

Energy Law: Month in Review - March 2026

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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.

REGULATORY DEVELOPMENTS

NRC Issues Permit for Construction of Advanced Nuclear Reactor in Wyoming

For the first time in nearly a decade, the Nuclear Regulatory Commission (NRC) issued a construction permit for a new commercial nuclear reactor. The permit was issued to a subsidiary of TerraPower. The plant, located in Wyoming, will have a sodium-cooled, advanced reactor design and be near an existing coal-fired plant. The 345 MW plant also includes a molten salt-based energy storage system designed to allow for a temporary boost up to 500 MW of total output. The NRC staff conducted its technical review of the new design in less than 18 months. The project is being developed through the U.S. Department of Energy's Advanced Reactor Demonstration Program (ARDP). The plant is expected to be completed in 2030.

Arizona Commission Repeals Renewable Energy Standard

On March 10, 2026, the Arizona Corporation Commission (ACC) repealed the Renewable Energy Standard and Tariff (REST) Rules, adopted in 2006. The ACC explained that the mandates are no longer needed and the costs no longer justified. The ACC "determined that the REST Rules have created a significant financial burden for ratepayers due to above-market-cost contracts for renewable energy resources and incentives paid to customers participating in REST programs but collected from all customer classes." The ACC also "determined that the REST Rules are no longer effective because they do not further increase the Annual Renewable Energy Requirement beyond what already has been achieved by the three largest electric utilities." The ACC further concluded that renewable energy development in Arizona

Related Capabilities

- Energy & Natural Resources
- Electric Power
- Environmental, Social, Governance (ESG)
- Sustainability

would continue due to customer demand, corporate sustainability goals, the cost competitiveness of wind and solar, and federal tax policy.

New Jersey Board Announces Community Solar Expansion and Awards Incentives for Energy Storage and Solar Generation

On March 4, 2026, the New Jersey Board of Public Utilities took significant actions to expand carbon-free generation and storage in the state. The Board approved a 3,000 MW expansion of the New Jersey's Community Solar Energy Program, with 1,555 MW for PSE&G, 787 MW for Jersey Central Power & Light, 324 MW for Atlantic City Electric, 51 MW for Rockland Electric, and the remaining 300 MW reserved for landfill projects. The Board also awarded incentives for three energy storage projects totaling 355 MW and started the process for the award of incentives to another 645 MW of storage. Finally, the Board approved awards under the Competitive Solar Incentive Program totaling 24 MW and announced another round of solicitation with bids due by April 24, 2026. The Board explained it was acting pursuant to an Executive Order from Governor Sherrill directing it to rapidly expand in-state solar generation and energy storage.

PPL Enters into Settlement for Pennsylvania Rate Case

PPL filed a proposed settlement at the Pennsylvania Public Utility Commission on March 13. The settlement included most of the parties to its Pennsylvania rate case. If approved, the settlement would increase PPL's annual distribution rate revenue by \$275 million. It would also implement a new tariff for data centers and other large load customers. The new tariff would require initial terms of not less than 10 years, an initial ramp up period of up to five years, minimum load guarantees and exit fees. The proposed findings of fact filed with the agreement state that without "adequate protection" large load growth creates a risk of stranded assets, unrecovered costs, and cross-subsidization. Arizona Commission Repeals Renewable Energy Standard

FERC Approves SPP Proposal to Merge Transmission Planning and Interconnection

In a March 13, 2026, Order, the Federal Energy Regulatory Commission (FERC) approved a proposal from the Southwest Power Pool, Inc. (SPP) to revise its tariff to create a streamlined Consolidated Planning Process (CPP) that will encompass both transmission planning and generator interconnection. SPP will open its first CPP window in April. SPP will publish its first Generalized Rate for Interconnection Development-Contribution this Fall, a new standardized rate for system upgrade contributions designed to give developers greater upfront cost certainty before they commit to interconnection. SPP anticipates that the new process will reduce administrative overhead and yield cost savings.

FERC Rejects RWE Complaint Against PJM, But Commissioners Signal Interconnection Concerns

FERC issued an Order on March 19, 2026, denying a complaint brought by RWE Clean Energy, LLC. RWE had sought to interconnect a 100 MW solar generation and 25 MW battery storage facility in Dorchester County, Maryland. In December 2024, PJM's Phase II System Impact Study results had provided an estimate of \$1.25 million for system

upgrades; however, later PJM's Phase III study resulted in an estimate of \$71.6 million. RWE challenged PJM's engineering, including a decision to run a DC power analysis and not an AC power analysis, and PJM's allocation of all the costs to it, and not other customers. FERC denied the Complaint finding that RWE had not shown that PJM violated its tariff or that the tariff was unjust, unreasonable, unduly discriminatory, or preferential. However, in concurrences, Commissioners David Rosner and Judy Chang used the facts of the case to criticize interconnection processes as too unpredictable. They urged other RTOs and ISOs to adopt new approaches like SPP's new Consolidated Planning Process. Chairman Laura Swett also said during the agency's monthly meeting that the facts of the case raise "big concerns" about how "we will develop much needed generation to meet historic load growth."

LITIGATION AND DISPUTES

Court Dismisses Investors' Wildfire Mitigation Suit Against Southern California Edison

On March 6, 2026, U.S. District Court Judge Otis D. Wright, II issued an Order granting Southern California Edison's (SCE) motion to dismiss a putative class action brought by shareholders alleging SCE made false statements regarding wildfire mitigation. The Judge granted the motion based on his determination that the Plaintiffs had not successfully pled facts showing the utility had made false statements to investors. Plaintiffs pointed to statements Southern California Edison had made regarding its Public Safety Power Shutoff (PSPS) program. The shareholders claimed these statements were false because the utility was unable to use PSPS on all its transmission lines including, two lines implicated in the 2025 Eaton and Sylmar fires. But the Judge found that the statements in question were too general to be false and included caveats suggesting that PSPS was neither flawless nor universally available. The Court did grant Plaintiffs leave to amend their Complaint with respect to certain opinions regarding the extent to which the utility had reduced its fire risk.

California Court of Appeals Upholds CPUC Net Metering Tariff

On March 9, 2026, the California's Court of Appeals (First Appellate District) upheld 2022 changes to net metering promulgated by the California Public Utility Commission (CPUC). Those 2022 changes had significantly reduced the amounts paid by utilities for customer-sited generation. The court had previously approved the changes applying a "highly deferential" standard of review, but the California Supreme Court reversed it and remanded the case so that the CPUC's decision could be re-reviewed with a less deferential standard. After independently interpreting the relevant statutes, the court concluded that the CPUC had complied with the direction provided by the legislature and once again affirmed the CPUC's decision.