“*Order 2222 Compliance Allegedly Notice*”, and together with the *Order 2222 Compliance Order*, the “*Order 2222 Compliance Orders*”).

¹²⁸ In response to the region’s *Order 2222 Changes*, the FERC directed a number of revisions and additional compliance and informational filings to be filed within 30, 60 or 180 days of the *Order 2222 Compliance Order*, as described in previous Reports. When filed, 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.

ordered that the consolidated cases remain in abeyance pending further order of the court. The parties were directed to file motions to govern future proceedings in this case by **January 24, 2024**.

- **Seabrook Dispute Order (23-1094, 23-1215) (consolidated)**
Underlying FERC Proceeding: EL21-6, EL 23-3¹²⁹
Petitioner: NextEra Energy Resources, LLC and NextEra Energy Seabrook, LLC
Status: Briefing Underway

On April 4, 2023, NextEra Energy Resources, LLC and NextEra Energy Seabrook, LLC (collectively, “NextEra”) petitioned the DC Circuit Court of Appeals for review of the FERC’s orders related to the Seabrook Dispute.¹³⁰ NextEra subsequently petitioned the Court for review of the June 15, 2023 *Seabrook Dispute Allegheny Order*, which was consolidated with Case No. 23-1094. As previously reported, initial submissions have been filed,¹³¹ as have the Certified Index to the Record, NextEra’s Petitioners’ Brief, the FERC’s Brief (filed on September 28, 2023), Intervenor’s for Respondent’s Joint Brief (October 12, 2023); Petitioners’ Reply Brief (October 26, 2023); and the Joint Appendix (October 30, 2023). Final Briefs are due **November 3, 2023**. The parties will be informed later of the date of oral argument and the composition of the merits panel.

¹²⁹ *NextEra Energy Seabrook, LLC and NECEC Transmission LLC and Avangrid, Inc. v. NextEra Energy Resources, LLC and NextEra Energy Seabrook, LLC*, 182 FERC ¶ 61,044 (Feb. 1, 2023) (“*Seabrook Dispute Order*”), *reh’g denied by operation of law*, *NextEra Energy Seabrook, LLC et al.*, 183 FERC ¶ 62,001 (Apr. 3, 2023) (“*Seabrook Dispute Allegheny Notice*”); *NextEra Energy Seabrook, LLC et al.*, 183 FERC ¶ 61,196 (June 15, 2023) (“*Seabrook Dispute Allegheny Order*”).

¹³⁰ In the Seabrook Dispute Order, the FERC (i) both denied and granted in part the Seabrook Complaint; (ii) dismissed the Seabrook Declaratory Order Petition; and (iii) directed Seabrook to replace the Seabrook Station breaker pursuant to its obligations under the Seabrook LGIA and Good Utility Practice. Specifically, the FERC denied the Seabrook Complaint in part because it found that Avangrid had “not shown that Seabrook is obligated to replace the breaker due to Seabrook failing to meet certain open access obligations or because Seabrook has failed to comply with Schedule 25 of the ISO-NE Tariff”. However, the FERC found that, “under Seabrook’s LGIA, Seabrook may not refuse to replace the breaker because it is needed for reliable operation of Seabrook Station and required by Good Utility Practice” and thus, given the specific facts and circumstances in the record, granted the Seabrook Complaint in part. With respect to cost issues, the FERC agreed with Avangrid that, in this case, Seabrook should not recover opportunity costs (e.g. lost profits, lost revenues, and foregone Pay for Performance (“PFP”) bonuses) or legal costs. In dismissing the Declaratory Order Petition, the FERC noted that the issues raised in the Petition were addressed in the Seabrook Dispute Order, that additional findings were unnecessary, and thus exercised its discretion to not take action on, and to dismiss, the Petition. The breaker replacement is currently expected to take place during the Fall 2024 refueling outage and the commercial operation date for the NECEC Project is December 2024. Seabrook plans to file an agreement governing installation at the earlier of 30 days prior to delivery of the breaker or 120 days prior to the start of the Fall 2024 outage. The FERC noted its expectation that such an agreement would resolve whatever remaining issues exist between the parties to allow replacement of the breaker to move forward during the 2024 outage, or if not, an unexecuted agreement would be filed.

¹³¹ Initial submissions include a Docketing Statement, a Statement of Intent to Utilize Deferred Joint Appendix, a Statement of Issues, and the Underlying Decision from which the appeal arose (filed May 8, 2023), the Certified Index to the Record (filed July 21, 2023), and motions for leave to intervene (filed Apr. 14, 2023 by NECEC Transmission LLC and Avangrid, Inc. (collectively, “Avangrid”) in support of the FERC).

