

July 2025

## Executive Summary & Introduction

1. President Trump signed the [One Big Beautiful Bill Act](#) (OBBBA) on July 4, which makes significant cuts to the Inflation Reduction Act.
2. The White House released its [Winning the AI Race: America's AI Action Plan](#) that calls for cutting regulations and the construction of more data centers and energy assets to power them.
3. The White House [nominated David LaCerte to be FERC commissioner](#) for the remainder of the term expiring June 30, 2026 that was vacated by Willie Phillips.
4. The U.S. Department of Energy released its resource adequacy report, [Evaluating the Reliability and Security of the United States Electric Grid](#), which states that generation plant retirements and load growth increase risk of power outages by 100 times in 2030.
5. The FERC and the Departments of Agriculture, Energy, Interior, and Transportation revoked [regulations governing their handling of environmental reviews](#) of proposed projects under the National Environmental Policy Act (NEPA).
6. FERC [approved the fast-track interconnection processes](#) proposed by MISO and SPP, which aim to bring power supplies online quickly to meet near-term grid needs.
7. PJM's 2026/2027 Base Residual Auction (BRA) [capacity auction prices cleared at the "Shapiro" collar price-cap](#) of \$329.17/MW-day for all Locational Delivery Areas and Zones.
8. New York State has [implemented its Bulk Energy Storage \(BES\) Program](#), authorizing the NYSEERDA to procure up to 3 GW of bulk energy storage projects between 2025 and 2027, to meet its 6 GW energy storage goal by 2030.

## 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 |

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## 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 Risk's 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 regulatory or policy discussions or trends 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.


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## 2.1 Policy

| Issue#       | Rating  | Issue  | Impact   | Action/Result   |
|--------------|---|--|--|---|
| 2.1a<br>U.S. | <br><b>\$+</b> | <p><b>The One Big Beautiful Bill Act (OBBBA, H.R.1) was passed by the Senate on July 1 and the House on July 3, before being signed into law by President Trump on July 4, 2025.</b></p> <p>OBBBA makes significant cuts to the Inflation Reduction Act (see <i>Sec. 2.1a of our August 2022 and September 2022 Regulatory Bulletins for more on the IRA.</i>)</p> <p>Here are OBBBA's key provisions.</p> <p><b>Tax &amp; Economic Measures</b></p> <ul style="list-style-type: none"> <li>• Permanently extends the 2017 Trump-era tax cuts</li> <li>• Introduces major tax breaks such as: elimination of income tax on tips and overtime</li> <li>• Expanded state and local income tax (SALT) deduction limits</li> <li>• Enhanced child tax credits up to \$2,500</li> <li>• Provides tax relief for Social Security beneficiaries</li> <li>• Sweeping deductions for small businesses and U.S.-made products</li> </ul> <p><a href="#">Fedorchak applauds House passage of historic One Big Beautiful Bill</a></p> <p><a href="#">The One Big Beautiful Bill makes America safe again</a></p> | <p><b>Border &amp; National Security</b></p> <ul style="list-style-type: none"> <li>• Allocates \$100-\$150 billion for border enforcement</li> <li>• Funds the “Golden Dome” missile-defense system and modernization of air traffic control facilities and military readiness</li> </ul> <p><b>Cuts to Safety-Net Programs</b></p> <ul style="list-style-type: none"> <li>• Deep cuts to Medicaid: reductions of over \$900 billion, introduction of work requirements, eligibility restrictions, more frequent state reviews, and \$35 cost-sharing fees for lower-income enrollees.</li> <li>• \$186-\$279 billion program cuts to SNAP (food assistance)</li> </ul> <p><b>Education &amp; Student Loans</b></p> <ul style="list-style-type: none"> <li>• Caps on student borrowing</li> <li>• Ends federal subsidized loans for undergraduates</li> <li>• Restructures income-driven repayment plans</li> </ul> | <p><b>Energy &amp; Agriculture</b></p> <ul style="list-style-type: none"> <li>• Eliminates clean energy tax credits and green subsidies</li> <li>• Rolls back Green New Deal-style spending</li> <li>• Promotes fossil fuel and mineral development</li> <li>• Reinstates leasing in Alaska and offshore areas</li> <li>• Invests in agriculture.</li> </ul> <p><b>Rural Healthcare</b></p> <ul style="list-style-type: none"> <li>• Establishes a \$50 billion Rural Health Transformation Fund to help sustain rural hospitals</li> </ul> <p><b>Fiscal Impact &amp; Analysis</b></p> <p>The CBO projects the bill will add between \$2.8 -\$3.4 trillion to the federal deficit over the next decade.</p> |
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## 2.1 Policy

