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Federal Energy Regulatory Commission

National – Electric & Natural Gas

President Biden has named Commissioner Willie Phillips Acting Chairman of the Federal Energy Regulatory Commission. Phillips joined the Commission in December 2021, prior to that he served as the Chairman of the District of Columbia Public Service Commission and has an extensive background in the areas of public utility regulation,

bulk power system reliability, and corporate governance. Prior to that, Phillips served as Assistant General Counsel for the North American Electric Reliability Corporation. Acting Chairman Phillips has a *Juris Doctor* from Howard University School of Law, and a Bachelor of Science from the University of Montevallo.

Exiting the Merchant Function Taskforce

Ohio – Natural Gas

Columbia Gas of Ohio agreed to convene a collaborative process to discuss the potential exit from the merchant function for non-residential customers whereby Columbia Gas procures natural gas supply for its customers. Signatories to the agreement include Columbia Gas of Ohio, the Public Utilities Commission of Ohio, the Office of the Ohio Consumers' Counsel, Interstate Gas Supply, the Retail Energy Supply Association, and several large customers and industrial groups. The agreement

provides that, "*Columbia shall convene a Non-Residential Customer Exit the Merchant Function Taskforce with participation open to the parties and interested stakeholders to discuss the specific details of a filing regarding a potential modification or exit by Columbia from the merchant function for non-residential customers (i.e., non-residential customers that consume 300 Mcf or more on an annual basis).*" The taskforce will not address an exit of the merchant function for residential consumers.

ISO New England Mystic Cost of Service Agreement

Massachusetts – Electric

The Massachusetts Department of Public Utilities denied a petition from National Grid that sought to exclude the responsibility for costs resulting from the ISO New England's Mystic Cost-of-Service (COS) Agreement from electricity basic/default service bids, with bidders instead passing through to National Grid their actual costs related to the Mystic COS Agreement. These are payments to Mystic resources - electric generation and associated liquified natural gas facilities - retained for fuel security in New

England. National Grid asked the Department to remove this component of the costs on which basic/default service rates are based and instead allow the Company to recover any difference between estimated and actual costs from all ratepayers whether taking competitive electric supply or basic/default service. In its decision, the Department noted: (1) This cost component is not unique to basic/default service supplies as all competitive suppliers must take these into account;

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(2) If approved, National Grid’s request would be substantially altering its basic/default service offering from that of other Massachusetts electric utilities; and (3) Mystic COS Agreement costs were not raised by any company, including National Grid, as a reason for wholesale suppliers’ recent reluctance to bid, or for why the bids that were received were unreasonably high and ultimately rejected. The

Department denied the petition, stating that not enough information was provided to justify the proposal. *“Considering our decision ... it would be premature to address the substantive issues raised by the commenters regarding the effect of including basic service costs in base distribution rates paid by all customers (e.g., subsidization, price signals, retail market competition).”*

Renewable Natural Gas Legislation

New Jersey – Natural Gas

Legislation has been introduced in New Jersey, Assembly Bill 577 (<https://njleg.state.nj.us/bill-search/2022/A577>) that if ultimately enacted, would direct the New Jersey Board of Public Utilities to establish the procurement of renewable natural gas and investment in infrastructure by a gas public utility. This proposed legislation requires the New Jersey Board adopt a ratemaking mechanism that

ensures the recovery of prudently incurred costs made pursuant to the bill. In addition, when a utility procures renewable natural gas from a third party, the utility is to purchase the supply at prices and on terms consistent with conditions in the market for renewable natural gas. This has been referred to committee and awaits further action.

Status of Electric Competition

Ohio – Electric

The Ohio Public Utilities Commission mission requires it to facilitate competitive markets for electric choice. In doing so, the Commission monitors markets to determine whether robust competition exists. In a competitive market, there are many companies, each with a portion of the entire sales and consumers. Data from 2021 shows that the number of Certified Retail Electric Services (CRES) companies has remained stable over the past few years: 125 to 130 electricity marketers are certified in Ohio and roughly 100 of them are reporting sales. Additional analysis shows that there is higher market concentration for

residential consumers and lower concentration for commercial and industrial consumers.



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Transmission Buildout to Deliver Affordable, Clean Electricity

The White House – Electric

President Biden announced that the Department of Energy is accepting applications for a combined \$13 billion in grant funding available under the bipartisan infrastructure law ([FACT SHEET: The Biden-Harris Administration Advances Transmission Buildout to Deliver Affordable, Clean Electricity | The White House](#)). The development of thousands of miles of new and upgraded transmission lines will help reduce electricity costs, prevent power outages in the face of extreme weather, and create jobs in the clean energy sector. *“An estimated 70 percent of the nation’s transmission lines are over 25 years old, and this aging infrastructure makes American communities,*

critical infrastructure, and economic interests vulnerable. New and upgraded transmission lines deliver electricity to where it’s needed, whether that means delivering wind and solar power to towns and cities across the country or moving power from one region to another that needs it in the face of storms, heat waves, and other extreme weather. An expanded transmission system is also critical to cost-effectively achieving the President’s goals of reducing greenhouse gas emissions 50-52% below 2005 levels in 2030 and achieving 100% clean electricity by 2035.”

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