- **Mystic II (ROE & True-Up)**
(21-1198; 21-1222, 21-1223, 21-1224, 22-1001, 22-1008, 22-1026) (consolidated)
Underlying FERC Proceeding: EL18-1639-010, -011,¹³² -013¹³³ -017¹³⁴
Petitioners: Mystic, CT Parties,¹³⁵ MA AG, ENECOS

Status: Being Held in Abeyance; Motions to Govern Future Proceedings Due Oct 25, 2023

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 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*"). 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*. The Court has since decided *MISO TOs*. However, the parties continue to agree that this case should remain in abeyance pending further proceedings related to *MISO TOs*, now on remand at the FERC. Most recently, on October 25, 2023, Constellation reported that all parties agree and asked the Court that this case should remain in abeyance for an additional 90 days pending FERC action on remand in the *MISO TOs* case. On October 26, 2023, the Court issued an order that these cases remain in abeyance and that the parties file motions to govern future proceedings by **January 24, 2024**.

- **CASPR (20-1333, 21-1031) (consolidated)****
Underlying FERC Proceeding: ER18-619¹³⁶
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

¹³² *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).

¹³³ *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).

¹³⁴ *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*).

¹³⁵ In this appeal, "CT Parties" are the CT PURA CT PURA, Connecticut Department of Energy and Environmental Protection ("*CT DEEP*"), and the CT OCC.

¹³⁶ *ISO New England Inc.*, 162 FERC ¶ 61,205 (Mar. 9, 2018) ("*CASPR Order*").

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 the Court granted a few days later the request 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.

- **Opinion 531-A Compliance Filing Undo (20-1329)**

Underlying FERC Proceeding: ER15-414¹³⁷

Petitioners: TOs' (CMP et al.)

Status: Being Held in Abeyance

On August 28, 2020, the TOs¹³⁸ 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*¹³⁹ 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 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 and that this appeal should continue to remain in abeyance, was filed on August 3, 2023.

¹³⁷ *ISO New England Inc.*, 161 FERC ¶ 61,031 (Oct. 6, 2017) ("Order Rejecting Filing").

¹³⁸ 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.

¹³⁹ *Emera Maine v. FERC*, 854 F.3d 9 (D.C. Cir. 2017) ("*Emera Maine*").

Other Federal Court Activity of Interest

- **Northern Access Project (22-1233)**

Underlying FERC Proceeding: **CP15-115**¹⁴⁰

Petitioners: Sierra Club

Status: Oral Argument Held Sep 18, 2023; Awaiting Decision

On September 6, 2022, the Sierra Club petitioned the DC Circuit for review of *Northern Access Project Add'l Extension Order*. Briefing is complete. Oral argument before Judges Henderson, Pan and Rogers was held on September 18, 2023. This matter is pending before the Court.

- **Order 872 (20-72788, * 21-70113; 20-73375, 21-70113) (consol.) (9th Cir.)**

Underlying FERC Proceeding: **RM19-15**¹⁴¹

Petitioners: SEIA et al.

Status: Decision Issued Granting in Part and Denying in Part SEIA's Petition

On September 17, 2020, SEIA petitioned the 9th Circuit Court of Appeals for review of *Order 872*.¹⁴² Briefing was completed and oral argument held March 8, 2022 before Judges Nguyen, Miller and Bumatay. On September 5, 2023, the Court issued a decision largely upholding *Order 872*. In its opinion, the 9th Circuit rejected Petitioners' objections to FERC's reforms, finding that PURPA provided the FERC discretion to construe PURPA and that FERC's interpretation of the statute in *Order 872* was reasonable and neither arbitrary nor capricious. The Court did agree, however, with the environmental organizations who joined the appeal that the FERC violated the National Environmental Policy Act ("NEPA") by failing to prepare an environmental assessment before issuing *Order 872*. Accordingly, the Court remanded the order without vacating it, directing the FERC to conduct a NEPA assessment. *Order 872* will remain in force while the FERC conducts the required NEPA assessment.

- **Algonquin Atlantic Bridge Project Orders (21-1115*, 21-1138, 21-1153, 21-1155 consol.)**

Underlying FERC Proceeding: **CP16-9-012**¹⁴³

Petitioners: LS Power, Algonquin, INGA

Status: Motions to Dismiss Cases Voluntarily Filed and Pending

Since the last Report, between motions filed by Algonquin and INGA, Petitioners have moved the Court to dismiss each of the consolidated cases. Reporting on this matter is now concluded.

¹⁴⁰ *National Fuel Gas Supply Corp. and Empire Pipeline, Inc.*, 179 FERC ¶ 61,226 (June 29, 2022) ("*Northern Access Project Add'l Extension Order*").

