

Energy Law: Month in Review - May 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.

LITIGATION AND DISPUTES

Michigan Court of Appeals Issues Split Ruling on Renewable Energy Siting Rules

On May 7, 2026, the Michigan Court of Appeals largely upheld the Michigan Public Service Commission's (MIPSC) rules implementing Public Act 233 of 2023, which established a state-level permitting pathway for large wind, solar, and energy storage projects. The three-judge panel rejected most of the challenges brought by a coalition of local governments, including arguments that the MIPSC failed to follow proper rulemaking procedures. The panel concluded, however, that the MIPSC interpreted certain provisions too narrowly—most notably its definition of an “affected local unit,” which the court held extends to local governments without zoning authority, and its interpretation of the timeline for a locality to invoke local approval. The MIPSC must revise those portions of its order on remand.

Connecticut Supreme Court Remands \$17 Million Eversource Storm-Cost Recovery Dispute

On May 12, 2026, the Connecticut Supreme Court reversed a trial court judgment in a dispute between Eversource Energy and the Public Utilities Regulatory Authority (PURA) over the timing of recovery of more than \$17 million in capital costs associated with storm repairs made between October 2017 and May 2018. PURA had directed that recovery of the costs be deferred until Eversource's next rate case, while Eversource contended that a 2018 settlement agreement permitted immediate recovery. The court held that the trial court should have interpreted the settlement agreement itself rather than deferring to PURA's interpretation. Finding the agreement facially ambiguous as to

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

the timing of capital cost recovery, the court reversed and remanded for further proceedings.

REGULATORY DEVELOPMENTS

Pennsylvania PUC Adopts “First-of-Its-Kind” Large Load Model Tariff Framework

On May 13, 2026, the Pennsylvania Public Utility Commission (PAPUC) issued a Final Order in Docket No. M-2025-3054271, establishing a nonbinding model tariff framework to guide how the state’s electric distribution companies evaluate and serve large-load customers, including data centers. Adopted on a 3-2 vote, the framework applies to customers exceeding 50 MW individually or 100 MW in the aggregate and assigns large-load customers the cost of infrastructure upgrades that would not have been needed but for the customer’s interconnection, irrespective of whether other customers also benefit. The Final Order provides that those costs may be recovered through up-front Contributions in Aid of Construction payments—an approach the PAPUC has noted is less common in similar frameworks adopted elsewhere—and that utilities should complete interconnection studies for large-load customers within approximately six months. The Final Order also addresses collateral and financial security requirements, contract terms and exit provisions, load-ramping schedules, public-facing information on interconnection requests, and customer self-construction options.

Oregon PUC Approves PGE Large Load Tariff Implementing 2025 POWER Act

On May 7, 2026, the Public Utility Commission of Oregon (ORPUC) issued Order No. 26-154 in Docket No. UM 2377, approving a new large-load tariff framework (Schedule 96) for Portland General Electric (PGE) to serve data centers and other large loads exceeding 20 MW. The ORPUC described the decision as the first implementation of Oregon’s 2025 POWER Act, which directs the Commission to assign the costs of serving large loads to those customers and to mitigate the risk that other customer classes subsidize that service. The framework establishes a dedicated rate class, requires large loads to cover the full cost of distribution upgrades needed to serve their projects, sets minimum generation and transmission demand charges at 90% of contracted system capacity, and scales contract terms with project size from 10 to 30 years, with exit provisions and a surcharge on projects exceeding 100 MW. The order also approves, with modifications, a peak growth modifier allocating more growth-related infrastructure cost to the customer classes driving demand growth and ties large-load interconnection to the utility’s clean energy and emissions obligations.

Wisconsin PSC Approves Modified Alliant–Meta Data Center Agreement and Directs Stand-Alone Large Load Tariff

On May 7, 2026, the Public Service Commission of Wisconsin (WIPSC) approved, with modifications Alliant Energy’s Electric Service Agreement to serve a Meta data center campus in Beaver Dam under Alliant’s Individual Contract Rate tariff in Docket No. 6680-TE-115, and directed the utility to file a stand-alone large-load tariff under which future data center customers in Alliant’s service territory would take service. The modifications require the data center customer to bear the full cost of generation, transmission, and

distribution infrastructure attributable to its service, and impose minimum demand payments and early-termination payment provisions to protect existing customers from cost-shifting. The order also requires the data center customer to contribute to the statewide energy efficiency and renewable energy program and approves associated Renewable Energy Procurement Agreements. The Commission described the directive to develop a stand-alone tariff as a means of avoiding piecemeal, customer-by-customer agreements, building on its April 2026 approval of a similar tariff framework for We Energies.

