

Executive Summary & Introduction

1. On January 20, President Trump issued a flurry of executive orders impacting the electricity markets, including [Declaring a National Energy Emergency](#); [Temporary Withdrawal of all Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects](#); and [Unleashing American Energy](#).
2. President Trump has elevated Commissioner [Mark Christie as Chairman of the FERC](#), replacing Willie Phillips.
3. PJM and Pennsylvania Gov. Shapiro reached an [agreement in principle](#) to settle the governor's complaint at the FERC on capacity auction price caps for the 2026/2027 and 2027/2028 delivery years.
4. FERC largely upheld Order 1920 on transmission planning and cost allocation in [approving Order 1920-A](#) but gave state regulators a bigger role in shaping scenario development and cost allocation.
5. FERC has conditionally approved [Southwest Power Pool's Markets+](#), a real-time and day-ahead energy market expected to begin operating in 2027.





1.1 Assessment Approach

Our analysis of the Regulatory risk(s) to our customers is summarized in the rating(s) categories defined below:

Potential Financial Impact to Customer(s):

Symbol	Description
\$+	Signifies potential increase in costs
\$-	Signifies potential decrease in costs

Magnitude of Risk to Customer(s):

Symbol	Description	Description
	Major Impact	Represents a regulatory or policy change that is in the <u>process of being enacted</u> by Regulators (i.e., PUC, ISO, FERC, EDC) and is expected to result in a meaningful increase in cost(s) to load; likely require immediate action.
	Medium Impact	Represents a regulatory or policy change that is in the <u>proposal process</u> and being sponsored by one or more ISO stakeholders. Most of these risks will likely be elevated to RED. Medium Impact issues will require involvement but we expect to have time to coordinate load on these type(s) of issues.
	Actively Monitor	Represents a regulatory or policy discussion or trend that may evolve to either RED or ORANGE categories. No immediate action item for load.
	For Your Information	Industry developments or information, while not directly impacting the customer, may be of interest or import to the customer.



2.0 Overall Assessment

We have identified various issues that coalesce with the ratings categories described above. Notwithstanding, these are the Regulatory or Policy issues we consider extremely relevant to our retail customers. With respect to this Bulletin, the six categories which appear to represent the most significant impacts to retail customers are identified below and categorized according to ISO:


- [Section 2.1 – Policy](#)
- [Section 2.2 – Capacity / System Reliability](#)
- [Section 2.3 – Transmission](#)
- [Section 2.4 – Ancillary Services](#)
- [Section 2.5 – Energy](#)
- [Section 2.6 – Industry Development](#)

*Where appropriate, we have provided links to articles and other relevant information for reference purposes.


2.1 Policy

Issue#	Rating	Issue	Impact	Action/Result
<p>2.1a U.S.</p>	 <p>\$+</p>	<p>On January 20, President Trump signed an executive order declaring a National Energy Emergency, which directs agencies to utilize their statutory emergency powers to speed up development and authorization of energy projects.</p> <p>The order defines “energy” as crude oil, natural gas, lease condensates, natural gas liquids, refined petroleum, uranium, coal, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals—but excludes solar, wind, and batteries.</p>	<p>The Energy Emergency order tasks heads of federal departments and agencies to “identify and exercise any lawful emergency authorities... to facilitate the identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources, including, but not limited to, on Federal lands” and “<i>expedite the completion of all authorized and appropriated infrastructure, energy, environmental, and natural resources projects.</i>”</p> <p>K&L: Trump issues sweeping executive order declaring national energy emergency</p>	<p>The order also stops executive departments and agencies from proposing or issuing any new rules until a Trump appointee assumes control of the department or agency and reviews and approves the rule.</p> <p>According to K&L Gates, a law firm, it will take time to see how future legal challenges will shape the order’s ultimate impact on the permitting and siting of future conventional energy projects throughout the U.S.</p>
<p>2.1b U.S.</p>	 <p>\$-</p>	<p>President Trump signed an executive order (EO) titled “Temporary Withdrawal of all Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government’s Leasing and Permitting Practices for Wind Projects,” dated January 20, that directs federal agencies to halt issuance of any new or renewed approvals, rights of way, permits, leases, or loans for offshore wind projects and conduct an assessment to consider terminating or amending any existing offshore wind energy leases.</p>	<p>According to JD Supra, neither onshore nor offshore wind projects will be able to obtain new leases on federal lands for the foreseeable future, pending the completion of an assessment of federal wind leasing and permitting practices.</p> <p>JDS: Trump executive actions impacting renewable energy</p>	<p>Solar and battery projects are currently in the clear, and since the majority of wind projects are sited on private lands and do not utilize federal loans or loan guarantees, they will not be impacted by the executive actions.</p>


