REPORT OF THE STATE COMMISSION PRACTICE COMMITTEE

This report summarizes significant state developments in the utility industry from January 1, 2020, through December 31, 2020. *

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I. ALASKA

A. Bill Integrating Electric Utilities Signed into Law

On April 29, 2020, the Governor of Alaska signed into law Senate Bill 123 to ensure the creation of a new electric reliability organization (ERO) to plan for and manage deeply integrated utility operations in the Railbelt region, the region of Alaska that extends from Fairbanks through the Kenai Peninsula.1 The Railbelt is presently served by six different utilities. The ERO will be tasked with regional planning for new generation and transmission projects, overseeing regional reliability standards, and developing non-discriminatory protocols to access the regional grid.2 Importantly, the legislation “will foster cooperation among the interconnected utilities and ensure consumer needs are efficiently and reliably met.”3

II. CALIFORNIA

A. Approval of Pacific Gas and Electric Company’s Plan of Reorganization

On May 28, 2020, the California Public Utilities Commission (CPUC) approved Pacific Gas and Electric Company’s (PG&E) bankruptcy reorganization plan.4 After a series of major wildfires in California, some of which were attributed to PG&E, PG&E and its holding company, PG&E Corporation, filed voluntary bankruptcy petitions on January 29, 2019, under Chapter 11 of the U.S. Bankruptcy Code.5 Among other things, the CPUC’s Decision required changes to PG&E’s governance structure and additional oversight as a condition of its approval.6


2. Brehmer, supra note 1.

3. Id.


5. Id. at 2.

6. Id. at 121.
A key requirement of the reorganization plan that was approved by the CPUC is to provide compensation to wildfire victims. Assembly Bill (AB) 1054 established a Wildfire Fund to pay eligible claims to victims of wildfires caused by utility infrastructure. The fund is expected to be capitalized with approximately $21 billion in revenue contributed almost equally from utility ratepayers and utility shareholders. California electrical corporations can participate in the fund if they meet certain criteria. PG&E’s participation in the fund was contingent on resolution of PG&E’s bankruptcy proceeding by June 30, 2020, and the following CPUC actions before that time: (1) approval of PG&E’s reorganization plan and governance structure, taking into account the utility’s safety history, criminal probation, recent financial condition, and other relevant factors; (2) confirmation that the reorganization plan is consistent with the state’s climate goals and neutral, on average, to ratepayers; and (3) assurance the plan provides appropriate compensation to ratepayers for their contributions, if any, to PG&E’s plan, which may include sharing of value appreciation.

In addition, the CPUC found that PG&E’s executive compensation plan “minimally and conditionally” satisfied statutory requirements and would be addressed in further proceedings. The CPUC ordered PG&E to reimburse it for the costs incurred in participating in its bankruptcy proceeding and required that the reorganization plan clarify that it would not affect “other Commission investigations and proceedings, including but not limited to potential investigations involving the Kincade Fire.”

B. Net Energy Metering 3.0

On August 27, 2020, the CPUC opened a Rulemaking (R.) 20-08-020 to develop a successor to its existing net energy metering (NEM) tariff. The NEM program is a billing mechanism designed to support the installation of customer-sited renewable generation. Under the original NEM tariff (known as NEM 1.0), customers who install and operate small (1 megawatt (MW) or less) renewable generation facilities that meet certain technical requirements may elect to participate in a NEM tariff. The tariff provides a full retail rate bill credit to customers for their generated power that was fed back into the power grid during times when their generation exceeded their energy demand. These credits were used to offset

7. Id. at 2-3.
9. CAL. PUB. UTIL. CODE § 3288(b).
10. See CPUC Decision (D.) 19-10-056 at 34 in Rulemaking (R.) 19-07-017 (Oct. 24, 2019).
11. CAL. PUB. UTIL. CODE § 3292(b).
12. Id.
13. CPUC D. 20-05-053 (May 28, 2020) at 91 (citing CAL. PUB. UTIL. CODE § 8389(e)(6)(C)).
14. Id. at 111, Ordering Paragraph #7.
15. Id. at 109-110, Conclusion of Law #4.
17. The vast majority of renewable generation installed under NEM have been rooftop solar facilities.
customers’ electricity bills and could be rolled over to subsequent bills for up to a year.

In 2016, the CPUC developed a successor tariff (known as NEM 2.0). Under NEM 2.0, California NEM customers continue to receive rate credits for energy fed back into the grid until the point when they start receiving Net Surplus Compensation for energy that exceeds their use. However, NEM 2.0 customers also are required to pay certain charges such as a one-time interconnection fee and non-bypassable charges and must take service under a time-of-use rate. NEM 2.0 encourages renewable investment but prevents overcompensation of NEM customers at the expense of others.

The successor to NEM 2.0 (known as NEM 3.0) to be developed in R.20-08-020 will focus on improvements to the NEM tariff to align with certain guiding principles - such as ratepayer equity and environmental goals. On November 19, 2020, the Commission issued the Assigned Commissioner’s Scoping Memo and Joint Administrative Law Judge Ruling (Scoping Memo), which set forth the scope and schedule for the proceeding. The Scoping Memo provided a proposed set of guiding principles. The November 19 Ruling directed parties to file comments. The proceeding will be informed by a “Net Energy Metering 2.0 Lookback Study” and a White Paper on a successor program prepared by the E3 consulting firm. Both papers are anticipated to issue shortly and evidentiary hearings are scheduled for June 2021.

