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## Summer 2022 Energy Market & Reliability Assessment

### National – Electric

The Federal Energy Regulatory Commission staff released its 2022 summer assessment outlook for energy markets and electric reliability ([Report | Summer Assessment 2022 | Federal Energy Regulatory Commission \(ferc.gov\)](#)), noting that electric markets are expected to have sufficient capacity to maintain reliable operations this summer under normal conditions; however, extreme weather events could pose operational challenges. *“Today’s report forecasts an additional 30 gigawatts of capacity this summer compared to last summer. But the challenges outlined in the summer assessment also demonstrate the urgent need for the Commission to meaningfully advance initiatives that will better ensure electricity markets are ready to meet reliability challenges head on,”* Chairman Rich Glick said. *“The Commission’s work to facilitate transmission infrastructure, modernize electricity markets, and safeguard our nation’s electric infrastructure from reliability threats has never been more important.”* Key findings from the report are: (1) Growing demand for natural gas, including liquefied natural gas exports, is expected to outpace the growth in supply, with natural gas prices expected to be higher than last summer; (2) Forecasted hotter temperatures,

slightly increased electricity demand, and higher natural gas prices indicate higher prices in wholesale electric markets for the summer—with futures prices for major electricity trading hubs between 77 and 233 percent higher than last year; (3) Despite higher demand, electric markets are expected to have sufficient capacity to maintain adequate reserve margins and electric grid reliability this summer during normal conditions; however, extreme operating conditions such as major heat waves, wildfires, hurricanes, and other severe weather events may stress operations. These risks are particularly acute in the West, Texas, and parts of the Midwest; and (4) Effects of world events on U.S. energy prices, beyond those already internalized by the markets, will depend, in part, on how the war in the Ukraine progresses and how market participants adjust to supply and demand changes.

The 2022 Summer Energy Market and Reliability Assessment is a joint report from the Commission’s Office of Energy Policy and Innovation’s Division of Energy Market Assessments and the Office of Electric Reliability’s Division of Engineering and Logistics, with regional resource adequacy analyses from the North American Electric Reliability Corporation.

## Federal Energy Regulatory Commission

### National – Electric & Natural Gas

President Biden has renominated current Federal Energy Regulatory Commission Chairman Richard Glick for a second, five-year term as a member and Chairman of the Commission. Glick joined the Commission in 2017 after being nominated by then-

President Trump and was elevated to Commission Chairman by President Biden in January 2021. Chairman Glick’s renomination requires and awaits confirmation by the U.S. Senate Committee on Energy and Natural Resources.

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## *Natural Gas Expansion*

### Michigan – Natural Gas

The Michigan Legislature enacted Michigan Senate Bill 565 ([2022-PA-0053.pdf \(mi.gov\)](#)) that provides funding for up to \$25 million in grants to expand access to natural gas and creates additional opportunities. The grants will fund the planning, design, and development of the construction of

natural gas facilities, including renewable natural gas facilities. The Michigan Public Service Commission will provide the grants where some of the application requirements include providing a cost-benefit analysis, showing a reduction in greenhouse gas emissions, and lowering consumer energy burdens.

## *Renewable Natural Gas Infrastructure*

### New Hampshire - Natural Gas

New Hampshire Governor, Chris Sununu, signed into law New Hampshire Senate Bill 424 ([Bill Text: NH SB424 | 2022 | Regular Session | Enrolled | LegiScan](#)) that provides for the procurement of renewable natural gas and investment in renewable natural gas infrastructure by gas utilities. In addition, this adds a

new chapter (*362-I Procurement of Renewable Natural Gas*) to the New Hampshire Public Utilities Commission statutes and provides for the recovery of a utility's costs related to the procurement of renewable natural gas.

## *Developments on Consumer Retail Electric Choice*

### Arizona – Electric

Arizona Governor, Doug Ducey, signed into law Arizona House Bill 2101 ([Chapter 0191 - 552R - H Ver of HB2101 \(azleg.gov\)](#)) that repeals the statute that promotes competition among public power entities and establishes consumer protection measures relating to electric service. This decision: (1) removes the requirement that a competitive market exist in the sale of electric generation service; (2) repeals the statute that requires service territories established by a certificate of convenience and necessity to be open to service competition for all retail electric customers for any supplier that obtains a certificate from the Arizona Corporation Commission; and (3) repeals the

legislative intent clause of the laws relating to ensuring an orderly transition to a competitive electricity market. However, Arizona Corporation Commissioners are elected to their posts and there are currently five Commissioners with two potential vacancies. The key difference among the candidates seeking election for these vacancies is their position on whether Arizona should consider electric retail competition, or deregulation. Republican candidates support electric competition and a free-market approach; democratic candidates oppose it and assert that states that have deregulated have higher customer costs.

