

**STATUS OF KEY FERC POLICY PROCEEDINGS
(Updated 1/20/23)**

Initiative	Docket No.	Description	Key Developments	Status/Upcoming Deadlines
Electricity – Transmission				
Transmission Planning, Cost Allocation and Generator Interconnection	RM21-17	The Commission is proposing reforms to improve transmission planning and cost allocation and generator interconnection processes to, among other things, facilitate access to the transmission grid by new renewable resources and clean energy technologies.	<p>July 15, 2021 – Advance Notice of Proposed Rulemaking issued.</p> <p>Oct. – Nov. 2021 – Comments on the ANOPR filed.</p> <p>Apr. 21, 2022 – Notice of Proposed Rulemaking would require transmission providers to conduct long-term regional planning considering a range of scenarios and benefits over at least a 20-year period, with such long-run plans to be updated every 3 years. The NOPR would partially reverse an Order No. 1000 policy by permitting federal rights of first refusal entitling incumbents to develop transmission facilities selected in a regional transmission plan for purposes of cost allocation if the project is to be jointly owned. . The NOPR would also direct transmission providers to seek the agreement of relevant state entities within the transmission planning region regarding the cost allocation for transmission facilities selected as part of a long-term regional transmission plan.</p> <p>Aug. - Sept. 2022 – Initial and reply comments filed.</p>	
Generator Interconnection Procedures and Agreements	RM22-14	The Commission is proposing reforms to its generator interconnection rules to expedite the process for connecting new electric generation facilities to the transmission grid. The proposed rule would implement a first-ready, first-served cluster study process for generating facilities seeking to connect to the transmission grid. The Commission also proposes to impose firm deadlines and establish penalties if transmission providers fail to complete interconnection studies on time.	<p>June 16, 2022 – Notice of Proposed Rulemaking issued.</p> <p>Oct. 2022 – Initial comments filed.</p>	Reply comments are due Dec. 14, 2022.
Backstop Siting of Electric Transmission Facilities	RM22-7	The Commission is proposing to update its regulations on backstop siting of electric transmission facilities under section 216 of the Federal Power Act. Proposed changes include reframing the process by which applicants may request that FERC exercise siting authority over a transmission facility in lieu of siting review under state law; expanding the evaluation of project effects on environmental justice communities and Tribal resources; and altering the requirements for the applicant's analysis of visual, air quality, and noise impacts. The proposal also includes a series of measures focused on landowner engagement and protections surrounding acquisitions of rights-of-way.	December 15, 2022 – Notice of Proposed Rulemaking issued.	Comments are due April 17, 2023.

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FERC/State Transmission Initiatives	AD21-15	The Commission and NARUC announced the formation of a joint federal-state task force on electric transmission. Members of the 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.	<p>June 17, 2021 - Order establishing task force and soliciting nominations for state commission representation on the task force.</p> <p>July 19, 2021 – NARUC nominated ten state commissioners to serve as members on the joint federal-state task force.</p> <p>Aug. 30, 2021 – Order listing the state members of the task force, and announcing the date for the first public meeting of the task force.</p> <p>Nov. 10, 2021 – First task force meeting held.</p> <p>Feb. 16, 2022 – Second task force meeting held.</p> <p>May 6, 2022 – Third task force meeting held.</p> <p>July 20, 2022 – Fourth task force meeting held.</p> <p>Nov. 15, 2022 – Fifth task force meeting held.</p>	The next task force meeting will be held on Feb. 15, 2023 in Washington, DC.
	PL21-2	The Commission issued a policy statement to clarify that states and transmission providers may enter into voluntary agreements to plan and pay for transmission facilities.	June 17, 2021 – Policy statement on state voluntary agreements.	
Transmission Planning and Cost Management	AD22-8	The Commission convened a technical conference to explore transmission planning and cost management for transmission facilities developed through local or regional transmission planning processes. The Commission is examining measures to ensure sufficient transparency into and cost effectiveness of local and regional transmission planning decisions.	Oct. 6, 2022 – Technical conference held.	Post-technical conference comments are due Mar. 23, 2023.

