

Sprague Regulatory Matters is provided as a courtesy to our customers. Please note that the information contained in Sprague Regulatory Matters is for informational purposes only and should not be construed as legal or business advice on any subject matter. You should not act or refrain from acting on the basis of any information included in this without seeking legal or professional advice.

Renewable Natural Gas

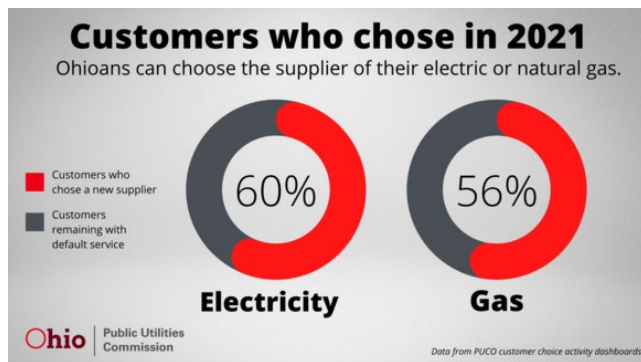
New Jersey – Natural Gas

Legislation has been introduced in the New Jersey State Senate, Bill No. 1366 ([1366 I1.PDF \(state.nj.us\)](#)), that if ultimately enacted into law, would establish a program for renewable natural gas in the state of New Jersey. The bill directs the New Jersey Board of Public Utilities to establish a program to encourage the procurement of renewable natural gas and investment in renewable natural gas infrastructure by a gas public utility. The bill would establish portfolio targets for the distribution of renewable natural gas to a utility's retail natural gas customers, for energy years 2022 through 2050. The portfolio target begins as a target of up to five percent in each

of the energy years 2022 through 2024 and increases up to 30 percent in each of the energy years 2045 through 2050. The proposed legislation requires the Board of Public Utilities to adopt a ratemaking mechanism that ensures the recovery of all prudently incurred costs that contribute to a utility's meeting the program's renewable natural gas portfolio targets as set forth in the bill. The proposed legislation requires that when a utility procures renewable natural gas from a third party, the utility is to purchase the renewable natural gas supply at prices and on terms consistent with market conditions in the market for renewable natural gas.

Robust Competitive Choice Activity

Ohio – Electric & Natural Gas



The Ohio Public Utilities Commission hosts interactive dashboards that provide historical and current customer choice information ([Ohio customer choice activity | Public Utilities Commission of Ohio](#)). Electric choice activity data is available by year and by utility; and natural gas choice activity is available by year, utility and customer class. This shows very robust competitive supplier activity in Ohio.

Weymouth Compressor Station Authorization Upheld

Federal Energy Regulatory Commission – Natural Gas

The Federal Energy Regulatory Commission issued an order on briefing and addressing arguments raised on rehearing and sustained the authorization order previously issued placing the Weymouth Compressor

Station, located in Weymouth, Massachusetts, and other facilities associated with the Atlantic Bridge Project into service in Algonquin Gas Transmission, LLC, Docket No. CP16-9-000.

Sprague Regulatory Matters

Annual Report on Electric Competition

Michigan – Electric

The Michigan Public Service Commission issued its annual report on electric competition. Michigan legislation restricts that no more than 10 percent of an electric utility's average sales for the preceding calendar year may take service from an alternative electric supplier. While participation by residential customers continues to be non-existent, some highlights include the following: (1) There were approximately 6,000 customers participating in the electric choice programs, up about 4 percent from the prior year, and this represents approximately 2,175 megawatts of electric demand, which is a slight

increase from 2020. (2) As of December 2021, an additional 6,000 customers remain in a queue to take service from an alternative supplier. (3) The electric choice participation remained around 10 percent for each utility. (4) Every Michigan licensed supplier is now subject to capacity demonstration and state reliability mechanism provisions requiring that they have enough resources to serve customers four years forward and if they do not, they are subject to a Commission-approved capacity charge. (5) There are 22 licensed alternative suppliers with eight actively serving customers in the state.

Performance-Based Incentive for Greenhouse Gas Emissions Reduction

Rhode Island – Electric & Natural Gas

Legislation has been introduced ([H8027 \(rilegislature.gov\)](#)) that would require the Rhode Island Public Utilities Commission to establish a performance-based incentive plan that allows coordinated efforts between each electric distribution company and gas company based on the level of its success in reducing greenhouse gas emissions. If enacted, it would require the Commission to conduct a contested case proceeding

to establish a performance-based incentive plan that allows for additional compensation for coordinated efforts between each electric distribution company and each company providing gas to end users and/or retail customers based on the level of success in reducing emissions through weatherization, demand response, strategic targeted electrification of gas and delivered fuels customers, and other strategies as appropriate.