C. Developments Related to The Aliso Canyon Gas Storage Facility Leak

On October 23, 2015, a gas leak was detected at storage well “SS-25” in Southern California Gas Company’s (SoCalGas) Aliso Canyon gas storage facility. The initial leak grew into a larger leak which transitioned into a full-fledged

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19. Id.
20. Non-bypassable charges include California Department of Water Resources’ bond charges, a public purpose program charge, a nuclear decommissioning charge, and a competition transition charge.
21. Assembly Bill (AB) 327 (Perea, Stats. 2013, ch. 611) was intended to give the Commission the ability to “address current electricity rate inequities, protect low income energy users and maintain robust incentives for renewable energy investments.” Letter to State Assembly Members regarding AB 327, from Governor Edmund G. Brown Jr. (Oct. 7, 2013) (Governor’s Signing Statement); see also Joint Assigned Commissioner’s Scoping Memo and Administrative Law Judge Ruling Directing Comments on Proposed Guiding Principles, R.20-08-020, at 5-6 (Nov. 19, 2020) (identifying proposed specific guiding principles for party comment).
23. The Lookback Study was anticipated to be finalized in December 2020 and the E3 White Paper was scheduled to issue January 2021. See the CPUC website at https://www.cpuc.ca.gov/General.aspx?id=6442463430 for additional information about the Lookback Study.
SoCalGas was unable to “kill” the well until February 12, 2016 – 111 days after detection of the leak. The Aliso Canyon leak is the largest natural gas leak in United States history.

In response to the gas leak, SoCalGas was required to relocate over 8,000 households to hotels and homes in unaffected communities. Two schools were also temporarily relocated. The public health impacts of the leak are being assessed by numerous agencies, including state and federal environmental protection agencies, the Centers for Disease Control and Prevention, the Pipeline and Hazardous Materials Safety Administration, and the National Oceanic and Atmospheric Administration. Experts have determined that further research is needed to determine the acute and chronic effects of exposure to natural gas odorants.

The CPUC and the California Geologic Energy Management Division of the California Department of Conservation (CalGEM) initiated a formal root cause analysis of the well failure, which was prepared by Blade Energy Partners (Blade), an independent third party contractor.

The CPUC has opened three investigations related to the leak. On February 9, 2017, the CPUC opened Order Instituting Investigation I.17-02-002 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon storage facility while still maintaining energy and electric reliability for the Los Angeles region. On June 27, 2019, the CPUC opened I.19-06-014 to determine whether the organizational culture and governance of SoCalGas and its parent company, Sempra Energy, “prioritize safety and adequately direct resources to promote accountability and achieve safety performance goals, standards and improvements.” That proceeding is likely to become active upon completion of an independent third party report on the issues presented. That same day, the CPUC also opened I.19-06-016, which will determine whether SoCalGas committed any violations of state or federal laws, rules, or regulations in its maintenance of Aliso Canyon and the resulting leak and will potentially impose fines and other remedies.

26. Id.
27. Id.
28. Id.
29. Id.
30. Id.
31. CalGEM was formerly named the Division of Oil Gas and Geothermal Resources or “DOGGR.”
32. The analysis is available on the CPUC’s website (https://www.cpuc.ca.gov/aliso/) under the May 17, 2019 entries and includes a short video explaining how the leak occurred. See also an extended webinar on the route cause analysis, available at https://www.youtube.com/watch?v=K67dDfl6aapk&feature=youtu.be.
33. See generally ALISO CANYON WELL FAILURE, supra note 25.
34. Id.
35. Id.
as a result of any violations. Parties were ordered to engage in settlement discussions in that proceeding. Hearings to resolve any unsettled issues are expected to commence in the first quarter of 2021.

In addition to the CPUC investigations, the Los Angeles Superior Court has been tasked with addressing multiple lawsuits brought by homeowners, developers, and others impacted by the leak. On February 20, 2020, the court awarded monetary sanctions of $525,620 for SoCalGas’ “abusive misconduct of the discovery process” related to SoCalGas’ withholding of evidence based on privilege claims. That order found that, when SoCalGas’ counsel was required to file a declaration as to the good-faith basis of claims, the utility had abandoned more than 94% of those claims.

D. Long Term Gas Planning Rulemaking

Prompted by gas safety incidents such as the 2010 San Bruno gas pipeline explosion and the 2015 Aliso Canyon storage facility leak, operational issues, constraints that have occurred in Southern California, and reduced demand for natural gas anticipated to occur in response to implementation of state and local climate goals, the CPUC opened a Rulemaking in January 2020 to address the need for safe and reliable gas systems and to perform long term gas system planning. Through the Rulemaking, the CPUC intends to: (1) develop and adopt updated reliability standards that reflect the current and prospective operational challenges to gas system operators; (2) determine the regulatory changes necessary to improve the coordination between gas utilities and gas-fired electric generators; and (3) implement a long-term planning strategy to manage the state’s transition away from natural gas-fueled technologies to meet California’s decarbonization goals.