2.1 Policy

Issue#	Rating	Issue	Impact	Action/Result
<p>2.1c U.S.</p>	 <p>\$-</p>	<p>On January 20 President Trump signed the Unleashing American Energy Executive Order (Energy EO) to prioritize U.S. traditional energy production, further consumer choice by removing regulatory barriers, and eliminate subsidies for electric vehicles.</p> <p>The Energy Order is part of a broader set of executive actions from Trump as he sets his energy agenda, focused on unleashing “America’s affordable and reliable energy and natural resources.”</p> <p>ML: Federal agencies ordered to pause spending of Inflation Reduction Act, Infrastructure Investment and Jobs Act funds</p>	<p>Section 7 of the Energy EO, <i>Terminating the Green New Deal</i>, suspended all Inflation Reduction Act and Infrastructure Investment and Jobs Act funding, pending review and approval of federal agencies spending by the Office of Management and Budget and National Economic Council.</p> <p>Under the Biden administration, the Energy Department announced 53 deals amounting to \$108 billion in committed project investment, such as \$1.4 billion for Qcells’ upcoming Georgia solar cell factory and \$9.6 billion for Ford Motor Co.’s JV battery factories with SK On.</p> <p>Roughly 84% or \$97 billion in IRA clean energy grants were obligated before Trump took office, according to Reuters. Tax credits make up much of the IRA’s spending.</p>	<p>Trump also called for the end of the “electric vehicle mandate” and revoked Biden’s 2021 EO that called for half of new vehicles sold in the U.S. to be electric by 2030.</p> <p>The Energy EO called out the National Electric Vehicle Infrastructure Formula Program and the Charging and Fueling Infrastructure Discretionary Grant Program for review of their processes for issuing grants, loans and contracts.</p> <p>President Trump also signed an executive order titled “Putting America First in International Environmental Agreements,” dated January 20, withdrawing the U.S. from the Paris Agreement.</p>


2.2 Capacity / System Reliability

Issue#	Rating	Issue	Impact	Action/Result
<p>2.2a PJM</p>	 <p>\$+</p>	<p>In December 2024, the state of Pennsylvania and Governor Shapiro, D, filed a complaint at FERC requesting the agency to order PJM to lower the capacity auction price cap to 1.5 times Net Cost of New Entry (CONE) for the 2026/2027 and 2027/2028 auctions.</p> <p>The capacity auction for 2025/2026, held in July 2024, produced record high prices that will cost \$14.7 billion for the delivery year that will begin in June, up from \$2.2 billion in the previous auction.</p> <p>UD: State utility regulators, 4 governors urge FERC to lower PJM capacity price cap</p>	<p>Supporters of the complaint included the governors of Delaware, Illinois, Maryland and New Jersey.</p> <p>PJM responded by stating that it is concerned about the increasing supply-demand imbalance and cited the proposed changes filed at FERC in December 2024 to lower the price cap, incorporating reliability must-run resources into the capacity market, imposing a must-offer obligation on all resources, removing some barriers to the surplus interconnection process, and speeding up the interconnection for shovel-ready power projects as mitigants to capacity price pressures (see our December 2024 Regulatory Bulletin, Sec. 2.2b).</p>	<p>Constellation Energy and the Electric Power Supply Association (EPSA) said that lowering the cap could stifle efforts to bring new electric supplies to the PJM region.</p> <p>PJM has been in discussion with Gov. Shapiro to work toward a resolution on his complaint to FERC, and on January 28, PJM and Gov. Shapiro announced an agreement in principle upon a price cap at \$325/MW-day and a floor of \$175/MW-day for the 2026/27 and 2027/28 capacity auctions.</p> <p>PJM said it will file the settlement with FERC for approval.</p>