Municipal Aggregation

New Hampshire – Electric

The New Hampshire Public Utilities Commission has commenced a proceeding in order to address the implementation of community power aggregation as a result of recent legislation. A key issue in reviewing

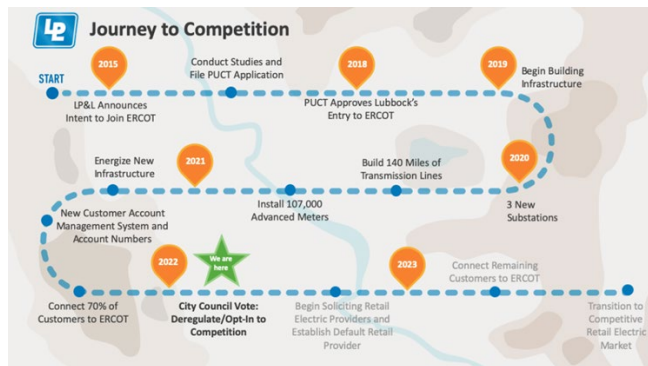
the proposed rules is the implementation of opt-out municipal aggregation. Final Commission action is pending.

Sprague Regulatory Matters

Municipality Transitioning to Electric Retail Choice

Texas – Electric

Lubbock Power and Light (LP&L) voted in favor of fully transitioning to electric retail choice in Texas and hopes to do so in late 2023. This implementation date reflects the fact that part of LP&L's electric system remains in the Southwest Power Pool and LP&L hopes to migrate the remaining 30 percent of



the system, approximately 24,000 customers, to the Electric Reliability Council of Texas in the summer of 2023. The graphic shows the process to date, and LP&L's adoption of electric retail choice marks the first time a municipally-owned utility voluntarily adopted a competitive retail market since Texas Senate Bill 7 first became law in 1999. The Texas Public Utility Commission commenced a proceeding and is seeking comment regarding the potential transfer of 190 megawatts of load from the City of Lubbock through LP&L into the Electric Reliability Council of Texas and what types of studies (coordinated impact study, load integration study, or load transfer study) the Commission should require. This is a necessary requirement given the vote in favor of full electric retail choice.

Pipeline Certification and Interim Greenhouse Gas Emissions Policies

Federal Energy Regulatory Commission – Natural Gas

The Federal Energy Regulatory Commission (FERC) is seeking comment ([FERC Seeks Comment on Draft Policy Statements on Pipeline Certification, GHG Emissions | Federal Energy Regulatory Commission](#)) on what it is now referring to as draft policy statements on pipeline certification, *Updated Certificate Policy Statement (PL18-1)*, and greenhouse gas emissions, *Interim GHG Policy Statement (PL21-3)*. Given pushback from industry groups and lawmakers in both parties, the FERC has scaled back

plans to consider how natural gas projects affect climate change and environmental justice. The FERC said a plan to consider climate effects will now be considered a draft and will only apply to future projects. The FERC issued an order identifying the previously issued policy statements ([FERC Updates Policies to Guide Natural Gas Project Certifications | Federal Energy Regulatory Commission](#)) as “draft” and is requesting comments and reply comments.

Annual Report on the State of Electric Competition

Connecticut – Electric

The Connecticut Public Utilities Regulatory Authority submitted to the Legislature its Annual Report on the

State of Electric Competition ([Long Decision template with disclaimer \(state.ct.us\)](#)). The report includes

Sprague Regulatory Matters

various details and statistics on customer complaints, residential and business standard offer service rates and the number of suppliers and aggregators operating within the state. In 2021, Connecticut had

37 suppliers and aggregators serving approximately 265,000 customers (16 percent of all electric distribution company customers) and accounted for roughly 45 percent of all electricity sales.

Attorney General Drops Objection to National Grid Sale

Rhode Island – Electric & Natural Gas

Massachusetts Attorney General, Maura Healey, has dropped her objection to the \$5.3 billion sale of National Grid’s Rhode Island electric and natural gas operations to Pennsylvania based PPL Corporation ([AG Healey Reaches Settlement With National Grid Over Sale of Rhode Island Utility, Saving Massachusetts Customers Millions | Mass.gov](#)). The Massachusetts Supreme Judicial Court accepted a settlement agreement between National Grid and the

Massachusetts Attorney General, who had opposed the sale asserting that it would raise the costs to electric ratepayers in Massachusetts. The decision in Massachusetts eliminates one of the last two hurdles for the sale with the only remaining obstacle being a Superior Court case brought by Rhode Island Attorney General, Peter Neronha, whose office appealed the approval of the transaction by the Rhode Island Division of Public Utilities and Carriers.

Disclaimer of Liability

Every effort is made to provide accurate and complete information in Sprague’s Regulatory Matters. However, Sprague cannot guarantee that there will be no errors. Sprague makes no claims, promises or guarantees about the accuracy, completeness, or adequacy of the contents and expressly disclaims liability for errors and omissions in the contents of this update.

Neither Sprague, nor its employees make any warranty, expressed or implied or statutory, including but not limited to the warranties of noninfringement of third-party rights, title, and the warranties of merchantability and fitness for a particular purpose with respect to content available from Regulatory Matters. Neither does Sprague assume any legal liability for any direct, indirect or any other loss or damage of any kind for the accuracy, completeness, or usefulness of any information, product, or process disclosed herein, and does not represent that use of such information, product, or process would not infringe on privately owned rights.

The materials presented in Regulatory Matters may not reflect the most current regulatory or legal developments, verdicts or settlements, etc. The content may be changed, improved, or revised without notice.

Copyright Statement

All content within the Sprague Regulatory Matters is the property of Sprague unless otherwise stated. All rights reserved. No part of Regulatory Matters may be reproduced, transmitted or copied in any form or by any means without the prior written consent of Sprague.