The proceeding is anticipated to have three phases with a decision issued following each phase. Track 1A will consider gas transmission reliability standards and whether design changes are necessary to account for a warming climate and the variable capacity needs of the system. Track 1B will examine proposals for mitigating the negative impact that operational issues will have on wholesale and local gas market prices, and gas system and electric grid reliability. Track 2 will

36. Id.
37. Additional information about the Aliso Canyon events and CPUC proceedings is available on the CPUC’s website at https://www.cpuc.ca.gov/CPUCNewsDetail.aspx?id=64424613 and https://www.cpuc.ca.gov/AlisoCIV.
38. See Southern California Gas Leak Cases, Los Angeles Superior Court Case No. JCCP4861. More than 20 plaintiffs’ representatives are participating in these proceedings.
39. Gandy v. Southern California Gas Company et al., Case No. BC601844, Superior Court of California, County of Los Angeles Civil Division (February 20, 2020) (ruling on motion for sanctions).
42. Id.
determine the regulatory solutions and planning strategy that the CPUC should implement to ensure that, as the demand for natural gas declines, gas utilities maintain safe and reliable gas systems at just and reasonable rates with minimal or no stranded costs.

A Scoping Ruling issued April 23, 2020, established a schedule for Phase 1 of the proceeding including workshops to address the issues with a final decision anticipated after May 2021.43 On October 2, 2020, the CPUC released a Track 1A and 1B Workshop Report and an Energy Division Staff White Paper on California Gas Utility Reliability.44 Party comments on the Staff White Paper and other issues are ongoing. While the Scoping Memo scheduled evidentiary hearings, if needed, for mid-January 2021, schedule adjustments are likely to address further comments submitted in 2021.

E. Public Advocates Office Investigation into SoCalGas Pro-Gas Advocacy

Since May 2019, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) has been investigating SoCalGas’ activities to advocate for the use of natural gas and how the company has accounted for the costs associated with these activities.45 Cal Advocates is conducting the investigation pursuant to its statutory authority to obtain discovery from a regulated utility “outside” of a proceeding.46 Cal Advocates’ investigation began after the Sierra Club filed a motion in the CPUC’s Building Decarbonization proceeding (R.19-01-011) to deny party status to the non-profit organization Californians for Balanced Energy Solutions (C4BES). The Sierra Club motion asserted that SoCalGas had secretly created and funded C4BES to advocate for the continued use of natural and renewable gas on behalf of the utility.

Cal Advocates has maintained in public filings that SoCalGas has unlawfully used surrogates in campaigns to promote gas use to obscure its sponsorship of these campaigns, a claim that SoCalGas has disputed, asserting that all of its advocacy efforts were 100% shareholder-funded.47 The parties are in a current dispute over discovery, with SoCalGas maintaining that Cal Advocates’ investigation violates its First Amendment right of association between itself and its paid consultants and has withheld discovery on that basis for more than eight months.48 On December 17, 2020, the Commission rejected the utility’s claims and ordered it to provide all outstanding discovery to Cal Advocates within 30 days.49 In response,

44. These staff documents are available on the CPUC’s website at https://www.cpuc.ca.gov/gasplanning/.
46. CAL. PUB. UTIL. CODE § 309.5(c) (Cal Advocates may “compel the production or disclosure of any information it deems necessary to perform its duties from any entity regulated by the commission”).
47. See Public Advocates office Investigation into SoCalGas Pro-Gas Advocacy, supra note 45.
48. Id.
49. Id.
SoCalGas filed a rehearing application on December 18, 2020, and has sought a stay until its appeals are final.50

III. CONNECTICUT

A. Utility Emergency Response Legislation

On October 7, 2020, the Governor of Connecticut signed House Bill 7006 (Public Act 20-05).51 Among other things, Public Act 20-05 requires the Connecticut Public Utilities Regulatory Authority (PURA) to initiate a proceeding to create a “framework for implementing performance based regulation of each electric distribution company.”52 This framework is to establish standards and metrics to measure electric distribution company performance based on factors such as “safety, reliability, emergency response, cost efficiency, affordability, equity, customer satisfaction, municipal engagement, resilience and advancing the state’s environmental and policy goals.”53 Based on this system, PURA is allowed to evaluate an electric distribution company’s performance and use its evaluation to determine the reasonableness of the electric distribution company’s allowed rate of return.54 Public Act 20-05 also allows PURA to implement various customer relief measures such as an interim rate decrease, low-income rates, and economic development rates,55 and to require the payment of restitution for violations of law, regulations, and PURA’s orders.56

B. Changes to Rate Adjustment Process

On December 2, 2020, PURA issued decisions that will result in significant modifications to the Connecticut electric distribution companies’ rate adjustment process for approving certain reconciliations moving forward.57 As the result of investigations into the rates of Connecticut Light and Power Company d/b/a Eversource Energy (Eversource) and The United Illuminating Company (UI), PURA concluded that the existing approach to administrative rate adjustments is not in the public interest.58 PURA determined that the current framework is problematic because it relies heavily on forecasts and can result in significant volatility in a

50. Id.
52. Id. § 1(b).
53. Id.
54. Id. § 2.
55. Id. § 5.
58. Id.
customer’s bill from one month to the next. The current process also compensates the utilities at what PURA determined to be an unjustifiably high rate (the weighted average cost of capital) for carrying charges associated with these expenditures. Based on this, PURA concluded that the current approach is not in the public interest and is inconsistent with the intent of the authorizing statutes. The modified rate adjustment process will rely on actual revenues and approved expenses from the previous calendar year as a proxy for expected costs when determining the going-forward rates. PURA also mandated a reduction in the carrying charges recouped by the utilities, directing use of the prime interest rate.

