

*Representing community and customer-owned utilities.
Advancing electric transmission, reliability and market
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TAPS Membership Newsletter – Summer 2025

Thank you for your continued support with membership in TAPS. We are providing you with a report on our recent activities. We hope to provide you with two reports a year, one midyear and one at the beginning of the year. TAPS has accomplished a lot and continues to work for you on important issues. We are providing a report with the hope you can attend the TAPS Fall Meeting in Stowe, VT to get a more comprehensive update on our work on the issues in front of us.

TAPS work is accomplished through three membership committees that provide input for our consultants who work on our issues. These three committees are the Legislative Committee, Regulatory Committee, and the NERC/NAESB Committee. The committees meet by video conference once per month. Each committee has a report provided for your review. If you wish to add someone from your system to one of these committees, please contact me. My contact information is provided at the end of the report.

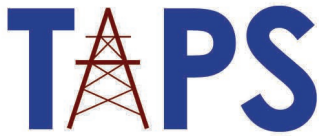
At the end of this report, there is a list of the members on the TAPS Board of Directors. The TAPS Board of Directors provides overall direction on priorities for TAPS.

Legislative Committee

Committee Chair- Tom Hanrahan, Wisconsin Public Power Agency
Committee Consultant -Robert Talley, Talley and Associates

Congressional action on electric energy policy in 2025 has been marked by significant legislative activity, with a particular focus on electric transmission, grid reliability, and the evolving role of the Federal Energy Regulatory Commission (FERC). Several key hearings and legislative proposals have shaped the policy landscape, reflecting both the urgency of grid modernization and the complexities of the national energy transition.

In the House of Representatives, the Energy and Commerce Committee has primary jurisdiction over transmission policy. The Subcommittee on Energy held a hearing on April 30, 2025, titled “Assuring Abundant, Reliable American Energy to Power Innovation.” This session reviewed major draft legislation, including the Reliable Power Act, which would grant FERC explicit authority to review and potentially block federal regulations from other agencies if those



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regulations are found to negatively impact the reliability or adequacy of the bulk power system. The hearing also examined the GRID Power Act, which would require FERC to expedite interconnection requests for dispatchable generation and projects that enhance grid resilience, and the Power Plant Reliability Act of 2025, mandating extended notice and review periods for generation retirements that could affect reliability. TAPS representative met with Committee staff and discussed TAPS' views on these proposals.

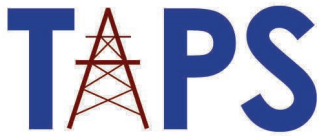
Additional proposals addressed cross-border energy infrastructure, LNG export restrictions, and interagency coordination for natural gas pipelines, further underscoring a Congressional emphasis on reliability and streamlined permitting. The Committee has cleared these bills, and they await floor consideration.

On the Senate side, the Committee on Energy and Natural Resources has held multiple hearings in 2025 which included discussion regarding the challenges associated with growing electric power demand, as well as oversight of the Department of Energy's budget and priorities. These discussions have highlighted the critical need for expanded transmission infrastructure and the modernization of the grid to support both reliability and the integration of new resources.

These actions set the stage for what could be a late summer or early fall convocation of parties to review and assess what potential pathways exist to pass serious permitting reform legislation. The key to bipartisan permitting reform in the Senate has been electric transmission policy. With a new Congress and new Senate Committee leadership, it is still too early to assess what proposals might evolve impacting electric transmission. Staying close to the discussions in order to be involved in the outcome will be important.

While tax policy is not the primary focus of this report, it is worth noting that the President signed into law legislation that would significantly scale back or eliminate many clean energy tax credits established under the Inflation Reduction Act. Proposals include the early phase-out of production and investment tax credits for energy sources wind and solar, while certain sectors like advanced nuclear and geothermal are still able to access the programs. Also notable is the elimination of tax programs for certain energy efficiency investments and electric vehicles. These changes may have a material impact on energy investments, impacting both resource adequacy and electric demand.

Throughout these developments, TAPS has remained actively engaged. TAPS continues its longstanding advocacy for transmission-dependent utilities, participating in legislative debates, providing input to committees, and engaging directly with Congressional leaders and FERC commissioners. The TAPS Legislative Committee, comprised of representatives from member utilities, meets monthly to coordinate policy positions, share intelligence, and plan advocacy



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strategies. This committee organized a “fly-in” to Washington, D.C., during which members met with key lawmakers and staff on the House Energy & Commerce and Senate Energy & Natural Resources Committees to emphasize the importance of robust, non-discriminatory transmission access, grid reliability, and the need for clear, consistent federal policy to support joint ownership investment and inclusive planning in the electric sector.

