

Northeast Public Power Association Legislative Update



November 2020

Key Battlegrounds to Decide Control of White House, Senate

Election night did not produce a clear winner in the Presidential race or for control of the Senate, although by the following afternoon former Vice President Joe Biden appeared to be on a path to take the White House while narrow victories in Senate races like Sen. Susan Collins' (R-ME) appeared to put a Democratic sweep out of reach. Votes are still being counted in crucial battleground states of Michigan and Pennsylvania, and the President has already indicated his campaign will request a recount in Wisconsin.

In this edition:

- **Election 2020:** Key battlegrounds to decide control of White House, Senate, Barrett Confirmed to Supreme Court...
- **FERC:** Commission Rejects Energy Security Improvements filing, Signals openness to carbon pricing and muddles PJM capacity auction...
- **Pandemic:** COVID-19 aid elusive...
- **Energy:** Tonko Floats CAA Amendments...

Barrett Confirmed to Supreme Court

On Oct. 26, Amy Coney Barrett was confirmed by the Senate to join the Supreme Court by a vote of 52-48, with Sen. Susan Collins (R-ME) joining all Democrats in opposition. Barrett was sworn in the same night, cementing a 6-3 conservative ideological tilt on the bench.

Commission Rejects Energy Security Improvements Filing

The Federal Energy Regulatory Commission (FERC) rejected the ISO-NE proposal known as "Energy Security Improvements," which would have created new pathways for generators to receive revenue for procuring fuel in advance. FERC found the proposal unjust and unreasonable because it would not provide sufficient time to procure the resources and it would be optional, costing consumers potentially hundreds of millions of dollars per year with no guarantee of benefits. Several NEPPA members submitted comments calling for rejection of the proposal. FERC did lay out potential pathways for ISO-NE to revise its proposal, including a market-based reserve product or day-ahead reserve product.

FERC Signals Openness to Carbon Pricing, Muddles PJM Capacity Auction

At its monthly meeting Oct. 15, FERC signaled openness to approve tariffs that include a price on carbon in RTO markets as a way to accommodate state emissions-reduction policies. The agency's policy statement would not directly implement carbon pricing, but opens the door for regional RTOs to propose policies that do. Separately, FERC adopted part of the capacity market filing for PJM Interconnection implementing a minimum offer price rule, but remanding other parts that will likely delay the region's capacity market auction until at least June 2021. Commissioner Rich Glick also raised alarm bells about a footnote in the decision that



could suggest FERC is prepared to subject state-level auctions to a price floor, something that would further hamper states from enacting policies that benefit certain resources they may want to favor for policy reasons, such as being emissions-free.

COVID-19 Aid Elusive

House Speaker Nancy Pelosi (D-CA) set a deadline of Oct. 20 for reaching a COVID-19 relief deal with the White House, but as the day came and went with no agreement, the Speaker insisted she would keep working toward a package the House could support. As the Senate held confirmation hearings for Barrett, Senate Majority Leader Mitch McConnell (R-KY) set votes for legislation to extend the Paycheck Protection Program and a \$650 billion aid package (similar to a package that failed to advance in September), but reportedly pressured the White House not to agree to a deal before the election. Speaker Pelosi sent Treasury Secretary Mnuchin a two-page letter on Oct. 29 listing the items the White House has not answered in the COVID-19 stimulus discussions, such as funding for state and local governments, schools and child care, tax credits, unemployment, and worker safety. The missive comes amid finger-pointing over which party may be withholding agreement until after the election.

Tonko Floats CAA Amendments Discussion Draft

House Energy and Commerce lieutenant Rep. Paul Tonko (D-NY), who heads the Subcommittee on Environment and Climate Change, is circulating a discussion draft of Clean Air Act (CAA) amendments, which would create a new greenhouse gas reduction program. The program would set a national pollution reduction target for covered entities that would decline relative to a 2005 baseline, with a 90% reduction intended by 2048. Emissions allowances would be auctioned, with states and tribes allocated a certain percentage to be sold to benefit energy efficiency, consumer assistance, and other programs. Additional proceeds from the auctions would be directed toward various programs outlined in the bill, such as a frontline community fund, high-level nuclear used fuel, and a worker transition fund.