C. Adoption of Marketing Standards

On May 6, 2020, PURA issued a final decision adopting marketing standards for electric suppliers. The new Marketing Standards, which became effective on August 6, 2020, cover switching practices, solicitations and renewals, hiring and training of sales representatives, door-to-door marketing practices, telemarketing practices, third party verification, and recordkeeping.

IV. INDIANA

A. Base Rate Cases

1. Duke 2019 Rate Case (IURC Cause No. 45253)

On June 29, 2020, the Indiana Utility Regulatory Commission (IURC) issued its Final Order in the Duke Energy Indiana Rate Case. Duke had requested a revenue increase of approximately $400 million with an estimated average bill impact across all customer classes of 17%. Additionally, Duke requested a 10.4% return on equity (ROE) and to change from a twelve coincident peak (CP) allocation methodology to a four CP methodology. Many parties intervened and opposed Duke’s requested rate increase.

The IURC reduced Duke’s requested rate increase by more than half to $146 million. These reductions were due, in large part, to the IURC’s adoption of consumers’ and intervenors’ recommendations with respect to depreciation and

59. Eversource Decision, supra note 57, at 7-8; UI Decision, supra note 57 at 5-6.
60. Eversource Decision, supra note 57 at 11-12; UI Decision, supra note 57, at 8-9.
61. Eversource Decision, supra note 57, at 1; UI Decision, supra note 57, at 1.
62. Eversource Decision, supra note 57, at 8-11; UI Decision, supra note 57, at 6-8.
63. Eversource Decision, supra note 57, at 11-12; UI Decision, supra note 57, at 8-9.
65. Id. at 3-12.
67. Id.
68. Id.
69. Id. at *1.
ROE. Ultimately, the IURC approved an ROE of 9.7%, down from Duke’s requested ROE of 10.4% and its current ROE of 10.5%.\(^{71}\)

In addition, the IURC approved allocation of production plant to more closely align with the cost of service, ordering the switch from the current twelve CP to a four CP allocation.\(^{72}\) The IURC also reduced the current subsidy to residential customers by more than the 5.1% advocated by Duke, finding a 25% subsidy reduction would be appropriately constrained by keeping all classes within 125% of the system-average increase.

Last, the IURC denied Duke’s decoupling request, which would have allowed the utility to recover lost margins for consumer reductions in energy consumption not caused by the utility’s conservation efforts. The Final Order is currently on appeal.\(^{73}\)

2. Indiana & Michigan Electric Rate Case (IURC Cause No. 45235)

On March 11, 2020, the IURC issued its Final Order in the Indiana Michigan Power Company (I&M) base rate case, which was I&M’s second base rate case in less than two years.\(^{74}\) I&M requested an overall rate increase of 11.75% to be implemented in three phases.\(^{75}\) Consumer parties and intervenors filed testimony on a number of revenue issues, including a contested ROE. Other revenue issues included the amount of nuclear decommissioning and depreciation expenses, I&M’s proposal to recover an additional $46.7 million from retail ratepayers after wholesale contracts with municipalities expired in mid-2020, I&M’s request to flow all PJM Network Integration Transmission Service costs through a tracker, and I&M’s use of a six CP allocation in its cost of service.\(^{76}\)

The IURC approved new base rates that were less than half of I&M’s requested increase including an approved ROE of 9.7%, versus the proposed 10.5% ROE.\(^{77}\) The IURC disallowed I&M’s efforts to reallocate the costs from its lost wholesale load to its Indiana retail customers, finding that the generation capacity was not needed to serve I&M’s retail load and, therefore, retail customers should not be required to pay the costs.\(^{78}\) The IURC also denied I&M’s request for ratepayer funding of proposed economic development programs on the grounds that they do not provide utility services to customers.\(^{79}\)

\(^{71}\) Id. at *59.
\(^{72}\) Id. at *115.
\(^{75}\) Id. at 7.
\(^{76}\) Id.
\(^{77}\) AMERICAN ELECTRIC POWER, INVESTOR MEETINGS 37 (Mar. 17, 2020).
\(^{78}\) Indiana Michigan Power Co., No. 45235, 83.
\(^{79}\) Id. at 51.
On April 20, 2020, I&M filed a notice of appeal at the Indiana Court of Appeals to challenge the IURC’s March 11 final order.\(^{80}\) I&M also sought reconsideration, clarification, and rehearing of the IURC’s March 11 Order, requesting that the IURC reconsider and reverse the portion of the March 11 Order rejecting I&M’s proposed movement of certain fixed costs to Indiana retail ratepayers as a result of lost wholesale load costs.\(^{81}\) On May 20, 2020, the IURC issued an Order on Reconsideration that denied I&M’s petition for rehearing. I&M subsequently sought to dismiss its appeal, which the Indiana Court of Appeals granted.\(^{82}\)