Regulatory Committee

Committee Chair- Scott Tomashefsky, Northern California Power Agency

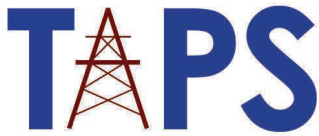
Committee Consultant -Cindy Bogorad, Spiegel & McDiarmid

Since Commissioner Christie was named Chairman on January 20, 2025, things have been relatively quiet on the non-reliability electric rulemaking front. Still, one significant consumer win was reaffirmed on rehearing, and TAPS’s voice was heard on several important fronts.

FERC affirmed the elimination of compensation for reactive power within the standard power factor range. In his remaining days at FERC, Chairman Christie made sure FERC issued its Order Addressing Arguments Raised on Rehearing of Order 904, *Compensation for Reactive Power Within the Standard Power Factor Range*. Prior to last October’s Final Rule, FERC had allowed transmission providers the option to compensate generators for the provision of reactive power within the standard power factor range (0.95 leading to 0.95 lagging); and it required compensation for all generators where the transmission provider compensated its own or affiliate generation for such reactive power. While some individual transmission providers and RTOs (CAISO, SPP, and, more recently, MISO) do not compensate for reactive power in this range, other transmission providers and RTOs did so, costing consumers hundreds of millions of dollars. For example, in 2023, consumers in PJM paid \$388 million for reactive power within the standard power factor range. As affirmed on rehearing, such charges will be eliminated. Both the Final Rule and the June 6 Rehearing Order rely on TAPS’s comments advocating this result.

TAPS comments stress the need to focus on affordability and avoid one-size-fits-all approaches to resource adequacy challenges facing RTOs. On June 4-5, FERC Commissioners led a technical conference on the resource adequacy challenges facing RTOs, intensified by retiring baseload generation and the addition of difficult-to-forecast data center and other large loads. On July 7, TAPS submitted follow-up comments urging FERC, when considering resource adequacy reforms (including those proposed by individual RTOs), to do so consistent with its overarching obligation to protect consumers against excessive rates:

- *Do not assume that ever higher prices will solve our resource adequacy challenges.* Numerous causes contribute to the delays in interconnecting much-needed new generation, many of which are independent from resource adequacy constructs and



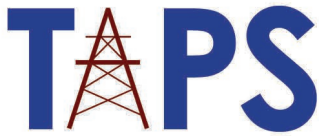
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capacity markets. These delays are *not* an indication that current prices are inadequate to incent needed new generation.

- *Carefully consider the costs imposed by resource adequacy construct reforms.* Higher price signals that fail to address underlying supply challenges impose real, significant costs to consumers that cannot be effectively mitigated by Load-Serving Entity hedging and are contrary to FERC’s consumer protection mandate.
- *Be skeptical of one-size-fits-all solutions.* While resource adequacy challenges are widespread, the specifics of these challenges, existing state regulatory regimes, and RTO structures vary across the country.

TAPS weighs in against motion to terminate the Supplemental NOPR to eliminate the RTO Adder. Two significant NOPRs on transmission incentives have long been pending before FERC: (1) the 2020 Transmission Incentives NOPR, which proposes to expand the availability of Return on Equity incentives for transmission owners (which TAPS strongly opposed); and (2) the 2021 Supplemental NOPR, which proposes to restrict the existing 50-basis point ROE Adder for joining an RTO, by limiting the Adder to three years from joining an RTO (which TAPS strongly supported). In April, WIRES, the Edison Electric Institute, and GridWise Alliance, Inc., filed Supplemental Comments asking FERC to “terminat[e] the dockets that propose to diminish existing transmission incentives[,]” or, alternatively, provide a renewed opportunity for comments or “initiate a new, generic rulemaking proceeding” for the purpose of compiling a new evidentiary record on these issues. In May, TAPS filed an Answer, urging FERC to take prompt action on the 2021 Supplemental NOPR. The Trump Administration’s decision not to renominate Chairman Christie for another term reduces the likelihood of prompt action on the Supplemental NOPR. But it was important for TAPS to push back against continued imposition of many millions of dollars of unnecessary incentives at a time of transmission expansion.

