

Energy Law: Month in Review - March 2025

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Welcome to Dorsey's Energy Law: Month in Review. We provide this update to our clients to identify significant developments in the previous month. Please reach out to any of the authors, listed above, to discuss these issues.

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LITIGATION AND DISPUTES

Seventh Circuit Vacates Injunction in Transmission Line ROFR Dispute

On March 13, 2025, the U.S. Court of Appeals for the Seventh Circuit [vacated an injunction](#) issued by the U.S. District Court for the Southern District of Indiana, which had barred the Indiana Utility Regulatory Commission (IURC) from enforcing Indiana's law giving incumbent utilities rights of first refusal to build and operate new transmission facilities that connect to facilities they own. In the split decision, the two-judge majority concluded that the plaintiffs lacked standing because the IURC does not have authority to enforce the statute. The majority stated that any real relief would have to come from

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- Electric Power
- Environmental, Social, Governance (ESG)
- Sustainability

the Midcontinent Independent System Operator (MISO), which was not a party to the suit.

Court Upholds Connecticut PURA's ROE Reduction for Environmental Remediation Issue

On March 13, 2025, a Connecticut Superior Court rejected an appeal from United Illuminating Co. of a rate-case decision by the Connecticut Public Utilities Regulatory Authority (CPURA). The CPURA had awarded the utility substantially less than it had sought in its initial rate-case filing. Among other things, the CPURA had reduced the authorized return on equity (ROE) for the utility to encourage it to address various performance and management deficiencies, including with regard to the remediation of the closed English Station generation facility. The utility argued that the CPURA did not have authority to seek to enforce Connecticut's environmental laws. The court, however, concluded that it was within the CPURA's authority to reduce authorized ROE to encourage the utility to improve its business practices, including with respect to the environmental remediation.

REGULATORY DEVELOPMENTS

California PUC Sets New Safety Standards for Battery Storage

The California Public Utilities Commission (CPUC) added new safety standards for energy-storage systems. The establishment of the new standards were required by the California Legislature in 2022. In addition to various technical updates, the new standards require owners to develop emergency-response and emergency-action plans. In recent years, California has seen substantial growth in energy-storage-systems. The CPUC noted energy-storage-system capacity grew from 500 MWs in 2019 to 13,300 MWs in 2024.

FERC Affirms Approval of SEEM Market Rules

On March 14, 2025, the Federal Energy Regulatory Commission (FERC) unanimously affirmed acceptance of the transmission rules governing the Southeast Energy Exchange Market (SEEM). The U.S. Court of Appeals for the District of Columbia Circuit had remanded an earlier FERC decision approving the SEEM market. On remand, after reviewing the supplemented record, FERC again approved SEEM. The SEEM members are various transmission-owning utilities in the Southeast, including Southern Companies and Duke Energy. SEEM provides a platform for members to make automated 15-minute transactions using available transmission capacity.

MISO Proposes "Expedited Resource Addition Study" Process to Speed Generator Interconnection

MISO recently sought approval from FERC for amendments to MISO's tariff to provide for accelerated interconnection of generating facilities that can address urgent resource-adequacy needs. In support of the filing, MISO contended that the current interconnection queue improvement plans are designed for longer-term improvements and will be insufficient to allow needed generation to come onto the system in the short term. The amended tariff includes a process for interconnection customers to claim a new interconnection request will meet a resource-adequacy or reliability need. The tariff

also includes a process for state commissions to notify MISO of projects that should be reviewed under the accelerated process. Qualifying projects must: (1) demonstrate 100% site control for the generating facility and point of interconnection, (2) have a commercial operation date within three years of submission, (3) submit a non-refundable deposit of \$100,000 and a \$24,000/MW milestone payment, and (4) agree in the interconnection agreement to pay for all necessary network upgrades regardless of whether the project withdraws. MISO requested an effective date of May 17, 2025. Under MISO's proposal, the expedited process would sunset by December 31, 2028.

FERC Approves SPP's RTO West Plan

On March 20, 2025, FERC approved tariff revisions for the Southwest Power Pool (SPP) to allow for the entry of members from the Western Interconnection. Several entities are planning to join the expanded Regional Transmission Organization or increase their participation: Basin Electric Power Cooperative; Colorado Springs Utilities; Deseret Power Electric Cooperative; the Municipal Energy Agency of Nebraska; Platte River Power Authority; Tri-State Generation and Transmission Association; and the Western Area Power Administration Colorado River Storage Project, Rocky Mountain and Upper Great Plains regions. SPP has said it is working with additional western entities that are considering joining after the initial expansion is complete.

BPA Announces Plan to Join SPP's Markets+, not CAISO's EDAM

In a draft policy, the Bonneville Power Administration (BPA) announced plans to join SPP's Markets+ real-time and day-ahead market. The BPA chose Markets+ over the Extended Day-Ahead Market (EDAM) being developed by the California Independent System Operator. Following the announcement, a 30-day comment period was opened, and BPA stated that it anticipates issuing its final policy and record of decision in May 2025. BPA indicated that it chose Markets+ for its market-design features, including its independent governance model. In its draft policy, BPA noted that CAISO is governed by a Board of Directors appointed by the Governor of California with the consent of the State Senate and also referenced greater stakeholder participation in developing Markets+ than EDAM.

NY Commission Approves Implementation Plan for Bulk Energy Storage

On March 20, 2025, the New York Public Service Commission approved, with modifications, a state implementation plan for bulk-energy storage filed by the New York State Energy Research and Development Authority. The implementation plan set forth a budget and methods for acquiring additional bulk-energy storage aimed at meeting a statewide goal of deploying 3,000 MW of new storage by 2030. The plan contemplates using a market-based mechanism to attract energy-storage development to New York.

Massachusetts Regulators Reduce Energy Efficiency Budget by \$500 Million

The Massachusetts Department of Public Utilities issued an order approving the 2025 to 2027 three-year energy efficiency plans. The order reduced the total three-year budget by \$500 million to protect ratepayers from bill impacts. Even with the reduction, the recently approved three-year budget is higher than the budget for 2022 to 2024.

100 Bidirectional EV Chargers to be Deployed in Pioneering Massachusetts V2X

Resource Innovations and The Mobility House announced they have been selected by the Massachusetts Clean Energy Center to spearhead a two-year vehicle-to-everything pilot program in which 100 bidirectional chargers will be deployed to residential, school bus, municipal, and commercial-fleet participants. Under the pilot, participants' electric vehicles can be used as energy storage assets, with an estimated new storage capacity of 1.5 MW. Some participants will be compensated for sending storage to the grid.