3. Northern Indiana Public Service Co. Electric Rate Case (IURC Cause No. 45159)

In December 2019, Northern Indiana Public Service Co. (NIPSCO) received approval of its new electric rates when the IURC approved a settlement agreement regarding NIPSCO’s revenue requirements, resulting from NIPSCO’s October 2018 rate increase filing.\(^{83}\) The settlement also addressed a new proposed rate structure for large industrials, Rate 831, that allows them to designate a significant portion of their load as interruptible, with the ability to access the market.\(^{84}\) The settlement modified NIPSCO’s rate proposal in one key respect - the parties to the settlement agreement agreed that the utility’s ROE should be 9.90%, a decrease from the proposed ROE of 10.80% included in NIPSCO’s case-in-chief.\(^{85}\)

With respect to the revenue settlement, the IURC modified the settlement agreement by reducing NIPSCO’s ROE to 9.75%, resulting in a decrease to the revenue requirement of approximately $3.9 million.\(^{86}\) The decrease will apply to all customer classes experiencing a rate increase, including residential and commercial customers, lowering the bill impact from the settlement originally presented to the IURC.\(^{87}\) The resulting approved revenue increase for NIPSCO, including the IURC’s modification, totals approximately $42.7 million. Additionally, the residential fixed customer charge decreased to $13.50, lower than NIPSCO’s then current fixed customer charge of $14 and lower than its requested increase to $17.\(^{88}\)

The IURC also approved the settlement of the proposed Rate 831 structure between the utility and its large industrial customers (Rate 831 Settlement Agreement).\(^{89}\) While NIPSCO industrials comprise less than one percent of the utility’s


\(^{81}\) Id.


\(^{84}\) Id. at 137-70.

\(^{85}\) Id. at 162.

\(^{86}\) Id.

\(^{87}\) Id.

\(^{88}\) Northern Ind. Pub. Serv. Co., No. 45159 at 129, 166.

\(^{89}\) Id. at 168.
customers, they account for more than 56% of its energy sales, and NIPSCO’s five largest customers reflect 40% of its load. The IURC found that this large concentration of load in a few specific customers presents a unique business risk for NIPSCO and its customers. The IURC stated in its order that the Rate 831 Settlement Agreement addresses this risk by securing a commitment to a set amount of firm load from NIPSCO’s largest industrial customers, providing certainty to NIPSCO and its nonindustrial customers regarding future system capacity needs. The IURC explained that approval of the Rate 831 Settlement Agreement and the new industrial service construct reduces NIPSCO’s risk profile.

B. COVID Related Activities (IURC Cause No. 45380)

In May 2020, certain jurisdictional Indiana utilities and the Office of Utility Consumer Counselor (OUCC) each made a statewide filing regarding the recovery of COVID-19 related costs. These costs included, among others, lost revenues related to reduction in load. There was also a request that the IURC initiate separate utility-specific sub dockets to address issues on a utility-by-utility basis. The two dockets were consolidated by the IURC.

Pursuant to a preliminary IURC Order, on May 27, 2020, the initial stage of the proceeding addressed two issues: (1) the extension sought by the OUCC to the moratorium on disconnections and waiver of certain utility fees; and (2) the utilities’ requests for accounting relief to create regulatory assets for future recovery of incremental expenses associated with the pandemic and lost revenues, including losses due to reduced load. Following extensive briefing by the parties, on June 29, 2020, the IURC issued its Order on those issues.

The June 29, 2020 Order denied the utilities’ request for regulatory asset treatment of lost revenues due to decreased consumption. The order further found that approval of accounting relief for incremental expenses and accruing arrearages was premature while indicating that such relief may be considered subsequently in utility-specific sub dockets. The order also extended the disconnection moratorium through August 14, 2020, for all customers of jurisdictional utilities, prohibited the collection of certain utility fees, such as late fees, convenience fees, deposits, and reconnection fees and required utilities to make extended payment arrangements available to ratepayers. The IURC then issued a Second
Interim Emergency Order on August 12, 2020, requiring utilities to continue to offer extended payment arrangements for a minimum of six months to all customers through October 12, 2020.\footnote{101} And, the IURC continued to suspend the utilities’ collection of certain fees from residential customers for an additional sixty days.\footnote{102} The IURC declined to extend the prohibition on utility service disconnections beyond August 14, 2020.\footnote{103}

Since the IURC’s original June 29, 2020 Order, the utilities have continued to submit material providing a wide array of data concerning issues such as arrearages, bad debt, disconnection procedures, payment arrangements, and similar points of concern.\footnote{104} To date, neither the IURC nor any utility has moved to establish a “Phase II” proceeding to address approved cost recovery.