TAPS outreach to FERC Commissioners and Staff. As part of our ongoing efforts to make sure FERC Commissioners know who TAPS is and understand our key positions (e.g., joint transmission ownership), and to enhance the likelihood that they will read and consider our comments, the Regulatory Committee organized meetings with FERC Commissioners, as well as FERC Staff from the Office of Electric Reliability; the Office of Energy Policy and Innovation; and the Office of Markets, Tariffs and Rates. Commissioner Rosner spoke at the TAPS Spring Meeting, and Commissioner Chang has accepted our invitation to speak at the TAPS Fall Meeting.



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NERC/NAESB Committee

Committee Chair- Scott Tomashefsky, Northern California Power Agency

Committee Consultant -Devon Tremont, Utility Services of Vermont

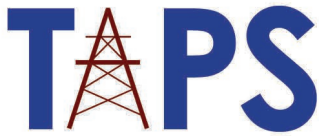
The TAPS NERC/NAESB Committee continues to monitor and engage in developments most impactful to TAPS members. In 2025, this has primarily been the development of the Milestone 3 Inverter-Based Resources (IBR) standards and definitions, potential modifications that could impact Critical Infrastructure Protection (CIP) standards applicable to Low-Impact BES Cyber Assets, understanding the impacts of large loads, and consideration of changes to the standards development process. TAPS has also advocated for increased information sharing and communication from NERC and FERC. We have heard from Suzanne Keenan, Chair of the NERC Board of Trustees, that her most important focus is on increased collaboration, which TAPS has already observed since Suzanne became the chair in February.

Top Issues Being Addressed at NERC:

IBR (Inverter-Based Resources) Milestone 3 Activities: TAPS' primary focus on Milestone 3 activities has been ensuring that the final products offer clear and realistic compliance expectations of those who have IBRs on their system. Most important of Milestone 3 has been the definitions developed for Distributed Energy Resources (DER) and unregistered IBRs to ensure clarity and consistency in newly modified IBR standards, with the overall goal of meeting the FERC Order 901 (which required NERC to develop standards pertaining to IBRs) directives in a timely fashion.

CIP Standard Review: NERC recently initiated an effort to review the ability of the CIP impact levels (low, medium, or high) to adequately mitigate risks to the Bulk Electric System (BES). This process is starting off with a short survey focusing on prioritizing cyber risk. While the outcome of this review is unknown at this time, TAPS is concerned that the "goal posts" for entities with Low-Impact BES Cyber Assets may be adjusted as a result. TAPS continues to monitor and participate in this process to limit the impact to its members and ensure that any outcomes are practical, effective, and justified.

Large Loads: NERC has begun to identify system disturbances due to large loads and has initiated a task force (Large Load Task Force, LLTF) to continue analyzing if and what solutions may be needed. This effort is focused on facilities like data centers that have impactful load levels that can quickly trip offline and cause challenges for system operators. TAPS continues to



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monitor this effort as the potential outcome may be revisions to standards and additions to NERC registration requirements (e.g., for large loads or potentially others).

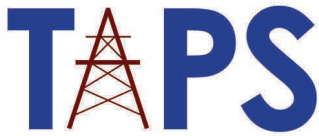
Standards Development - Use of Rule 321: NERC Rules of Procedure (ROP) Section 321 allows NERC to step out of the usual standards development process where stakeholders approve the draft standards to expedite a project when necessary to meet a FERC directive by the deadline established by FERC. NERC used 321 actions once in 2024 and again in 2025 for EOP-012-3 (cold weather standard) but have clearly communicated that they prefer to avoid using 321 whenever possible. Further, the final EOP-012-3 has included the first-time use of an Abeyance Period during which certain requirements of the standard will not receive enforcement action if a potential noncompliance is discovered.

Standards Development – Modernizing the Standards Development Process: The two instances of 321 invocation over the past year highlighted for the NERC Board what it believes is a structural flaw with the current standards development process. The Modernization of Standards Processes and Procedures Task Force (MSPPTF) was created by the NERC Board in February and has identified three specific areas of potential improvements: standards initiation, standards development, and balloting. While the MSPPTF is comprised of appointed representatives, industry has also had the opportunity to provide initial input through a survey circulated in May 2025. The Task Force has since developed potential solutions for stakeholder consideration, which will be shared and available for comment in late July. TAPS continues to maintain our focus on ensuring the industry stakeholder participation – most importantly with balloting – to ensure that all registered entities are involved, regardless of their size. TAPS is represented on the Task Force by Scott Tomashefsky (NCPA), in his current role as CCC Chair.