| Issue#       | Rating  | Issue   | Impact   | Action/Result  |
|--------------|---|---|--|--|
| 2.1b<br>U.S. |  | <p>The White House released its <a href="#">Winning the AI Race: America's AI Action Plan</a>, in accordance with President Trump's January executive order on <a href="#">Removing Barriers to American Leadership in AI</a>, that calls for cutting regulations and the construction of more data centers and energy assets to power them.</p> <p><b>The AI Acton Plan calls for:</b></p> <ul style="list-style-type: none"> <li>Preserving and optimizing existing infrastructure, including "leveraging extant backup power sources to bolster grid reliability during peak demand."</li> <li>Measures to streamline or reduce regulations promulgated under the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and other relevant related laws.</li> <li>Power market reforms to align financial incentives with the goal of grid stability, ensuring that investment in power generation reflects the system's needs.</li> </ul> <p><a href="#">White House unveils America's AI Action Plan</a></p> <p><a href="#">FOX: America must win the AI race—and prepare for the worst</a></p> | <ul style="list-style-type: none"> <li>Make Federal lands available for data center construction and the construction of power generation infrastructure for those data centers by directing agencies with significant land portfolios to identify sites suited to large-scale development.</li> <li>"Strategic blueprint for navigating the complex energy landscape of the 21st century" – with the triple aims of winning the AI race, delivering reliable power, and having an affordable power grid.</li> </ul> <p><b>Permitting Reform</b></p> <p>Central to the Action Plan's proposal is creating streamlined permitting for data centers, semiconductor manufacturing facilities and energy infrastructure, which include:</p> <ul style="list-style-type: none"> <li>Reducing timelines for permitting, siting, and approval;</li> <li>Increasing predictability and clarity in the permitting process; and</li> <li>Enabling rapid scaling of foundational AI infrastructure</li> </ul> | <p><b>Energy Infrastructure: Stabilizing the Grid of Today</b></p> <p>The AI Action Plan calls for the "safeguarding of existing assets," and the prevention of "premature" decommissioning of certain sources, especially those that bolster grid stability during peak demand.</p> <p><i>(See next section for information on the DOE's July 7 report on U.S. resource adequacy.)</i></p> <p><b>The AI Action Plan also calls for optimizing Existing Grid Resources</b></p> <ul style="list-style-type: none"> <li>Calls for advanced grid management technologies and upgrades to power lines that can increase the amount of electricity transmitted along existing routes</li> <li>Calls for the U.S. to "investigate new and novel ways for large power consumers to manage their power consumption during critical grid periods," signaling a renewed focus on demand flexibility, which could entail: <ul style="list-style-type: none"> <li>* Real-time or automated demand response programs;</li> <li>* Flexible load shaping by AI facilities;</li> <li>* On-site generation and storage integration; and</li> <li>* Dynamic pricing schemes</li> </ul> </li> </ul> |
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## 2.1 Policy