C. Infrastructure Cost Recovery

In late July 2019, Indianapolis Power and Light (IPL) sought approval of a seven-year, $1.2 billion, Transmission, Distribution, and Storage System Improvement (TDISC) plan.\footnote{105} The OUCC and all intervenors opposed the plan and filed testimony in opposition.\footnote{106} At the hearing in November 2019 and in post-hearing briefing, the consumer parties argued the plan should be denied because IPL had failed to prove that the incremental benefits of the plan outweigh the costs.\footnote{107} In its Final Order issued in early March 2020, the IURC approved IPL’s TDSC in its entirety.\footnote{108} The consumer parties filed an appeal contesting the IURC’s decision, raising evidentiary errors and the lack of specific findings in the IURC’s Final Order and arguing that the IURC misconstrued the statutory requirements.\footnote{109} The Petitioners also argued that the IURC failed to make specific findings with regard to the consumer parties’ contention that IPL’s benefits analysis was severely flawed.\footnote{110} On November 4, 2020, the Indiana Court of Appeals issued its Opinion affirming the IURC’s March 2020 Order, rejecting the petitioners’ arguments regarding the admission of evidence, and upholding the IURC’s application

\begin{footnotes}
\begin{enumerate}
\item[102] \textit{Id.} at 3.
\item[103] \textit{Id.} at 2.
\item[106] \textit{Id.} at *8.
\item[107] \textit{Id.} at *9.
\item[108] \textit{Id.} at *31.
\item[110] \textit{Id.}
\end{enumerate}
\end{footnotes}
of the cost-benefits test. The consumer parties have filed a Petition to Transfer to the Indiana Supreme Court and the matter is currently pending.

D. 21st Century Energy Task Force

The Indiana 21st Century Energy Task Force (Task Force) was formed from House Enrolled Act 1278 in 2019 to explore the impact that fuel transitions and emerging technologies may have on the state’s electric system. The Task Force was tasked with identifying energy policy recommendations focused on affordability and reliability of future electric utility service. One of the inputs for the Task Force’s deliverables was a comprehensive study of the impacts of fuel transitions and emerging technologies across Indiana. The IURC was required to produce a comprehensive study of the statewide impacts of fuel transitions and emerging technologies on generation capacity, reliability, resilience, and rates. The IURC divided the study into two components: (1) generation and transmission, and (2) distribution. The State Utility Forecasting Group affiliated with Purdue University led the assessment of impacts on generation capacity, costs, and reliability, while Lawrence Berkeley National Laboratory and Nexant, Inc. addressed the assessment of impacts on distribution systems.

The Task Force issued its Final Report on November 19, 2020, which included recommendations that the General Assembly consider legislation:

- to standardize, on a statewide basis, property tax assessments and caps with respect to renewable energy facilities;
- to standardize requirements for the siting of renewable energy resource projects and facilities;
- to create a mechanism, to be implemented and applied by the IURC with respect to individual electricity suppliers, to assure generation and transmission resource adequacy throughout Indiana;
- to establish statewide specific metrics and goals for reliability;
- to direct the IURC, through its ratemaking procedures, to strive for Indiana’s average residential, commercial, and industrial retail electric rates to be among the lowest twenty-five percent of all states by the end of 2030;

111. Id.
113. Id.
114. Id. at 7.
115. Id.
116. Id.
118. See 21ST CENTURY ENERGY POLICY DEV. TASK FORCE, supra note 112.
• to create a statewide transmission infrastructure plan in conjunction with any forthcoming regional transmission organization transmission plans; and
• to extend the term of the Task Force for an additional two years, until November 1, 2022, to enable further study of certain issues.119

V. MAINE

A. Utility Performance Metrics

On December 15, 2020, the Maine Public Utilities Commission (ME PUC) opened a docket to consider performance metrics and alternative regulatory mechanisms for Maine’s electric utilities.120 In particular, the ME PUC is considering whether to review or expand existing metrics and performance incentives as a way of encouraging enhanced utility performance.121 To assist in its analysis, the ME PUC requested comments on the desired outcomes to be achieved by metrics and incentives in the areas of service reliability, customer service, field services, affordability and cost control, distributed energy resource interconnection and deployment, grid modernization and technologies, and energy and environmental policies, as well as on what other areas should be considered.122 Comments are due in the first quarter of 2021.

VI. MASSACHUSETTS

A. Clean Peak Standard Adopted

The Massachusetts Department of Energy Resources adopted Clean Peak Energy Standard regulations, which became effective on August 7, 2020.123 The regulations are designed to increase clean energy when demand is highest.124 The regulations establish a minimum percentage of electrical energy sales with Clean Peak Energy Certificates beginning in 2019 and increasing by 1.5% each year through 2050.125 Clean Peak Energy Certificates are compliance mechanisms that represent one MW of energy or energy reserves subject to applicable multipliers and provided at a seasonal peak period from a Clean Peak Resource.126 These Clean Peak Resources include qualifying resources that “generate, dispatch, or

119. Id.
121. Id. at 1-2.
122. Id. at 2-4.
123. 225 MASS. CODE REGS. 21.00 (2020).
124. Id. § 21.01.
125. Id. § 21.07(1)(a).
126. Id. § 21.02.
discharge electricity to the electric distribution system during Seasonal Peak Periods, or alternatively, reduce load on said system during said periods.\textsuperscript{127}