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Return on Equity for Transmission Assets – MISO	EL14-12 EL15-45	<p>The Commission issued Opinion No. 569, setting forth a new methodology for: (i) determining whether an existing ROE has become unjust and unreasonable under section 206 of the Federal Power Act; and (ii) establishing a just and reasonable ROE for public utilities. The Commission determined that it would rely on the discounted cash flow (DCF) model and the Capital Assets Pricing Model (CAPM), but not other cost of equity models.</p> <p>The Commission issued Opinion No. 569-A, which revises the ROE methodology established in Opinion No. 569. The Commission will use the risk premium model, in addition to the DCF model and CAPM, to analyze existing ROE and to establish a new just and reasonable ROE for public utilities.</p>	<p>Nov. 21, 2019 – The Commission issued Opinion No. 569, adopting a new ROE methodology and finding that the MISO transmission owners' base ROE of 12.38% to be unjust and unreasonable, and ordering the establishment of a base ROE of 9.88%.</p> <p>May 21, 2020 – The Commission issued Opinion No. 569-A, revising the ROE methodology established in Opinion No. 569 and finding that the MISO transmission owners' base ROE should be set at 10.02%.</p> <p>June - July 2020 – Petitions for review filed in the D.C. Circuit.</p> <p>Nov. 19, 2020 – Opinion No. 569-B sustains the result reached in Opinion No. 569-A, but also corrects certain inputs to the risk premium model.</p> <p>Aug. 9, 2022 – The D.C. Circuit Court of Appeals issued an opinion, finding that the Commission failed to provide an adequate explanation of its decision to use the risk premium model as one of the three models to determine a just and reasonable ROE. The court vacated and remanded the case to FERC. <i>MISO Transmission Owners v. FERC</i>, No. 16-1325 (D.C. Cir. Aug. 9, 2022).</p>	Awaiting Commission action on remand from the D.C. Circuit.
Transmission Rate Incentives	RM20-10	<p>The Commission issued a proposal in 2020 under Chairman Chatterjee to revamp its transmission incentive rate policies, which would focus on project benefits instead of the risks and challenges faced by transmission project developers. New or revised incentives proposed by FERC include: (1) a return on equity (ROE) adder of up to 100 basis points for transmission projects that have a high economic benefit-to-cost ratio; (2) an ROE adder of up to 50 basis points for transmission projects that have significant and demonstrable reliability benefits; (3) an ROE adder of 100 basis points for the costs of transmission technologies that enhance reliability, efficiency, capacity, and operation of new or existing transmission facilities; (4) an increase in the ROE adder for RTO participation from 50 basis points to 100 basis points; and (5) establishment of a 250 basis point cap on total ROE incentives, in lieu of the current policy limiting total ROE based on the zone of reasonableness established in the base ROE analysis.</p> <p>In 2021, under Chairman Glick, the Commission issued a Supplemental Notice of Proposed Rulemaking proposing to modify the existing 50-basis-point ROE incentive for RTO participation by limiting this incentive to the first three years after a transmitting utility transfers operational control of transmission facilities to an RTO.</p>	<p>Mar. 20, 2020 – Notice of Proposed Rulemaking issued.</p> <p>July - Aug. 2020 – Comments filed.</p> <p>Apr. 15, 2021 – Supplemental Notice of Proposed Rulemaking proposes to modify the existing 50-basis-point ROE incentive for participating in a regional transmission organization by limiting this incentive to the first three years after a transmitting utility transfers operational control of transmission facilities to an RTO.</p> <p>June - July 2021 – Initial and reply comments filed in response to the Supplemental NOPR.</p> <p>Sept. 10, 2021 - FERC held a workshop to discuss certain performance-based ratemaking approaches, particularly shared savings that may foster deployment of transmission technologies.</p> <p>Jan. 2022 – Post-workshop comments filed.</p>	