| Issue#      | Rating   | Issue  | Impact  | Action/Result  |
|-------------|--|--|---|--|
| 2.1c<br>DOE | <br>\$+ | <p>On July 7, the U.S. Department of Energy (DOE) released its resource adequacy report, <a href="#">Evaluating the Reliability and Security of the United States Electric Grid</a>, pursuant to a mandate in E.O. 14262, <a href="#">Strengthening the Reliability and Security of the United States Electric Grid</a>.</p> <p>The E.O. directs the Secretary of Energy to ensure that any generation resource designated as “critical” within an “at-risk” region remains operational, including by use of emergency powers under section 202c of the Federal Power Act (FPA).</p> <p><b>Highlights of the DOE Report</b></p> <p>The DOE report says that the U.S. power system is under mounting strain and its grid reliability deteriorates in all regions:</p> <ul style="list-style-type: none"> <li>Under its own new metric of incurring no more than 2.4 hours of lost load in a year, most of the U.S. will fail that metric by 2030 under the status quo, making a case to retain retiring generation plants in order to maintain grid reliability and serve demand growth.</li> <li>DOE ties U.S. national security to U.S. energy independence.</li> </ul> <p><a href="#">APPA: DOE report says generation retirements threaten grid reliability</a></p> | <p>According to DOE, <i>generation plant retirements plus load growth increase risk of power outages by 100x in 2030</i> because planned supply falls short, stating:</p> <p><i>“Absent decisive intervention, the Nation’s power grid will be unable to meet projected demand for manufacturing, re-industrialization, and data centers driving artificial intelligence (AI) innovation.”</i> Further,</p> <ul style="list-style-type: none"> <li>Additional 100 GW of new peak hour supply is needed by 2030. Of this, 50 GW is directly attributable to data centers.</li> <li>Intermittent energy sources like wind and solar will not meet reliability demands and the planned closures of firm, reliable power sources like coal are dramatically greater than expected additions.</li> <li>Baseload, dispatchable power, such as from coal, oil and gas, and nuclear, is essential in grid planning</li> <li>Capacity is not being replaced on a one-to-one basis               <ul style="list-style-type: none"> <li>104 GW of announced plant closures by 2030 will be met with 210 GW of new generation—however, only 22 GW of that new generation will be firm, reliable, dispatchable generation that is available 24/7</li> </ul> </li> </ul> | <p>According to the DOE report, all regions—except for New York, New England, SERC, the Pacific Northwest, Arizona and Florida—will exceed the DOE’s new reliability metric and will be at unacceptable levels of risk by 2030 under the status quo.</p> <p><b>A Legal Perspective</b></p> <p>According to law firm <a href="#">Duncan Weinberg</a>, while the report’s findings may support short-term retention of specific resources, they do not implicitly authorize indefinite retention or broad suppression of retirements.</p> <ul style="list-style-type: none"> <li>Any use of emergency powers under section 202c of the FPA to mandate continued operation of fossil fuel units would still have to meet the requirements of the FPA and could be barred by other legal principles.</li> <li>Under FERC’s Order No. 202-25-3 and the FPA, emergency orders like those applied to the Campbell and Eddystone plants are strictly limited in duration and scope.<br/>(See our <a href="#">May</a> and <a href="#">June</a> Regulatory Bulletins, Secs. 2.1b and 2.2a, respectively, for more on the Campbell and Eddystone DOE orders.)</li> <li>Long-term use of FPA 202c beyond emergency durations remains legally dubious and likely trigger the major questions doctrine.</li> <li>Efforts to broadly reinterpret “emergency” to justify extended federal control over the energy market, absent clear congressional authorization, likely exceed the DOE’s statutory authority and could face judicial invalidation.</li> </ul> |
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## 2.1 Policy

| Issue#       | Rating   | Issue  | Impact  | Action/Result   |
|--------------|--|--|---|---|
| 2.1d<br>FERC | <br> | <p><b>The FERC and the Departments of Agriculture, Energy, Interior, and Transportation revoked regulations governing their handling of environmental reviews of proposed projects under the National Environmental Policy Act (NEPA), in response to Trump's executive order that included the rescission of the Council on Environmental Quality's (CEQ's) NEPA regulations.</b></p> <p>The CEQ, the White House office that oversees NEPA implementation, removed its NEPA regulations from the Code of Federal Regulations through an interim final rule, effective April 11.</p> <p><a href="#">UD: Federal agencies, including FERC and DOE, revoke environmental review rules</a></p> | <p>The action also follows a unanimous Supreme Court decision in May limiting the scope of such environmental reviews.</p> <p>Some agencies proposed new regulations to replace the old ones while others replaced the rules with nonbinding guidance.</p> <p>The FERC issued a 20-page staff manual outlining its revised procedures for environmental reviews for natural gas pipelines and other projects, which received unanimous support from its four sitting commissioners.</p> | <p>Environmental reviews can take years to complete. It took DOE a median time of 2.2 years to complete environmental impact statements from 2021 to 2023, down from 3.8 years from 2017 to 2021.</p> |




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## 2.2 Capacity / System Reliability

| Issue#      | Rating  | Issue | Impact | Action/Result |
|-------------|---|-------|--------|---------------|
| 2.2a<br>PJM | 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July 2025