\textbf{B. Consumer Protection Initiatives}

On May 22, 2020, the Massachusetts Department of Public Utilities issued an order on initiatives to protect consumer interests in the retail competitive supply market.\textsuperscript{128} The order covered license application review, door-to-door marketing, identification of third-party marketing vendors, disclosure of product information, marketing scripts, recording of marketing interactions, review of direct mail marketing materials, automatic renewal notifications and reports, enrollment reports, and the Massachusetts retail energy supply shopping website.\textsuperscript{129}

\textbf{C. Clean Energy Standard Modifications}

In July 2020, the Massachusetts Department of Environmental Protection finalized amendments to the Clean Energy Standard (CES).\textsuperscript{130} These amendments created a “CES-E” requirement for retail electricity sellers to purchase electricity from existing (pre-2011) clean energy generators each year, beginning in 2020.\textsuperscript{131} For calendar year 2021 and 2022, the CES-E requirement is 20\%.\textsuperscript{132} For calendar years 2023 through 2050, the CES-E requirement will be determined by a formula.\textsuperscript{133}

\section*{VII. NEW HAMPSHIRE}

\textbf{A. Grid Modernization (Order No. 26,358)}

On May 22, 2020, the New Hampshire Public Utilities Commission (NH PUC) issued Order No. 26,358, an order adopting a guidance document addressing utility distribution system planning and outlining “a process for stakeholder input and engagement during the distribution system planning process.”\textsuperscript{134} The NH PUC adopted objectives for New Hampshire’s modern distribution system to: (a) improve reliability, resiliency, and operational efficiency; (b) reduce generation, transmission, and distribution costs and increase affordability; (c) empower customers to use electricity more efficiently; (d) lower electricity bills; (e) ensure access to usage data in a readily accessible form, which can be made available to

\begin{itemize}
  \item \textsuperscript{127} Id.
  \item \textsuperscript{128} Order on Tier One Initiatives, Investigation by the Department of Public Utilities on its own Motion into Initiatives to Promote and Protect Consumer Interests in the Retail Electric Competitive Supply Market, Mass. Dep’t Pub. Util. Docket No. 19-07 (May 22, 2020).
  \item \textsuperscript{129} Id. at 7.
  \item \textsuperscript{130} MASS. DEPT. OF ENVTL. PROT., FINAL AMENDMENTS TO 310 CMR 7.75, https://www.mass.gov/doc/310-cmr-775-clean-energy-standard-amendments-july-2020/download.
  \item \textsuperscript{131} Id. at 2, 6; 310 MASS. CODE REGS. 7.75(4)(b) (2020).
  \item \textsuperscript{132} 310 MASS. CODE REGS. 7.75(4)(b).
  \item \textsuperscript{133} Id.
\end{itemize}
third parties while retaining privacy; (f) facilitate integration of distributed generation resources; (g) better align interests of energy consumers and producers to optimize system performance while planning for strategic electrification of buildings, homes, and vehicles; (h) keep New Hampshire technologically innovative, economically competitive, and in step with the region; and (i) reduce environmental impacts and carbon emissions in New Hampshire. The NH PUC also provided additional guidance on integration with least-cost integrated resource planning, utility cost recovery, hosting capacity/locational value analysis/interconnection, cost-effectiveness methodology, capital budgeting, consumer advisory council/stakeholder engagement, utility and customer data and third party access, annual reporting requirements, rate design, strategic electrification, and consolidation of billing/general billing. On June 22, 2020, the Public Service Company of New Hampshire d/b/a Eversource Energy filed a motion for reconsideration or clarification of Order No. 26,358. On July 22, 2020, in order to consider the issues raised in Eversource Energy’s motion for reconsideration, the NH PUC suspended the May 22, 2020 Order.

VIII. NEW YORK

A. Tropical Storm Isaias Investigation

On November 19, 2020, the New York Department of Public Service (NY DPS) filed an interim investigation report on Tropical Storm Isaias. The report was developed pursuant to a directive from the Governor of New York to investigate the major electric utilities in connection with their preparation for and response to the storm. The report “discusses utility failures that appear to constitute violations” of utility emergency response plans and regulatory requirements. Also, on November 19, 2020, partly on the basis of the NY DPS’ report, the New York Public Service Commission (NY PSC) ordered three utilities - Consolidated Edison of New York, Orange & Rockland, and Central Hudson - to respond to allegations that the utilities had violated the New York State Public

