

Memorandum

To: ISO Board of Governors

From: Stacey Crowley, Vice President, External Affairs

Anna McKenna, Vice President, Market Policy and Performance

Date: October 27, 2021

Re: **State, Regional, and Federal Affairs update**

This memorandum does not require Board action.

STATE AFFAIRS

Regulatory update

Once-Through Cooling Compliance Deferral for Redondo Beach:

On October 19, the State Water Resources Control Board voted (5-0) to adopt an amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling to Extend the Compliance Schedule for the Redondo Beach Generating Station. The amendment extends the compliance date for Redondo Beach Generating Station Units 5, 6, and 8 for two years, through December 31, 2023, to address system-wide grid reliability concerns. The ISO, California Public Utilities Commission, and California Energy Commission support this outcome.

Legislative update

Legislature:

The California Legislature adjourned for Interim Recess on September 10. Governor Newsom, having successfully defeated the recall election, had until October 10 to sign or veto any legislation that was passed prior to adjournment, officially closing out the first year of the two-year legislative session. New laws will take effect on January 1 and the Legislature will reconvene for regular session on January 3.

REGIONAL AFFAIRS

EIM Governing Body:

The EIM Governing Body held a virtual meeting on October 20. In the general session, they received updates from both the Body of State Regulators and the Regional Issues

Forum. Members of the EIM Governing Body also discussed the results of a survey for stakeholders seeking feedback on the scope and qualifications of a new market expert.

Body of State Regulators:

The Body of State Regulators (BOSR) held an in-person meeting on October 18, where they held panel discussions on the recent changes to EIM governance, potential market options, as well as a technical panel on the ISO's current resource sufficiency evaluation stakeholder initiative. Several ISO representatives made presentations, including ISO Board of Governors Chair Angelina Galiteva and ISO President and CEO Elliot Mainzer. The BOSR discussed a few administrative items, including the transition in the BOSR Chair position from Oregon Commissioner Letha Tawney to Thad LeVar, Chair of the Utah Public Service Commission, with Hayley Williamson, Chair of the Public Utilities Commission of Nevada, as the BOSR Vice Chair.

Regional Issues Forum:

The Regional Issues Forum (RIF) has recently filled seven vacant liaison positions. Given all the new liaisons, a RIF liaison training session is set to take place in early 2022. The RIF liaisons are also working on filling two vacant RIF leadership positions, Vice Chair and Secretary. The next RIF meeting will take place in December and an agenda is currently being developed.

FEDERAL AFFAIRS

Administration:

On October 7, the White House announced plans for federal agencies to adapt their operations for increased climate resilience. Among a list of specific actions to be taken, the U.S. Department of Energy (DOE) is tasked with using its research and development initiatives to advance deployment of emerging climate-resilient technologies and to strengthen supply chain resilience.

Congress:

On October 19, the Senate Energy and Natural Resources Committee held a confirmation hearing for Brad J. Crabtree to be Assistant Secretary for Electricity and Carbon Management at the DOE, and for Willie Phillips, Jr., to be a Commissioner at the Federal Energy Regulatory Commission (FERC). Both nominations require approval by the full Senate. Committee Chair Senator Joe Manchin (D-WV) has committed to move the nominations forward as soon as possible. Mr. Crabtree has served as Vice President for Carbon Management at the Great Plains Institute and as staff director of the Carbon Capture Coalition. Mr. Phillips has been a member of the Washington, D.C. Public Service Commission since 2014 and has been Chair since 2018. He was previously an attorney for the North American Electric Regulatory Corporation. If confirmed, Phillips, a Democrat, will replace Commissioner Neil

Chatterjee, a Republican, whose term expired on June 30, and will bring FERC to its full complement of five commissioners.

At this writing, negotiations continue between Democrats in Congress on the provisions of the “soft” infrastructure bill, which leaders hope to bring forward under the special procedures of reconciliation that would enable passage on a party-line vote. Work is ongoing to trim the cost of the package from the \$3.5 trillion originally proposed to \$2 trillion or less. The bill is to be paired with H.R. 3684, the “Infrastructure Investment and Jobs Act of 2021,” which passed the Senate in August. The Administration hopes to gain passage of both bills by October 31, when authorization for some key transportation provisions will expire and the President will attend the United Nations climate conference in Glasgow, Scotland. Recent reports suggest that the reconciliation package will omit or revise the Clean Energy Performance Program, which would pay utilities that decrease emissions and fine those that do not.

Legislation introduced:

S. 2875, the “Cyber Incident Reporting Act,” introduced on September 28, 2021. Sponsors: Senators Gary Peters (D-MI) and Rob Portman (R-OH). Requires entities designated as critical infrastructure to report cyberattacks to the Department of Homeland Security’s Cyber and Infrastructure Security Agency within 72 hours, and ransomware payments within 24 hours. Status: Referred to the Committee on Homeland Security and Governmental Affairs. Passed on a bipartisan basis by the Committee on October 6, 2021, and sent to the full Senate.

S. 2902, the “Federal Information Security Modernization Act of 2021,” introduced on September 29, 2021. Sponsors: Senators Gary Peters (D-MI) and Rob Portman (R-OH). Requires federal agencies to report a breach to CISA within 5 days of discovery and also report to Congress in cases of a major incident. Establishes that the Office of Management and Budget will establish federal cybersecurity policies. Status: Referred to the Senate Committee on Homeland Security and Governmental Affairs. Passed on a bipartisan basis by the Committee on October 6, 2021, and sent to the full Senate.