

June 2025

## Executive Summary & Introduction

1. The EPA is proposing to [repeal all GHG emissions standards for the power sector under Section 111 of the Clean Air Act](#) and to repeal amendments to the 2024 MATS rule.
2. Several RTOs [recorded their highest load levels](#) in over a decade, generating calls from FERC Chairman Christie for faster development of new generation resources.
3. The Department of Energy ordered Constellation Energy and PJM to [continue operating 760-MW oil- and gas-fired Eddystone Generation Station Units 3 and 4](#) until August 28, 90 days past its scheduled deactivation.
4. Atlantic Shores Offshore Wind, the developer of 1.5-GW Atlantic Shores 1 offshore New Jersey, filed a petition asking the NJ BPU to [terminate the project's OREC contract and all associated obligations](#), stating the project is no longer viable.
5. After finding a “data mismatch” the NERC [lowered MISO’s reliability risk to “elevated risk”](#), down from “high risk” for the 2028-2031 period.
6. The White House [nominated Laura Swett](#), an energy attorney at Vinson & Elkins, to replace FERC Chairman Mark Christie when his term ends on June 30, 2025.
7. The U.S. Nuclear Regulatory Commission [approved NuScale Power’s design for its 6-module, 462-MW small modular reactor](#) (SMR).

## 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

June 2025

## 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.


June 2025

## 2.1 Policy

Issue#	Rating	Issue	Impact	Action/Result
2.1a EPA	 	<p>The EPA proposed repealing all GHG emission standards for the power sector under Section 111 of the Clean Air Act (CAA) and to repeal amendments to the 2024 mercury and air toxics standard (MATS) limits for coal- and oil-fired generators, in order to ensure “affordable, dependable energy for American families and restore American energy dominance.”</p> <p><b>Section 111 of the Clean Air Act</b></p> <p>EPA is proposing to repeal the 2015 emission standards for new fossil fuel-fired power plants issued during the Obama-Biden Administration, and the 2024 rule for new and existing fossil fuel-fired power plants issued during the Biden-Harris Administration.</p> <p>According to the EPA, in <i>West Virginia v. EPA</i> the U.S. Supreme Court held that the major questions doctrine barred EPA from misusing the Clean Air Act to manipulate Americans’ energy choices and shift the balance of the nation’s electrical fuel mix. The Biden Administration issued its own rule in 2024, which many critics say is just another attempt to achieve the unlawful fuel-shifting goals of the Clean Power Plan.</p> <p><a href="#">EPA proposes repeal of Biden-Harris EPA regulations for power plants</a></p>	<p>The EPA says that unlike other air pollutants with a regional or local impact, the targeted emissions are global in nature. Therefore, any potential public health harms have not been accurately attributed to emissions from the U.S. power sector.</p> <ul style="list-style-type: none"> <li>EPA says that the Clean Air Act requires the agency to make a finding that the targeted emissions from fossil fuel-fired power plants significantly contribute to dangerous air pollution before regulating these emissions from this source category.</li> <li>EPA is proposing that GHG emissions from fossil fuel-fired power plants do not contribute significantly to dangerous air pollution within the meaning of the statute.</li> </ul> <p>Opponents of EPA’s GHG rule argued that it relied on carbon capture and sequestration technology that isn’t commercially available.</p> <p>Edison Electric Institute said, “<i>Electric companies need standards for natural gas facilities that are attainable to plan and permit new facilities, along with flexible regulatory approaches that help maintain dispatchable generation,</i>” adding that it continues to support the EPA’s authority to regulate GHG emissions under the Clean Air Act.</p>	<p><b>Mercury and Air Toxics Standard</b></p> <p>EPA is also proposing to repeal certain amendments issued on May 7, 2024 to the MATS rule and to revert back to 2012 standards, which has reduced:</p> <ul style="list-style-type: none"> <li>Mercury emissions from coal-fired power plants by 90%</li> <li>Acid gas hazardous air pollutant emissions by over 96%</li> <li>Emissions of the non-mercury metals, including nickel, arsenic and lead, by more than 81%</li> </ul> <p><b>EPA’s Goal</b></p> <p><i>“Ensuring affordable and reliable energy supplies drives down the costs of transportation, heating, utilities, farming, and manufacturing while boosting our national security. Coal and natural gas power plants are essential sources of baseload power that are needed to fuel manufacturing and turn the U.S. into the Artificial Intelligence capital of the world.”</i></p> <p>Power plants account for about a quarter of U.S. carbon emissions, making them the second largest source of GHG emissions behind the transportation sector, according to the EPA.</p> <p><b>EPA estimates that its proposal to repeal Obama and Biden era GHG rules would save the power sector \$19 billion over 20 years and reverting to the 2012 MATS rule would save \$1.2 billion over a decade.</b></p>


