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Commission Exploring Renewable Natural Gas

Maine – Natural Gas

In follow up to legislation, the Maine Public Utilities Commission has commenced an inquiry into renewably sourced natural gas. The Commission is seeking comment on: (1) whether there are any reasonable opportunities for the Commission to explore and consider engaging in the execution of an energy cost reduction contract or physical energy

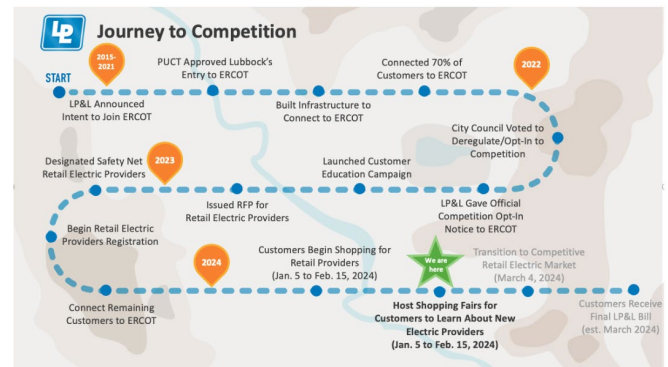
storage contract; and (2) identification of existing and near-term replacement energy sources for natural gas in commercial and industrial uses that are in line with the State’s greenhouse gas reduction policies. Commenters are encouraged to provide information in a manner that allows for the comparison of gas and non-gas replacement energy sources.

Retail Choice Established for Lubbock Power & Light

Texas – Electric

Lubbock Power & Light (LP&L) completed its integration into the power grid managed by the Electric Reliability Council of Texas (ERCOT) and is the first major Texas city to join ERCOT in 25 years. The move of LP&L's 100,000 customers is the largest single transfer of customers in ERCOT's history. LP&L began planning a switch to ERCOT from the grid managed by the Southwest Power Pool in 2015 after a 15-year contract with utility company Xcel Energy expired. The Lubbock City Council approved more than two dozen retail electric providers authorized to operate in the city with a retail competition shopping window that opened in early January 2024 and will

remain open through February 15, 2024, in order to provide customers time to shop for and choose an electricity provider.



Moratorium on Natural Gas Installations Ended

New York – Natural Gas

Consolidated Edison Company of New York, Inc. filed a letter with the New York Public Service Commission announcing that Consolidated Edison will lift a moratorium effective December 1, 2023, on new natural gas installations in Westchester County allowing home and business owners to evaluate the

full array of options for heating their properties. The temporary moratorium, which commenced on March 15, 2019, in most of the Westchester County service territory was to **“address a supply-demand imbalance and support reliability of service to customers in the affected area.”**

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FERC & NERC Joint Statement on Reliability

New England – Electric & Natural Gas

Federal Energy Regulatory Commission (FERC) Chairman Willie Phillips and North American Electric Reliability Corporation (NERC) CEO James Robb issued a joint statement ([Joint Statement of FERC, NERC on Reliability | Federal Energy Regulatory Commission](#)) on the potential loss of the Everett Marine Terminal (Everett) in New England and the consequences that might have for the reliability and affordability of the region’s energy supplies. In September 2023, FERC and NERC staff presented preliminary findings and recommendations regarding the Winter Storm Elliott. During the storm, both electric and natural gas systems throughout much of the eastern half of the United States were subjected to significant stress, resulting in significant unplanned generating unit losses, with 90,000 megawatts out simultaneously.

With respect to the natural gas system, the evidence raised what we view as serious concerns about certain local gas distribution systems’ ability to ensure reliability and affordability in the region without Everett. And, although there was evidence that the retirement of Everett would be “manageable” for the electric system, at least in the

near-term, given anticipated new resource deployments and transmission development, minimal load growth, limited resource retirements, and increased reliance on non-natural gas generators, the evidence indicates that, should those expectations not materialize as anticipated, ensuring reliability and affordability could become challenging in the face of a significant winter event.