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Transmission Line Ratings	RM20-16	The Commission adopted new requirements to improve the accuracy and transparency of transmission line ratings, including: (1) broader adoption of ambient adjusted ratings; (2) implement procedures to allow transmission owners to electronically update transmission line ratings at least hourly; and (3) require transmission owners to share transmission line ratings and methodologies with their respective transmission providers.	Nov. 19, 2020 – Notice of Proposed Rulemaking issued. Mar. - Apr. 2021 – Initial and reply comments filed. Dec. 16, 2021 – Final Rule (Order No. 881) issued. May 19, 2022 – Order No. 881-A denies rehearing and grants requests for clarification in part. June - July 2022 – Order No. 881 compliance filings submitted by transmission owners.	
	AD22-5	The Commission initiated an inquiry to examine whether the use of dynamic line ratings (DLRs), which are based on a wide range of weather and line-specific factors affecting the operation of electric transmission lines, would improve the accuracy and transparency of transmission line ratings.	Feb. 17, 2022 – Notice of Inquiry issued regarding the potential use of DLRs. Apr. - May 2022 – Comments filed.	
Interregional Transfer Capability	AD23-3	Commission staff will convene a workshop to discuss whether and how the Commission could establish a minimum requirement for interregional transfer capability for public utility transmission providers.	Oct. 6, 2022 – Notice announcing staff-led workshop on Dec. 5 and 6, 2022. Dec. 5 - 6, 2022 – Staff-led workshop held at FERC headquarters.	
Selected Reliability and Cybersecurity Actions				
Climate Change, Extreme Weather, and Electric System Reliability	RM22 -16	The Commission initiated a proceeding to examine threats to electric system reliability posed by climate change and extreme weather events. The Commission proposes to direct transmission providers to submit one-time informational reports describing their current or planned policies and processes for conducting extreme weather vulnerability assessments and mitigating identified extreme weather risks.	Mar. 5, 2021 – Notice announcing initiation of proceeding and scheduling a technical conference on June 1-2, 2021. June 1-2, 2021 – Technical conference held.	
	AD21-13		June 16, 2022 – Notice of Proposed Rulemaking issued. Aug. 2022 – Comments filed.	
	RM22-10	The Commission is proposing to direct the North American Electric Reliability Corporation to modify its existing reliability standards to address reliability concerns pertaining to transmission system planning for extreme heat and cold weather events that impact the reliable operations of the bulk power system.	June 16, 2022 – Notice of Proposed Rulemaking issued. Aug. 2022 – Comments filed.	

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Incentives for Advanced Cybersecurity Investments by Utilities	RM22-19	Pursuant to direction in the Infrastructure Investment and Jobs Act, the Commission is proposing to revise its regulations to provide incentive-based rate treatments for voluntary investments by utilities in advanced cybersecurity technology and participation by utilities in cybersecurity threat information sharing programs. The incentives would take two forms: (1) a return on equity adder of 200 basis points, or (2) deferred cost recovery that would enable the utility to defer expenses and include the unamortized portion in its rate base. The Commission terminated its prior cybersecurity incentives rulemaking (RM21-3).	Sept. 22, 2022 – Notice of Proposed Rulemaking issued. Nov. 2022 – Initial and reply comments filed.	
Reliability Standards for Inverter-Based Resources	RM22-12 RD22-4	The Commission is proposing to require the North American Electric Reliability Corporation (NERC) to develop standards to address reliability risks associated with inverter-based resources (IBRs) such as solar, wind, fuel cell, and battery storage projects.	Nov. 17, 2022 – Notice of Proposed Rulemaking would require NERC to develop reliability standards for inverter-based resources that cover data sharing, model validation, planning and operational studies, and performance requirements (RM22-12). Nov. 17, 2022 – Order directing NERC to develop a plan to register entities that own and operate inverter-based resources (RD22-4).	Comments on the NOPR are due Feb. 6, 2023, and reply comments are due Mar. 6, 2023. NERC must submit a work plan by Feb. 15, 2023, describing how it plans to identify and register owners and operators of IBRs that are not currently required to register with NERC but have a material impact on the transmission grid.
Supply Chain Risk Management	AD22-12	The Commission and the Department of Energy held a joint technical conference to examine supply chain security challenges related to the bulk power system, ongoing supply chain-related activities, and potential measures to secure the supply chain for the grid's hardware, software, computer, and networking equipment.	Oct. 11, 2022 – Notice announcing technical conference. Dec. 7, 2022 – Technical conference held.	Post-technical conference comments are due Feb. 17, 2023.
Physical Security Reliability Standards	RD23-2	The Commission directed NERC to study the effectiveness of the existing reliability standards for physical security of the bulk power system and determine whether the standard needs to be improved.	December 15, 2022 – Order directing NERC report.	NERC must submit a report to FERC by April 14, 2023.