June 2025

## 2.1 Policy

Issue#	Rating	Issue	Impact	Action/Result
2.1b FERC	  \$+	<p><b>Several RTOs recorded their highest peak loads in over a decade in their respective regions during heatwave of the last week of June.</b></p> <p>Referring to tight grid conditions during that period, FERC Chairman Christie said, <i>“Some of our systems really came close to the edge.”</i></p> <p>Pointing to resource adequacy as the “central issue” facing the U.S., Christie said <i>“We’ve got to have more resources. We’re simply not building generation fast enough, and we’re not keeping generation that we need to keep,”</i> adding, <i>“You’ve got to have dispatchable resources. There’s no way around that.”</i></p> <p>Christie said the U.S. may need to require utilities and other load-serving entities to meet mandatory reserve power supply targets.</p> <p><a href="#">UD: FERC’s Christie calls for dispatchable resources after grid operators come ‘close to the edge’</a></p>	<p><b><u>PJM load hit 161 GW</u></b></p> <p>PJM, the largest U.S. grid operator, hit peak load of 161 GW on June 23, 5% above its 154 GW peak demand forecast for this summer and the highest demand on its system since 2011. PJM had about 10 GW to spare at the peak and was within its reserve requirements.</p> <p><a href="#">At the system peak, PJM’s fuel mix was:</a></p> <ul style="list-style-type: none"> <li>• <b>Natural gas 44%</b></li> <li>• <b>Nuclear 20%</b></li> <li>• <b>Coal 19%</b></li> <li>• <b>Solar 5%</b></li> <li>• <b>Wind 4%</b></li> </ul> <p>Demand response was “essential” at reducing 4 GW of load. PJM called on demand response resources on Monday in its Mid-Atlantic and Dominion regions, on Tuesday across its footprint and on Wednesday in its eastern zones.</p> <p>FERC Commissioner Chang said, <i>“I see load flexibility as a key tool for grid operators to meet the challenges that we face.”</i></p> <p><b><u>MISO load hit 119 GW</u></b></p> <p>MISO hit a peak on Monday of 119 GW, about 6% below the grid operator’s all-time system peak of 127 GW set in July 2011. MISO issued emergency orders.</p>	<p><b><u>New England load hit 26 GW</u></b></p> <p>ISO New England’s demand peaked on Tuesday evening at 26,024 MW, the highest level since 2013. ISO-NE set a peak record of 28,130 MW in August 2006.</p> <ul style="list-style-type: none"> <li>• ISO-NE managed its grid under a “power caution” after the loss of generation in the late afternoon on Tuesday and called on reserve resources, declaring an Energy Emergency Alert Level 1, the lowest of three alert levels.</li> </ul> <p><a href="#">At the system peak, New England’s fuel mix was:</a></p> <ul style="list-style-type: none"> <li>• <b>Gas-fired generation supplied 12,280 MW</b></li> <li>• <b>Nuclear power 3,350 MW</b></li> <li>• <b>Oil 3,180 MW</b></li> <li>• <b>Net imports 3,015 MW</b></li> <li>• <b>Hydro power 2,070 MW</b></li> <li>• <b>Renewables 1,540 MW</b></li> </ul> <p>During the record-setting day, grid-connected solar provided 800 MW by 10 a.m. and began to dip around 3 p.m., falling to 350 MW by 6 p.m.</p> <ul style="list-style-type: none"> <li>• <b>“Other” including grid-level demand response 405 MW</b></li> </ul> <p><b>Fossil-fired and nuclear power provided 73% of generation on June 24 at 6 p.m.</b></p>

