

Regulatory Matters

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New England Clean Energy Connect

Maine - Electric

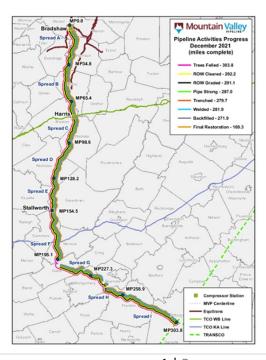
The Maine Supreme Judicial Court issued a decision (2022 ME 48 NECEC (maine.gov)) concluding that a public referendum to ban the construction of high-impact transmission lines and to required legislative approval, as applied retroactively to the certificate of public convenience and necessity (CPCN), would infringe on the constitutional rights of the New England Clean Energy Connect (NECEC) project if NECEC can demonstrate by a preponderance of the evidence that it engaged in substantial construction of the project in good-faith reliance on the authority granted by the CPCN before Maine voters approved the initiated bill by public referendum. Further, NECEC's vested right to proceed with the project would not be absolute; what would be protected

would be NECEC's right to move forward under the terms of the validly issued CPCN as granted under then-existing law. The Maine SJC emphasizes that its analysis and conclusions are not based on the wisdom of either the project or the initiative. "On this report of an interlocutory ruling pursuant to M.R. App. P. 24(c), the limited question that we answer is this: Would retroactively applying sections 4 and 5 of the Initiative, to the CPCN issued for the Project, as required by section 6 of the Initiative, violate the due process clause of the Maine Constitution, if NECEC undertook substantial construction consistent with and in good-faith reliance on the CPCN before the Initiative was enacted? Our answer is yes."

Federal Energy Regulatory Commission

Atlantic Region - Natural Gas

The Federal Energy Regulatory Commission approved Mountain Valley Pipeline LLC's request for a four-year extension of time until October 2026, to construct and place into service the Mountain Valley Pipeline (MVP) project and the Greene Interconnect. The MVP project is a natural gas pipeline system of over 300 miles that starts in the northwestern area of West Virginia and goes to southern Virginia. Construction began in 2018 with approximately 20 miles of pipeline remaining. When completed and in service, the project will supply natural gas from Marcellus and Utica shale production areas and is expected to provide up to two million dekatherms per day of firm transmission capacity to markets in the Mid- and South Atlantic regions of the United States (Mountain Valley Pipeline Project |).



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Retail Competitive Electric Market Expansion

Texas - Electric

Lubbock Power and Light (LP&L) has officially notified the Electric Reliability Council of Texas (ERCOT) of its intention to join the retail competitive electric market in fall 2023. As required, the notice comes at least 12 months prior to the scheduled launch of a competitive electric environment in Lubbock, Texas. In May 2023, LP&L will move the remaining 30 percent of its customers still connected to the Southwest Power Pool over to the ERCOT market.

ERCOT's Retail Market Subcommittee announced the formation of the Lubbock Retail Integration Task Force (LRITF) to assist in facilitating the transition of LP&L customers to retail competition in the ERCOT market. The scope of the task force is to focus on operational impacts to enable retail processes supporting choice efficiently and effectively for all LP&L customers. The LRITF is scheduled to meet four times prior to the end of 2022.

Renewable Natural Gas Infrastructure

Maine - Natural Gas

The Maine Public Utilities Commission approved a settlement agreement and tariff provision for Bangor Natural Gas whereby the Company may source and accept renewable natural gas on its system from suppliers or producers subject to contractual, operational, or other enforceable provisions, that

ensure adherence to applicable industry standards. Bangor Natural Gas will provide its specifications, including applicable pipeline quality specifications, available to potential suppliers upon request and will make those specifications accessible to the public on the Company's website.

Developments on Consumer Retail Electric Choice

Louisiana – Electric

Louisiana is evaluating whether to overhaul its electricity market to break up the monopolies that have controlled electric power generation and electric distribution in the state. This has created tension between large petrochemical plants and Cleco Power and Entergy, two of the state's largest

electric utilities. At least two of the five commissioners at the Louisiana Public Service Commission have expressed interest in exploring restructuring the electric industry in the state, however restructuring might only be for industrial customers.

Regional Greenhouse Gas Initiative

Pennsylvania - Electric

Pennsylvania recently joined the Regional Greenhouse Gas Initiative. A coalition of energy companies and unions filed suit against the regulation in the Commonwealth Court. A Pennsylvania Commonwealth Court Judge issued a

ruling that regulatory agencies were enjoined from implementing, administering, or enforcing the final rulemaking. The Pennsylvania Department of Environmental Protection is expected to appeal the

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ruling, which could then send it to the Pennsylvania

State Supreme Court.

Electric Choice and Competition

Oklahoma - Electric

The Alliance for Electrical Restructuring in Oklahoma (AERO) seeks to end the monopoly status of Oklahoma Gas & Electric Company, Public Service Company of Oklahoma, and Liberty Utilities as brokers of electricity for commercial and industrial consumers and plans to advocate for legislative reforms that would restructure the state's electricity market to allow for electric choice and competition. Proponents believe one solution is to end Oklahoma's electric monopolies and follow

the path of well over a dozen other states where multiple electricity providers compete for the business of commercial customers. They cite that electricity prices have decreased by 7 percent in the 14 states that have adopted choice and competition since 2008, according to a study by the Retail Energy Supply Association and that over that same span, prices increased by an average of 21 percent in states that have not deregulated.

Energy Choice in the Electric Industry Virginia – Electric

A 2022 Commonwealth of Virginia State Energy Plan (2022 Virginia Energy Plan.pdf) released by the Governor on behalf of the Virginia Department of Energy includes proposals for certain forms of energy choice in the electric industry, while maintaining Virginia's existing utility model. The Virginia Energy Plan includes the following recommendations for offering electric customers more choice: (1) Convene a workgroup to recommend a plan to increase the

opportunity for 100 percent renewable competitive service providers to participate in the marketplace and open Virginia's energy markets to independent power producers while maintaining Virginia's existing utility model; and (2) Convene a workgroup to recommend plans to remove barriers to industrial and commercial customers being able to aggregate energy loads and purchase power from a competitive service provider.

Renewable Natural Gas Potential

Michigan - Natural Gas

The Michigan Public Service Commission submitted to the state Legislature a report detailing the potential for renewable natural gas (RNG) in Michigan and the barriers to developing and using RNG. The study concludes that capturing RNG from existing waste streams can help reduce greenhouse gas emissions that contribute to climate change,

particularly if it is derived from sources that create methane emissions released into the atmosphere. The RNG report identifies existing and potential RNG sources and estimates the energy content and greenhouse gas abatement potential of these sources. In addition, it identifies barriers to developing and utilizing RNG in Michigan.

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Enhancing Customer Choice

New York - Electric

The Long Island Power Authority (LIPA) Staff proposes to modify LIPA's tariff for electric service effective on January 1, 2023 (Long-Island-Choice-Merchant-Function-Charge-and-Purchase-of-Receivables-Proposal-2022-09-16.pdf (lipower.org)), to enhance LIPA's Long Island Choice Program. This proposal will create a Merchant Function Charge applicable to all customers receiving supply from LIPA, not applicable to retail choice customers, and establish a purchase of receivables rate for energy service companies

(ESCOs) that participate in Long Island Choice and utilize the consolidated bill option with purchase of receivables. By increasing the portion of the customer bill that is subject to competition and allowing ESCOs to utilize the utility's existing billing and collection services, the Merchant Function Charge, and the consolidated bill option with purchase of receivables will advance LIPA's ongoing effort to eliminate barriers in the retail choice market.

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