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PURPA Regulations	RM19-15	The Commission revised its regulations governing small power producers and cogenerators under the Public Utility Regulatory Policies Act of 1978 (PURPA). The Final Rule (Order No. 872) grants state regulatory authorities more flexibility in setting the avoided cost rates utilities must pay to qualifying facilities (QFs). The Commission also revised the mandatory purchase obligation from small power production QFs under 20 MW, the “one-mile rule” used to determine whether small power production QFs meet the 80 MW size limit and other thresholds, and the process for challenging a QF self-certification.	Sept. 19, 2019 – Notice of Proposed Rulemaking issued. July 16, 2020 – Final Rule issued. Nov. 19, 2020 – Order No. 872-A affirms the Final Rule and provides clarifications. Mar. 8, 2022 – Oral argument held in <i>Solar Energy Industries Ass’n v. FERC</i> , No. 20-72788 (9th Cir. filed Sept. 18, 2020).	Petitions for review are pending in the Ninth Circuit. <i>Solar Energy Industries Ass’n v. FERC</i> , No. 20-72788 (9th Cir. filed Sept. 18, 2020).
Carbon Pricing in RTO/ISO Markets	AD20-14	The Commission issued a policy statement to clarify how it will approach filings under section 205 of the Federal Power Act that seek to incorporate a state-determined carbon price in organized wholesale electricity markets.	Sept. 30, 2020 – Technical conference held. Oct. 15, 2020 – Proposed policy statement issued. Nov. – Dec. 2020 – Comments filed. Apr. 15, 2021 – Policy statement issued.	
Washington GHG Costs in Western Energy Imbalance Market	ER23-474	The California Independent System Operator is proposing to change the rules for the Western Energy Imbalance Market to allow Washington-based electric generators to reflect the costs of complying with the state’s greenhouse gas cap-and-invest program.	Nov. 21, 2022 – CAISO filed its proposal to implement changes to reflect the costs of compliance with Washington GHG rules. Dec. 2022 – Comments filed.	
Western Resource Adequacy Program	ER22-2762	Northwest Power Pool d/b/a Western Power Pool is seeking Commission approval of its proposal to establish the Western Resource Adequacy Program (WRAP), a planning and compliance framework that seeks to maximize regional diversity in resources and load to enhance reliability for all customers across the WRAP footprint. The current WRAP footprint spans from the Pacific Northwest to the Desert Southwest and eastward across the Rocky Mountains.	Aug. 31, 2022 – Western Power Pool filing seeking Commission approval of proposed Western Resource Adequacy Program. Sept. - Nov. 2022 – Comments filed. Nov. 21, 2022 – Commission staff deficiency letter to Western Power Pool requesting additional information. Dec. 12, 2022 – Western Power Pool response to Commission staff deficiency letter. Dec. 2022 - Jan. 2023 – Comments on WPP’s deficiency response filed.	

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Resource Adequacy and Modernizing Electricity Market Design	AD21-10 AD21-14	The Commission is holding a series of technical conferences to examine resource adequacy issues, state policies and energy and ancillary services markets in the evolving electricity sector.	<p>Mar. 23, 2021 – Technical conference on reconciling state resource adequacy resource decisions with the operation of FERC-jurisdictional capacity markets operated by PJM Interconnection and other Northeast RTOs (AD21-10).</p> <p>May 25, 2021 – Technical conference on resource adequacy issues in ISO New England.</p> <p>June 23-24, 2021 – Technical conference on resource adequacy issues in the Western Interconnection (AD21-14).</p> <p>Sept. 7, 2021 – Commission staff issued a white paper on recent energy and ancillary services markets reforms as well as reforms currently under consideration.</p> <p>Sept. - Oct. 2021 – Staff led two technical conferences regarding energy and ancillary services markets administered by RTOs and ISOs. Issues discussed included potential energy and ancillary services market reforms, such as market reforms to increase operational flexibility, that may be needed as the resource fleet and load profiles change over time.</p> <p>Feb. - Mar. 2022 – Post-technical conference comments filed.</p> <p>Apr. 21, 2022 – The Commission issued an order directing the operators of RTOs/ISOs to provide information regarding their changing system needs and plans for potential reforms.</p> <p>Oct. 18, 2022 – RTO/ISO reports submitted.</p> <p>Jan. 2023 – Comments on RTO/ISO reports filed.</p>	
Electrification and the Grid of the Future	AD21-12	The Commission has initiated a proceeding to discuss the shift from non-electric to electric sources of energy at the point of final consumption, such as fueling vehicles, heating and cooling homes and businesses, and providing process heat at industrial facilities. Specifically, the conference will address: projections, drivers, and risks of electrification; the extent to which electrification may influence or necessitate additional transmission and generation infrastructure; whether and how newly electrified sources of energy demand could provide grid services and enhance reliability; and the role of state and federal coordination as electrification advances.	<p>Mar. 2, 2021 – Notice initiating docket and scheduling a technical conference.</p> <p>Apr. 29, 2021 – Technical conference held.</p> <p>June - July 2021 – Post-technical conference comments filed.</p>	