June 2025



## 2.2 Capacity / System Reliability

Issue#	Rating	Issue	Impact	Action/Result
2.2a DOE/ PJM	 \$+	<p>The U.S. Department of Energy (DOE) declared an emergency in parts of the PJM footprint and <a href="#">ordered</a> Constellation Energy and PJM to continue operating 760-MW, oil- and gas-fired Eddystone Generation Station Units 3 and 4 for 90 days beyond its scheduled deactivation date of May 31 or until August 28, 2025.</p> <p>The Federal Power Act's section 202(c) gives the DOE secretary the authority to temporarily order power plants to operate during wars and emergencies.</p> <p><a href="#">PCS: Aging Pennsylvania power plant to keep running after Trump order on eve of shutdown</a></p>	<p>The DOE cited the following to support its order:</p> <ol style="list-style-type: none"> <li>1. <a href="#">PJM's May 9 report which stated that the ISO would have to call on demand response to avoid power outages if it faces record-setting demand this summer</a></li> <li>2. <a href="#">PJM's February 2023 report indicating that the ISO faced tightening supply-demand conditions this decade</a></li> <li>3. <a href="#">PJM's request at FERC to fast-track the interconnection process for some generation projects to address potential reliability concerns</a></li> </ol>	<p>Eddystone Generating Station was built between 1967 and 1970 and is located just south of Philadelphia in PECO Zone.</p> <p>PJM approved Constellation's request to deactivate Eddystone units 3 and 4 in February 2024. The ISO supports the DOE's order, stating that, <i>"This will allow DOE, Constellation Energy and PJM to undertake further analysis regarding the longer-term need and viability of these generators."</i></p> <p>The DOE issued a similar emergency order on May 23 to keep 1.6 GW, coal-fired power plant owned by Consumers Energy (see our <a href="#">May Regulatory Bulletin, Sec. 2.1b</a>).</p>
		<p>Atlantic Shores Offshore Wind, the developer of 1.5-GW Atlantic Shores 1 project offshore New Jersey, filed a petition asking the NJ Board of Public Utilities (BPU) to terminate the project's offshore renewable energy credits (ORECs) and all associated obligations.</p> <p><a href="#">OSW.biz: Atlantic Shores request to terminate 1.5 GW OREC contract with New Jersey</a></p>	<p>The petition cites Trump's executive order pausing offshore wind development (<a href="#">see our January Regulatory Bulletin, Sec. 2.2b</a>) and the overall macroeconomic environment as reasons the project is no longer viable upon the terms and conditions set forth in the original OREC contract made in 2021.</p> <p>In March, the project had its Clean Air Act permit remanded by the EPA. Since then the project has had to <i>"materially reduce its personnel, terminate contracts, and cancel planned project investment."</i></p>	<p>Atlantic Shores Offshore Wind said the project is seeking a "reset period," hoping for a renewed contract with higher revenues.</p> <p>The project is a joint venture between EDF Renewables and Shell. In January, Shell booked a \$1 billion impairment charge associated with the project, while EDF booked a \$980 million impairment charge a month later.</p>

[Back to Top](#)


June 2025

## 2.2 Capacity / System Reliability

Issue#	Rating	Issue	Impact	Action/Result
2.2c NERC	 	<p>After finding a “data mismatch” the NERC said that MISO’s reliability risk wasn’t as bad as reported in its December assessment, reclassifying MISO’s risk to “elevated risk” down from “high risk” for the 2028-2031 period.</p> <p>Elevated risk means that an area meets resource adequacy criteria but under extreme weather conditions remains likely to experience a shortfall in reserves.</p> <p><a href="#">NERC statement on 2024 Long-Term Reliability Assessment</a></p>	<p>NERC’s December Long-Term Reliability Assessment concluded that more than half of North America faces a risk of energy shortfalls in the next five to ten years.</p> <p>While many areas were classified as an “elevated” risk, the report cited MISO as facing “high risk” beginning this year, with energy shortfalls in some areas possible during normal peak conditions.</p> <p>(See our <a href="#">December 2024 Regulatory Bulletin, Sec. 2.2d</a> for more on NERC’s December Long-Term Reliability Assessment report.)</p>	<p>After MISO’s external market monitor, Potomac Economics, disputed NERC’s December findings, the ISO reassessed its data and found that it had submitted to NERC mismatched data overstating its near-term energy shortfall to risk.</p> <p><b>According to David Patton, head of Potomac Economics, NERC understated MISO’s capacity for demand response, behind-the-meter generation and firm capacity imports by more than 8 GW, as well as incorrectly considered power plant retirements that have not occurred.</b></p> <p>NERC is ultimately responsible for ensuring the accuracy of its independent reliability assessments and is working to improve its review process.</p>