As discussions regarding the future of Everett continue, we encourage all parties to keep reliability and affordability at the center of those negotiations. With respect to electric reliability, we encourage ISO-New England and its stakeholders to pursue reforms aimed at ensuring that the electric system remains reliable by incentivizing resources to obtain the energy supplies, e.g., fuel, necessary to perform during extreme weather conditions. To the extent that Everett or other infrastructure plays a role in supporting electric reliability by making needed energy supplies available, in the near-term or the future, such reforms should consider how to ensure that any needed reliability contributions are appropriately valued.

Exploring Electric Retail Choice and Competition

Oklahoma – Electric

Legislation has been introduced (Oklahoma Senate Bill 1332) in the 2nd Session of the 59th Legislature (2024) ([SB1332 INT.PDF \(state.ok.us\)](#)) that, if ultimately enacted, will provide for electric retail choice in Oklahoma. This is referred to as the *Oklahoma Electric Choice and Competition Act* and would provide for certain customers to make electric supplier determination, provide for a competitive market for the generation of electricity, direct rule

promulgation, require access to certain transmission and distribution systems subject to certain regulation, prohibit modifications to services or obligations of certain utilities, require access to certain utility systems and information for certain retail electric suppliers, provide for customer selection of billing method, and provide for divestment of generation assets by utilities.

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Liquefied Natural Gas Export Capacity to Expand

North America – Natural Gas

The United States Energy Information Administration (EIA) anticipates that North America’s liquefied natural gas (LNG) export capacity will expand ([LNG export capacity from North America is likely to more than double through 2027 - U.S. Energy Information Administration \(EIA\)](#)) to 24.3 billion cubic feet per day (Bcf/d) from 11.4 Bcf/d currently as Mexico and Canada place their first LNG export terminals into service and the United States adds to its existing LNG capacity. By the end of 2027, the EIA estimates LNG

export capacity will grow by 1.1 Bcf/d in Mexico, 2.1 Bcf/d in Canada, and 9.7 Bcf/d in the U.S. from a total of 10 new projects across the three countries. In the U.S., five LNG export facilities are under construction with a combined 9.7 Bcf/d of LNG export capacity: Golden Pass; Plaquemines; Corpus Christi Stage III; Rio Grande; and Port Arthur. Developers expect LNG exports from Golden Pass and Plaquemines to commence in 2024.

North America liquefied natural gas export facilities, existing and under construction (2016–2027)



Wind Projects Impacted by Supply Chain

New Jersey – Electric

Ørsted cancelled the development of two major offshore wind projects off the coast of New Jersey – Ocean Wind 1 (1,100 megawatts) and Ocean Wind 2 (1,148 megawatts). Ørsted cited rising interest rates and supply chain congestion as the main causes for

their decision to cancel the projects ([Ørsted ceases development of its US offshore wind projects Ocean Wind 1 and 2, takes final investment decision on Revolution Wind, and recognises DKK 28.4 billion impairments \(orsted.com\)](#)).

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Natural Gas Main Replacement

New Jersey – Natural Gas

The New Jersey Board of Public Utilities approved a settlement agreement allowing Public Service Gas & Electric to replace hundreds of miles of aging natural gas mains at a cost of over \$900 million; however, the

settlement agreement removed the proposal to move forward with pilot hydrogen and renewable natural-gas projects at a cost of more than \$150 million.

Twin States Clean Energy Link

New Hampshire – Electric

National Grid won competitive federal support to build a new transmission line across New Hampshire and Vermont. The Twin States Clean Energy Link ([Twin States Clean Energy Link | For a Greener New England Grid](#)) is one of three large power lines chosen by the Biden administration to share in \$1.3 billion in financing support from the Department of Energy. Twin States as proposed is a 1.2-gigawatt high-voltage direct current line that would enable New

England to import significantly more Canadian hydropower. In addition, the bi-directional line would also let New England export energy to Canada, a scenario expected upon the ramp-up of offshore wind in the Northeast. Construction on Twin States is expected to start in the second half of 2026 and the line would start at Canaan, Vermont, at the Canadian border and terminate at a substation in Londonderry, New Hampshire.

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