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Reactive Power Capability Compensation	RM22-2	FERC initiated an inquiry seeking comment on various issues that have arisen regarding reactive power capability compensation and market design. The Commission also sought comment on alternative methodologies for reactive power capability compensation that are not based on the costs of the particular resource(s) at issue in a given proceeding.	Nov. 18, 2021 – Notice of Inquiry issued. Feb. - Mar. 2022 – Comments filed.	
Credit Risk Management	RM22-13	The Commission is proposing to amend its regulations to permit RTOs and ISOs to share among themselves credit-related information regarding their market participants. These proposed changes would allow RTOs/ISOs to share a range of credit-related information, including lists of market participants with positions in that market, or information that a market participant failed to meet a collateral call or has unresolved credit or collateral issues.	July 28, 2022 – Notice of Proposed Rulemaking issued. July 28, 2022 – The Commission issued an order to show cause finding that the existing open access transmission tariffs of the California Independent System Operator, ISO New England, New York Independent System Operator, and Southwest Power Pool appear to be unjust and unreasonable because they lack certain credit risk management practices (EL22-62, et al.). Oct. 26, 2022 – Responses to show cause order filed. Oct. - Nov. 2022 – Initial and reply comments on the NOPR filed.	
Accounting and Reporting Treatment of Renewable Energy Assets	RM21-11	The Commission is proposing to modify its Uniform System of Accounts by creating new accounts for wind, solar and other non-hydro renewable assets, establishing a new functional class for energy storage accounts, codifying the accounting treatment for renewable energy credits and creating new accounts for computer hardware, software and communication equipment.	Jan. 19, 2021 – Notice of Inquiry issued. July 28, 2022 – Notice of Proposed Rulemaking issued. Nov. 2022 – Comments filed.	

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Natural Gas Infrastructure				
Certificate Policy Statements	PL18-1 PL21-3	The Commission is considering updates to its 1999 policy statement on the certification of new natural gas transportation facilities. Under the proposed policy, the Commission would increase its scrutiny of precedent agreements with affiliates to determine project need and would give greater weight to environmental justice issues and potential environmental impacts, including greenhouse gas (GHG) emissions. The Commission also issued an interim policy statement on consideration of GHG emissions in natural gas infrastructure project reviews. The GHG policy statement would establish a significance threshold of 100,000 metric tons per year (tpy) of CO ₂ equivalent for determining whether the Commission will prepare an environmental impact statement or a simpler environmental assessment. FERC also proposes a framework to assess whether GHGs attributable to a proposed project have an impact on climate change.	Feb. 18, 2022 – Updated Certificate Policy Statement (PL18-1) and Interim GHG Policy Statement (PL21-3) issued. Both policy statements were effective immediately and the Commission's intent was to apply them to both pending and new projects. Mar. 24, 2022 – The Commission reclassified both policy statements as draft policy statements and established a comment period. Apr. - Sept. 2022 – Comments filed.	
Other Issues				
Recovery and Reporting of Industry Dues and Expenses	RM22-5	FERC initiated a Notice of Inquiry to examine the rate recovery, reporting and accounting treatment of industry association dues and certain civic, political and related expenses, as well as whether additional transparency is needed with respect to defining donations for charitable, social or community welfare purposes. The Commission also is requesting comments on whether any changes are necessary to ensure those expenditures are properly accounted for and recovered in rates.	Dec. 16, 2021 – Notice of Inquiry issued. Feb. - Mar. 2022 – Comments filed.	
Duty of Candor	RM22-20	The Commission is proposing a new duty of candor requirement for entities that communicate with FERC or organizations upon which the Commission relies to carry out its statutory obligations in the Commission-jurisdictional electric, natural gas, and oil industries and markets. The proposed rule broadens the application of the requirement of accurate and truthful communications by providing that all entities communicating with the Commission or other specified organizations related to a matter subject to the jurisdiction of the Commission submit accurate and factual information and not submit false or misleading information or omit material information.	July 28, 2022 – Notice of Proposed Rulemaking issued. Nov. - Dec. 2022 – Comments filed.	