135. Id. at 12.
136. Id. at 8, 19-76.
138. Id.
139. N.Y. STATE DEP’T OF PUB. SERV. STAFF, Interim Investigation Report on Tropical Storm Isaias (Nov. 2020); Department of Public Service Staff Investigation into the Utilities’ Preparation for and Response to August 2020 Tropical Storm Isaias and Resulting Electric Power Outages, N.Y. Pub. Serv. Comm’n Case No. 20-E-0586, at 6-7 (Nov. 19, 2020) (Order to Commence Proceeding and Show Cause) [hereinafter N.Y. Order to Commence Proceeding].
140. N.Y. STATE DEP’T OF PUB. SERV. STAFF, supra note 139, at 2. See also, Press Release, Andrew M. Cuomo, Governor Cuomo Directs State Department of Public Service to Investigate Utilities in Wake of Failed Storm Response (Aug. 5, 2020).
141. N.Y. Order to Commence Proceeding, supra note 139, at 13.
Service Law and associated regulatory authority based on their inadequate response to the August 2020 Tropical Storm Isaias.\textsuperscript{142} The allegations concern issues such as storm classifications, storm restoration staffing and assessment, call center staffing and response, inadequate communications in the form of inaccurate and untimely estimated times of restorations, down websites, and the failure to contact registered life support equipment customers.\textsuperscript{143} Notably, the Notice of Apparent Violations issued to Consolidated Edison of New York and Orange & Rockland indicated that, among other relief, NY DPS reserved the right to seek to revoke the utilities’ Certificates to Operate.\textsuperscript{144} On December 4, 2020, the NY PSC issued a Notice of Public Forum to be convened in December 2020 and a request for public comments to be submitted in January 2021.\textsuperscript{145}

## B. Clean Energy Standard Modifications

New York’s Climate Leadership and Community Protection Act\textsuperscript{146} directs the NY PSC to establish a program to ensure that there are “sufficient amounts of renewable energy resources to serve at least 70% of load” by 2030, and “that there are zero emissions in 2040 associated with electrical demand.”\textsuperscript{147} On October 15, 2020, the NY PSC issued an order adopting modifications to the Clean Energy Standard to align with the mandates of that Act.\textsuperscript{148} Among those changes was the enhancement of the Renewable Energy Standard through the establishment of a competitive Tier 2 to retain the attributes of existing renewable facilities that were in existence at the time the Clean Energy Standard was enacted\textsuperscript{149} and a Tier 4 “aim[ed] at increasing the penetration of renewable energy into New York City (Zone J).”\textsuperscript{150}

\textsuperscript{142.} Id. at 2-3, 13; 37. See also, Press Release, Andrew M. Cuomo Governor Cuomo Announces Completion of Tropical Storm Isaias Utility Investigation, (Nov. 19, 2020).

\textsuperscript{143.} N.Y. Order to Commence Proceeding, supra note 139, at 14-32.


\textsuperscript{145.} Notice of Public Forums and Requesting Comments Concerning Alleged Harm to Ratepayers as a Result of Electric Service Providers’ Performance in Response to Tropical Storm Isaias, N.Y. Pub. Serv. Comm’n Case No. 20-E-0586, at 2-7 (Dec. 4, 2020).

\textsuperscript{146.} S.B. 6559, 2019 Leg., 242nd Sess. (N.Y. 2019).


\textsuperscript{148.} Id. at 2.

\textsuperscript{149.} Id. at 61-62.

\textsuperscript{150.} Id. at 77; see also id. at 79-80.
IX. OKLAHOMA  

A. Settlement Agreement to Recover Costs for Wind Project

On February 20, 2020, the Oklahoma Corporation Commission (OCC) approved a settlement agreement that will allow Public Service Company of Oklahoma (PSO), a subsidiary of American Electric Power, to recover costs to add 675 MW of wind power in Oklahoma.151 As part of a project intended to span four states, PSO will invest $908 million in three new commercial wind generation facilities that will be located across seven Oklahoma counties – Custer, Blaine, Garfield, Kingfisher, Major, Woods, and Alfalfa.152 The 1,485 MW project also received approvals from the Arkansas Public Service Commission, the Louisiana Public Service Commission, and the Federal Energy Regulatory Commission.153 However, the Public Utility Commission of Texas refused to approve a portion of the project proposed by Southwestern Electric Power Company, an affiliate of PSO, to add 810 MW of wind energy.154 Despite Texas’ denial, the full project will move forward in Arkansas, Louisiana, and Oklahoma.155

X. RHODE ISLAND

A. Renewable Energy

On January 17, 2020, the Governor of Rhode Island signed an executive order designed to advance the goal of meeting Rhode Island’s electricity demand with renewable energy resources.156 In particular, the order directed the Rhode Island Office of Energy Resources (RI OER) to conduct an analysis and develop approaches to “meet one hundred percent (100%) of the state’s electricity demand with renewable energy resources by 2030.”157 The RI OER is required to develop a “specific and implementable action plan,” including recommending “initiatives that can be advanced beginning in 2021.”158

In October 2020, two particular initiatives were announced in connection with the executive order. On October 9, 2020, RI OER announced the launch of a $1.5 million pilot program to provide incentives for energy storage paired with

152. Id.
154. Id.
155. Id.
157. Id. at 3.
158. Id. at 4.
new renewable energy systems.\textsuperscript{159} On October 27, 2020, the Governor announced that Rhode Island would “pursue a competitive request for proposals [for] up to 600 MW of new offshore wind energy.”\textsuperscript{160} The request for proposals will be developed by National Grid, with oversight by RI OER and subject to the approval of the Rhode Island Public Utilities Commission.\textsuperscript{161}


\textsuperscript{161} \textit{Ibid.}