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## *Electricity Prices on the Rise*

Various States – Electric

There are several factors contributing to the current increase in electricity prices: (1) natural gas prices have risen dramatically in the last year as a result of a strong increase in world demand for U.S. natural gas and natural gas is a major fuel source for electric generation; (2) demand for electricity has rebounded in the post-pandemic environment; and (3) supply-chain issues and inflation are raising costs. As a result, many state regulators are issuing notices warning about impending price increases for electricity and some are revisiting the methodology used for utility-provided electric commodity service.

**New York Public Service Commission:** Press Release (May 2022): *Average Summer Residential Electric Prices Expected to be Higher Than Normal* ([pr22044.pdf \(ny.gov\)](#));

**Pennsylvania Public Utility Commission:** Press Release (May 2022) *PUC Alerts Consumers of June 1 Price Changes for Electric Generation; Consumers Urged to Act Now to Compare Prices, Consider Shopping with Competitive Suppliers and Energy Options on PAPowerSwitch.com* ([PUC Alerts](#));

[Consumers of June 1 Price Changes for Electric Generation | PA PUC](#));

**Connecticut Public Utilities Regulatory Authority:** Press Release (May 2022) *Revised Electric Standard Service Generation Rates to Take Effect July 1* ([Revised Electric Standard Service Generation Rates to Take Effect July 1](#));

**Ohio Public Utilities Commission:** (May 2022) *News Bureau: Rising Energy Prices* ([News Bureau: Rising energy prices | Public Utilities Commission of Ohio](#));

**Illinois Power Agency:** (June 2022) *Electricity and Capacity Procurement for Eligible Retail Customers Request for Stakeholder Comments* ([2023 procurement plan stakeholder feedback request final \(6-26-22\).pdf \(illinois.gov\)](#));

**Texas Public Utility Commission:** (July 2022) *Review of Rates Applicable to POLR Service*; and

**New Hampshire Public Utilities Commission:** (June 2022) *DE 22-021 Eversource Energy 2022 Energy Service Solicitation*; ([26-645.pdf \(nh.gov\)](#)).

## *Attorney General Drops Objection to National Grid Sale*

Rhode Island – Electric & Natural Gas

Rhode Island Attorney General, Peter Neronha, has dropped his objection to the \$5.3 billion sale of National Grid's Rhode Island electric and natural gas operations to Pennsylvania based PPL Corporation ([Attorney General Neronha announces agreement securing over \\$200 million in value for RI ratepayers and Act on Climate mandates in PPL-Narragansett Electric sale | Rhode Island Attorney General's Office](#)). Neronha's office approved the sale in

exchange for millions of dollars in benefits to ratepayers, as well as mandated steps PPL must take to advance goals in Rhode Island law tackling climate change, such as reducing greenhouse gas emissions. PPL must contribute \$2.5 million to the Rhode Island Renewable Energy Fund and up to \$2.5 million to retain outside experts in anticipated energy proceedings that will directly impact Rhode Island's climate goals.

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## *Rule Changes for Competitive Suppliers of Electricity*

### Maine – Electric

The Maine Public Utilities Commission issued an order amending Maine Public Utilities Commission *Chapter 305: Licensing Requirements, Annual Reporting, Enforcement and Consumer Protection Provisions for Competitive Provision of Electricity* conforming Chapter 305 to recent Maine legislative changes regarding competitive electricity providers,

door-to-door marketing of retail energy supply, and the registration of third-party sales agents. In addition, the amendments include improvements to customer protection standards regarding the marketing practices of competitive suppliers, to provide consistency and clarity, and to reflect the current electronic filing practices of the Commission.

## *Regional Greenhouse Gas Initiative*

### Pennsylvania – Electric

Pennsylvania has joined the Regional Greenhouse Gas Initiative (RGGI). RGGI is an initiative of 11 New England and Mid-Atlantic states that began in 2009 to reduce greenhouse gas emissions from the power sector while fostering economic growth. Together Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia, cap and reduce their power sector carbon dioxide (CO<sub>2</sub>) emissions. This is achieved by setting a regional cap or limit on CO<sub>2</sub> emissions from electric power plants in the participating states with the cap decreasing

each year to reduce overall carbon emissions. Pennsylvania's participation will increase the size of the program by approximately 40 percent. The Pennsylvania Department of Environmental Protection's Environmental Quality Board published a regulation in April that would implement RGGI and require Pennsylvania power plants to obtain CO<sub>2</sub> allowances for their emissions. The allowances are auctioned off on a quarterly basis. However, a coalition of energy companies and unions filed suit in Commonwealth Court against the regulation.

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