## 2.2 Capacity / System Reliability

| Issue#        | Rating   | Issue  | Impact   | Action/Result   |
|---------------|--|--|--|---|
| 2.2b<br>NYISO | <br>\$+ | <p>New York State has implemented its Bulk Energy Storage (BES) Program beginning 2026, authorized by the <a href="#">Order Establishing Updated Energy Storage Goal and Deployment Policy</a> that was approved by the New York Public Service Commission (NYPSC) on June 20, 2024.</p> <p>The Order states the following:</p> <ul style="list-style-type: none"> <li>• Energy storage is a key enabler of New York State's clean energy transition.</li> <li>• Energy storage is seen as a pathway to enable the full potential of renewable generation by providing grid stability and reliability.</li> <li>• New York State has set a goal of 6 GW of energy storage by 2030.</li> <li>• The 2024 Energy Storage Order provided funding for an incremental 4,700 MW of storage capacity from Bulk (3,000 MW), Retail (1,200 MW), and Residential (200 MW).</li> </ul> | <p>The New York Energy Research and Development Authority (NYSERDA) is directed to issue three annual solicitations (2025-2027) for up to 3,000 MW of Bulk Energy Storage of 2-, 4-, and 8-hour duration energy storage projects greater than 5 MW, per its <a href="#">Bulk Energy Storage Final Implementation Plan</a> approved by the NYPSC in April 2025.</p> <p>NYSERDA intends on issuing its first Request for Proposal (RFP) in August 2025.</p> <p>Once the NYSERDA completes its RFP and contracts with selected BES resources, their project costs, as estimated by the BES Rate, will be charged against all Load for the applicable compliance years beginning 2026.</p> | <p>In November 2025, NYSERDA will post the BES Rate for CY 2026. Each following November, NYSERDA will post the estimated BES Rate for the following compliance year.</p> <p>Subsequently, in May following the end of each compliance year, NYSERDA will true up against the actual costs incurred in the prior compliance year and credit or charge Load as applicable.</p> |
|               |  |  |  |   |




July 2025

## 2.2 Capacity / System Reliability

| Issue#               | Rating   | Issue  | Impact   | Action/Result  |
|----------------------|--|--|--|--|
| 2.2c<br>MISO/<br>SPP | <br> | <p><b>FERC approved the fast-track interconnection processes proposed by MISO and SPP, which aim to bring power supplies online quickly to meet near-term grid needs.</b></p> <p>The approved processes will allow planned resources that meet eligibility criteria to sidestep MISO's and SPP's standard interconnection queue reviews.</p> <p>In its decision on MISO's Expedited Resource Addition Study (ERAS) process and SPP's Expedited Resource Adequacy Study (also ERAS), FERC rejected arguments from the renewable sector that the plans violated the agency's open access principles.</p> <p><a href="#">UD: FERC approves MISO, SPP fast-track interconnection reviews</a></p> | <p>In MISO's review process, state utility commissions or other "relevant electric retail regulatory authorities," or RERRA, would vet potential projects for being considered in the fast-track process.</p> <p>In SPP, utilities and other "load responsible entities," or LREs, will select potential projects for fast-track interconnection reviews.</p> <p>Gas-fired power plants will likely be the main beneficiary of the fast-track processes, with standalone batteries also potentially being included.</p> <p>In May, PJM selected about 11.8 GW for a fast-track review process, with <b>gas-fired generation making up nearly 70% of that capacity</b> (see our <a href="#">May Regulatory Bulletin, Sec. 2.2b</a> for more.)</p> | <p>MISO has 63 gas-fired projects in its interconnection queue totaling about 33.4 GW of summer-related capacity. SPP has 69 "thermal" projects in its interconnection queue totaling about 30 GW.</p> <p>MISO will accept ERAS interconnection requests from August 6-11 on a first-come, first-served basis, with the first quarterly study beginning on September 2.</p> <p>SPP plans to issue a 30-day notice that it will open a one-time 30-day window for accepting ERAS applications. ERAS applicants must attest that their projects have a 2030 commercial operation date.</p> |
|                      |  |  |  |  |

## 2.6 Industry Development

| Issue#       | Rating  | Issue   | Impact  | Action/Result   |
|--------------|---|---|---|---|
| 2.6a<br>FERC |  | <p>The White House nominated David LaCerte to be FERC commissioner for the remainder of the term expiring June 30, 2026 that was vacated by Willie Phillips who resigned in April.</p> <p><a href="#">APPA: President Trump nominates David LaCerte to fill vacant FERC commissioner seat</a></p> | <p>LaCerte currently serves as Principal White House Liaison and Senior Advisor to the Office of Personnel Management (OPM), which is the chief human resources agency and personnel policy manager for the federal government.</p> | <p>LaCerte had previously worked at the New Orleans law firm of Sternberg, Naccari &amp; White, as well as Baker Botts, in energy litigation and on environmental, safety and incident response issues.</p> |

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## 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](http://iso-ne.com/contact/contact_us.jsp)
- NYISO - [http://www.nyiso.com/public/markets\\_operations/services/customer\\_support/index.jsp](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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