New York PSC Approves National Grid Transmission Rebuilds and NYPA Article VII Amendment

On May 14, 2026, the New York State Public Service Commission (NYPSC) approved three transmission decisions addressing aging infrastructure and accommodating future renewable generation in upstate New York. In Case No. 25-T-0152, NYPSC authorized Niagara Mohawk Power Corporation d/b/a National Grid to rebuild approximately 16.3 miles of the 115 kV Southeast Batavia–Golah 119 Line across portions of Genesee, Livingston, and Monroe Counties; the application was unopposed. In Case No. 25-T-0262, the NYPSC authorized National Grid to rebuild approximately 50.72 miles of 115 kV transmission line between the Inghams substation in Herkimer County and the Rotterdam substation in Schenectady County and to construct a new Saltsman Road substation in Fulton County, with the project estimated at approximately \$489 million. In Case No. 19-T-0549, the NYPSC amended an existing Article VII Certificate of Environmental Compatibility and Public Need originally granted to the New York Power Authority (NYPA) and LS Power Grid New York on January 21, 2021, for an approximately 93-mile, 345 kV transmission line from the Edic substation in Marcy to the New Scotland substation in Albany; the amendment authorizes NYPA to interconnect the facility to National Grid's 115 kV system at the planned Ames Road Substation in Canajoharie.

FERC's XBRL-CSV Standard for Electric Quarterly Reports Takes Effect

On March 19, 2026, FERC issued Order No. 917 (Docket No. RM23-9-000), a Final Rule adopting eXtensible Business Reporting Language–Comma-Separated Values (XBRL-CSV) as the standard format for filing the Electric Quarterly Report (EQR), which took effect on May 26, 2026. The rule also amends FERC's regulations to require Regional Transmission Organizations and Independent System Operators (RTO/ISO) to produce reports containing market participant transaction data, and extends the EQR filing timeline from 30 days to approximately four months after the close of each quarter. The Commission has stated that pre-formatted FERC Templates will be made available to assist filers, and that RTO/ISO-provided transaction data will serve as the authoritative reference point for organized-market transactions in EQRs.

Legislation

Colorado Governor Signs Grid Optimization Act Requiring Advanced Transmission Technology Assessments

On May 29, 2026, Colorado Governor Jared Polis signed the Colorado Grid Optimization Act (House Bill 26-1081) into law. The legislation directs the Colorado Public Utilities Commission to adopt rules requiring Xcel Energy, Black Hills Energy, and Tri-State Generation and Transmission Association to include an analysis of advanced transmission technologies—also known as grid-enhancing technologies, such as dynamic line ratings, topology optimization software, and advanced conductors—in the 10-year transmission plans they file every two years. The required assessments must evaluate how those technologies could increase the state’s ability to import and export electricity, accelerate the interconnection of new generation and load, and reduce wildfire risk. The law also directs the Colorado Electric Transmission Authority to engage with subregional transmission planning organizations and imposes prevailing-wage requirements on advanced transmission technology projects requiring utility line construction.

Maryland Governor Signs Utility RELIEF Act Addressing Rates and Data Center Cost Allocation

On May 12, 2026, Maryland Governor Wes Moore signed the Utility RELIEF Act (House Bill 1532) into law. The legislation allocates funds from Maryland’s Strategic Energy Investment Fund toward bill relief, places a temporary moratorium—through April 1, 2027—on the use of forecasted (rather than actual) spending to justify rate increases while the Maryland Public Service Commission studies the practice, and directs utilities to consider advanced transmission and grid-enhancing technologies. The law also revises the state’s data center policies, requiring a broader group of data centers to pay a tariff that accounts for the grid infrastructure costs they impose. State officials estimate the measure will reduce a typical residential customer’s bill by roughly \$150 per year.