¹⁴¹ *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).

¹⁴² *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.

¹⁴³ *Briefing Order; April 19 Notice of Denial of Rehearings by Operation of Law*.

INDEX**Status Report of Current Regulatory and Legal Proceedings
as of November 1, 2023*****I. Complaints/Section 206 Proceedings***

206 Proceeding: Brookfield IEP Complaint (IEP Exclusion of Pumped Storage ESFs)	(EL23-89).....	1
Base ROE Complaints I-IV	(EL11-66, EL13-33; EL14-86; EL16-64).....	2
RENEW Network Upgrades O&M Cost Allocation Complaint.....	(EL23-16).....	2

II. Rate, ICR, FCA, Cost Recovery Filings

2024 ISO-NE Administrative Costs and Capital Budgets.....	(ER23-90).....	5
2024 NESCOE Budget	(ER23-91).....	5
BHD Regulatory Asset - Establishment & Recovery Through Rates	(ER23-1598).....	7
CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing: Bucksport Generation	(ER23-2428).....	7
CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing: Stonepeak Kestrel	(ER23-2429).....	6
EP Newington CIP-IROL (Schedule 17) Section 205 Cost Recovery Filing	(ER24-80).....	6
Mystic 8/9 Cost of Service Agreement.....	(ER18-1639).....	8
Mystic 30-Day Compliance Filing (Revised COSA)	(ER18-1639-023).....	9
Mystic 30-Day Compliance Filing per Order on ENECOS Mystic COSA Complaint	(ER23-1735).....	10
Mystic COSA Updates to Reflect Constellation Spin Transaction	(ER22-1192).....	7
Mystic First CapEx Info. Filing Settlement Agreement Tariff Sheets Filing	(ER18-1639-025).....	8
Mystic Request for Rehearing of Mystic I Order on Remand	(ER18-1639-024).....	8
Public Systems' Request for Disclosure of Mystic Audit Information	(ER18-1639-000).....	9
RENEW Network Upgrades O&M Cost Allocation Complaint.....	(EL23-16).....	2
Transmission Rate Annual (2022-23) Update/Informational Filing.....	(ER09-1532).....	11
Transmission Rate Annual (2024) Update/Informational Filing	(ER20-2054).....	10
Versant MPD OATT 2022 Annual Update Settlement Agreement.....	(ER20-1977-005).....	11

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

206 Proceeding: Brookfield IEP Complaint (IEP Exclusion of Pumped Storage ESFs)	(EL23-89).....	1
206 Proceeding: ISO-NE Market Power Mitigation Rules	(EL23-62).....	1
DASI Proposal	(ER24-275).....	12
Effective Date Deferral – Binary Storage Facility DARD Regulation	(ER24-115).....	12
IEP Parameter Updates	(ER23-1588).....	12
ISO/RTO Credit-Related Information Sharing	(ER24-138).....	12
New England's Order 2222 Compliance Filing	(ER22-983).....	13
SATOA Revisions.....	(ER23-739; ER23-743).....	13
Waiver Request: FCA18 Summer Qualified Capacity (Yarmouth 4)	(ER23-2356).....	12

IV. OATT Amendments/Coordination Agreements

Attachment F Corrections & Updates.....	(ER23-2940).....	16
Att. F App. A PBOP Fixed Expense Revisions (National Grid)	(ER24-125).....	16
Att. F App. D Depreciation Rate Changes (UI).....	(ER24-272).....	16
Att. F App. D Depreciation Rate Change (Versant Power)	(ER23-2483).....	16
Order 676-J Compliance Filing Part II (ISO-NE and NEPOOL-Tariff Schedule 24)	(ER23-1771).....	17
Order 676-J Compliance Filing Part II (CSC-Schedule 18-Attachment Z)	(ER23-1774).....	17
Order 676-J Compliance Filing Part II (Versant-MPDOATT).....	(ER23-1782).....	17
Order 676-J Compliance Filing Part II (TOs'-Schedules 20A-Common and 21-Common)	(ER23-1785).....	17
Order 881 Compliance Filing: New England	(ER22-2357).....	17
RENEW Network Upgrades O&M Cost Allocation Complaint.....	(EL23-16).....	2
SATOA Revisions.....	(ER23-739; ER23-743).....	13