June 2025


## 2.6 Industry Development

Issue#	Rating	Issue	Impact	Action/Result
2.6a FERC		<p><b>The White House nominated Laura Swett, an energy attorney at Vinson &amp; Elkins, to replace FERC Chairman Mark Christie when his term ends on June 30, 2025.</b></p> <p>Swett previously worked at FERC, including as an advisor to former Commissioner Bernard McNamee and for Chairman Kevin McIntyre. She also worked in FERC's enforcement office for about five years.</p> <p>Since joining Vinson &amp; Elkins in 2023, Swett represented pipeline and electric power companies at FERC on issues such as enforcement and market manipulation, rates, market rules and regulation, cybersecurity, licensing and wholesale power sales.</p> <p><a href="#">E&amp;E: White House nominates energy attorney Laura Swett to FERC seat</a></p>	<p>Swett also represented PJM transmission owners in FERC's rulemaking that set new transmission planning and cost allocation requirements.</p> <p>According to Hartman at R Street Institute, the top energy issue for the White House is the rapid approval of oil and gas projects, an area Swett has expertise in.</p> <p><i><b>"The big outstanding question is, how they view the role for FERC in meeting energy demand growth, and if they want FERC to play a role in leading or validating interventions to retain legacy power plants. We're in a critical stage of both FERC direction and the integrity of electricity markets moving forward."</b></i></p>	<p>Chairman Christie is expected to stay on at FERC until the end of July while Swett undergoes the Senate confirmation process, and Lindsay See is expected to be elevated to interim-Chair if Christie leaves prior to Swett's confirmation.</p> <p>If approved by the Senate, the move leaves five-member FERC with two Republicans, Swett and See, and two Democrats, Rosner and Chang.</p> <p>The seat held by former FERC Chairman Willie Phillips remains unfilled after he left FERC on April 22. Phillips joined the law firm of Holland &amp; Knight last month. His term was set to expire on June 30, 2026.</p>



June 2025

## 2.6 Industry Development

Issue#	Rating	Issue	Impact	Action/Result
2.6b NRC		<p>The U.S. Nuclear Regulatory Commission (NRC) has <a href="#">approved</a> NuScale Power's design for its 6-module, 462-MW small modular reactor (SMR) reactor, known as US460, utilizing its larger 77-MWe module, completing the technical review in less than two years.</p> <p>The US460 is based on NuScale's 12-module, 600-MW US600 design, which NRC approved in 2020.</p> <p>NuScale's design is one of the few that runs on conventional low-enriched uranium rather than more scarce high-assay, low-enriched uranium.</p> <p><a href="#">NuScale Power's small modular reactor (SMR) achieves standard design approval from U.S. NRC for 77 MWe</a></p>	<p>According to NuScale, the newly-approved design's larger modules will help the company's power plants more effectively serve hyperscale data centers.</p> <p>The company hopes to secure its first U.S. customer this year and says it's progressing through "advanced commercial dialogue with major technology and industrial companies, utilities and national and local governments."</p> <p>NuScale's manufacturing partner Doosan has 12 modules in production at its South Korea foundry and could deliver up to 20 per year in the near term. NuScale's first power plant could be operational by the end of 2030.</p> <p>The company would still need to apply for a construction permit and operating license before building and operating a US460 plant, which is expected to take 30 months or longer.</p>	<p>In May, Trump issued four executive orders to expand reactor deployments, ease regulation and shore up domestic fuel and equipment supply chains.</p> <ul style="list-style-type: none"> <li>• One order would require NRC to review new reactor applications within 18 months.</li> <li>• Another would expand the roles of the departments of Energy and Defense in reactor licensing and deployment, potentially creating new pathways for design approvals and expedited siting of power plants on federal land.</li> </ul> <p>The GOP budget proposal that passed the House on May 22 gutted most clean energy tax credits while sparing the nuclear industry. The House-passed version allows reactor projects that begin construction by 2028 to qualify for the full value of the Inflation Reduction Act's technology-neutral investment and production tax credits.</p>



June 2025

## 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/>
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