2.3 Transmission

Issue#	Rating	Issue	Impact	Action/Result
<p>2.3a FERC</p>		<p>FERC largely upheld its Order 1920 on transmission planning and cost allocation in approving Order 1920-A in a 4-0 vote—but gave state regulators a bigger role in shaping scenario development and cost allocation.</p> <p>See our May 2024 Regulatory Bulletin, Sec. 2.3a for more on Order 1920.</p> <p>FERC’s decision to revise its initial planning rule was driven by 49 requests for rehearing from states and other stakeholders.</p> <p>Under Order 1920-A, states can extend the “engagement period” for negotiating cost allocation methodologies to a year from six months, with compliance deadlines being lengthened by a corresponding six months.</p> <p>TPL: high-level summary of FERC Order No. 1920-A on transmission planning and cost allocation</p>	<p>The revised rule requires transmission providers to include state input about how future scenarios used in long-term regional transmission planning will be developed.</p> <p>FERC also required transmission providers to include any state-agreed cost allocation proposals in their compliance plans, even if the transmission provider is proposing its own cost allocations method. FERC can choose the state cost allocation plan so long as it follows cost causation principles.</p> <p>Further, states can request transmission providers to conduct additional planning scenarios beyond the required three. Commissioner Christie commented that states may request a scenario that excludes state energy policies to see how those policies affect transmission cost, which could then be used to establish a cost allocation formula so that states with policies that trigger transmission build-outs pay for the construction.</p>	<p>Additionally, FERC removed a requirement that transmission providers consider corporate energy goals in developing their plans. It also said they don’t have to use a set of seven specific economic and reliability benefits to identify their transmission needs.</p> <p>Lastly, transmission providers have up to two years to file compliance, up from one year.</p>

2.5 Energy

Issue#	Rating	Issue	Impact	Action/Result
<p>2.5a SPP</p>	 <p>\$-</p>	<p>FERC has conditionally approved the Southwest Power Pool’s (SPP) Markets+, a real-time and day-ahead energy market the grid operator will begin operating in the West in 2027.</p> <p>SPP: SPP’s Markets+ tariff receives FERC approval</p> <p>W&T: FERC unanimously accepts SPP’s Markets+ proposal</p>	<p>FERC commissioners expressed strong support for Markets+ as an important step forward for the West as it continues to develop the right market structure to enhance reliability and affordability for consumers, by facilitating the efficient use of generation and transmission assets.</p>	<p>FERC declined to consider how the seams between Markets+ and other Western markets will be managed, stating merely that they anticipate that seams between SPP’s Markets+, the Extended Day-Ahead Market (EDAM) run by CAISO (expected to launch in 2026), and other markets and non-market areas will necessitate agreement between parties that will address issues such as data sharing, congestion management and transmission rights and use.</p>

2.6 Industry Development

Issue#	Rating	Issue	Impact	Action/Result
<p>2.6a FERC</p>		<p>President Trump has elevated Commissioner Mark Christie to chairman of the FERC, replacing Willie Phillips, a Democrat.</p> <p>Christie has prioritized protecting consumers from “excessive” power costs and reducing incentives utilities and transmission owners have for building transmission lines.</p> <p>FERC: President Trump names Mark Christie Chairman of FERC</p>	<p>Christie has also emphasized the important role of states and their utility regulators in meeting reliability and affordability challenges.</p> <p>He has also warned that the U.S. faces a reliability crisis driven by power plant retirements without adequate replacement generation.</p>	<p>Chairman Christie joined FERC on January 4, 2021, after being nominated by President Trump in July 2020.</p> <p>Before joining FERC, Christie was chairman of the Virginia State Corporation Commission, where he served for 17 years.</p>

3.0 Contact Information

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Public/ISO Regulatory Contacts:

- PJM - <http://pjm.com/about-pjm/who-we-are/contact-us.aspx>
- MISO - <https://www.misoenergy.org/AboutUs/ContactUs/Pages/ContactUs.aspx>
- NEISO - http://iso-ne.com/contact/contact_us.jsp
- NYISO - http://www.nyiso.com/public/markets_operations/services/customer_support/index.jsp
- ERCOT - <http://ercot.com/about/contact/>
- CAISO - <http://www.caiso.com/Pages/ContactUs.aspx>
- Public Utilities Commission - <http://www.naruc.org/commissions/>

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