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

Schedule 21-ES: Eversource/Great Lakes Hydro IA Termination.....	(ER24-17).....	18
Schedule 21-GMP: Annual True Up Calculation Informational Filing.....	(ER12-2304).....	19
Schedule 21-GMP: National Grid/Green Mountain Power LSA.....	(ER23-2804).....	18
Schedule 21-VP: 2022 Annual Update Settlement Agreement.....	(ER20-2054-003).....	19
Schedule 21-VP: Versant/Black Bear LSAs.....	(ER23-2035).....	19
Schedule 21-VP: Versant/Jonesboro LSA.....	(ER24-24).....	18

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

Capital Projects Report - 2023 Q2.....	(ER23-2620).....	20
Capital Projects Report - 2023 Q3.....	(ER24-94).....	20
LFTR Implementation: 60th Quarterly Status Report.....	(ER07-476).....	20
IMM Quarterly Markets Reports – Summer 2023.....	(ZZ24-4).....	20

IX. Membership Filings

Nov 2023 Membership Filing.....	(ER24-276).....	21
Oct 2023 Membership Filing.....	(ER23-2966).....	21
Sep 2023 Membership Filing.....	(ER23-2756).....	21

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

2024 NERC/NPCC Business Plans and Budgets.....	(RR23-3).....	23
CIP Standards Development: Info. Filings on Virtualization and Cloud Computing Services Projects.....	(RD20-2).....	22
Order 901: IBR Reliability Standards.....	(RM22-12).....	22
NERC Report on Evaluation of Physical Reliability Standard (CIP-014).....	(RD23-2).....	21
Report of Comparisons of 2022 Budgeted to Actual Costs for NERC and the REs.....	(RR23-2).....	23

XI. Misc. Regional Interest

203 Application: Energy Harbor/Vistra.....	(EC23-74).....	23
203 Application: Three Corners Solar/Three Corners Prime Tenant.....	(EC23-90).....	23
CL&P / National Grid D&E Agreement.....	(ER24-303).....	24
D&E Agreement Amendment: PSNH/NECEC.....	(ER23-2645).....	25
LSAs: RI Energy/ISO-NE/BIPCO.....	(ER23-1003; ER23-1000).....	25
MPD OATT Changes to Depreciation Rates in Formula Rate.....	(ER23-2085).....	25
PURPA Enforcement Petition: Allco Finance Limited (VT PUC).....	(EL23-92).....	24
Use Rights Transfer Agreement (NSTAR-ENE).....	(ER24-269).....	24

XII. Misc: Administrative & Rulemaking Proceedings

ACPA Petition for Capacity Accreditation Technical Conference.....	(AD23-10).....	26
Interregional Transfer Capability Transmission Planning & Cost Allocation Reqs.	(AD23-3).....	26
Joint Federal-State Task Force on Electric Transmission.....	(AD21-15).....	27
New England Gas-Electric Forum.....	(AD22-9).....	27
NOPR: Duty of Candor.....	(RM22-20).....	28
NOPR: Transmission Planning and Allocation and Generator Interconnection.....	(RM21-17).....	32
NOPR: Transmission Siting.....	(RM22-7).....	31

<i>Order 2023: Interconnection Reforms</i>	(RM22-14).....	29
<i>Order 895: ISO/RTO Credit Information Sharing</i>	(RM22-13).....	31
<i>Order 897: Extreme Weather Vulnerability Assessments</i>	(RM22-16; AD21-13)	28
<i>Reliability Technical Conference</i>	(AD23-9).....	26

XIII. FERC Enforcement Proceedings

AES Alamos and AES Redondo Beach.....	(IN23-15).....	33
Rover Pipeline, LLC and Energy Transfer Partners, L.P. (CPCN Show Cause Order).....	(IN19-4).....	34
Rover and ETP (Tuscarawas River HDD Show Cause Order).....	(IN17-4)	34
Total Gas & Power North America, Inc.	(IN12-17).....	35

XIV. Natural Gas Proceedings

New England Pipeline Proceedings.....	36
Iroquois ExC Project	(CP20-48).....	36

XV. State Proceedings & Federal Legislative Proceedings

Maine - NECEC Transmission LLC et al. v. Bureau of Parks and Lands et al.	(BCD-21-416)	36
--	--------------------	----

XVI. Federal Courts

Algonquin Atlantic Bridge Project Briefing Order	21-1115.....(DC Cir.)... 41
CASPR	20-1333.....(DC Cir.)... 39
Mystic II (ROE & True-Up)	21-1198.....(DC Cir.)... 39
<i>Opinion 531-A</i> Compliance Filing Undo.....	20-1329.....(DC Cir.)... 40
<i>Order 2222</i> Compliance Orders	23-1167 et al....(DC Cir.)... 37
<i>Order 872</i>	20-72788.....(9th Cir.)... 41
Seabrook Dispute Order	23-1094.....(DC Cir.)... 38