How TAPS is Remaining Engaged at NERC:

TAPS leadership and members participate in various efforts at NERC to ensure the voice of our smaller member utilities are heard. Some of these are formal committees and working groups, whereas others are informal or ad-hoc collaborations.

Monthly Touchpoint Meetings: Every month, Devon Tremont (Utility Services, NERC Consultant) and Cindy Bogorad (Spiegel & McDiarmid, TAPS Counsel) meet directly with Howard Gugel (NERC Senior VP, Regulatory Oversight) and Soo Jin Kim (NERC VP, Engineering and Standards) to discuss issues most concerning to the TAPS membership. The top issues at NERC discussed above have been a recurring topic at these monthly meetings, in addition to several others. These meetings continue to remain productive and have served as informal structure for TAPS to get early notice of and shape the development of issues important to TAPS members.



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Member Representatives Committee (MRC): The MRC elects the independent trustees and provides advice and recommendations directly to the Board, shaping the business plans, budgets, and other matters pertinent to NERC operations. TAPS is represented by Tom Heller (TAPS) and Colin Hansen (KPP Energy) on the TDU sector, and Scott Tomashefsky (NCPA) and Roy Jones (Electricities of NC) on the State/Muni sector.

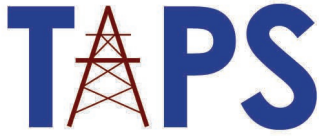
Standards Committee (SC): The SC is a process oversight committee that ensures the standards development process is followed, reviews and authorizes drafting of new or revised Reliability Standards and supporting documents, and appoints the membership of all drafting teams. The SC is structured to ensure stakeholder interests are fairly represented and works closely with NERC Standards staff. TAPS is represented by Marty Hostler (NCPA) under the TDU Segment (Segment 4).

Compliance and Certification Committee (CCC): The CCC reports directly to the NERC Board and NERC Compliance regarding all aspects of the Compliance Monitoring and Enforcement Program and the Organization Registration and Certification programs. TAPS is represented by Scott Tomashefsky (NCPA) as the Chair, Marcus Freeman (Electricities of NC) as a TDU representative, and Mike Bowman (City Utilities of Springfield) as a State/Muni representative. Devon Tremont (Utility Services, NERC Consultant) is also an active observer on the CCC.

Reliability Issues Steering Committee (RISC): RISC provides high-level leadership and accountability for nominated issues of strategic importance to the bulk power system (BPS). TAPS is represented on RISC by Scott Tomashefsky (NCPA), Colin Hansen (KPP Energy), and John Stephens (City Utilities of Springfield) as members.

Reliability and Security Technical Committee (RSTC): The RSTC is a standing committee serving as a forum for aggregating ideas and interests and leveraging expertise to identify solutions to study, mitigate, and/or eliminate emerging risks to the BPS. TAPS is represented on the RSTC by John Stephens (City Utilities of Springfield) as Vice Chair, and Nick Parrotta (Taunton Municipal Lighting Plant, TMLP) as a TDU member.

Standard Drafting Team (SDT) Participation: TAPS occasionally supports nominations for members to participate on select SDTs when revisions impactful to the TAPS membership are anticipated. In 2025, Colten Mitchell (IMPA) served on the 2024-01 SDT for IBR definitions, as well as John Helme (Utility Services, NERC consultant). Devon Tremont (Utility Services, NERC consultant) also participates on the 2019-04 SDT for PRC-005 revisions. Brian Evans-Mongeon (Village of Hyde Park) also serves as the Chair of the 2021-03 SDT for CIP-002.



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Collaboration with APPA, LPPC, and other Trades: TAPS continues to work closely with other trades to share ideas and align positions on certain matters. We will occasionally develop joint comments and filings and utilize the supplementary expertise of the other trades to refine and bolster our position on these matters, such as when providing feedback through the quarterly NERC Policy Input Letters. TAPS also participates in Trades & Forum meetings where these topics are openly discussed with other invited trades associations and NERC leadership.

NERC Milestone 3 Workshop: In June, NERC hosted an industry workshop to collaborate on specific technical issues related to the three Milestone 3 projects that were out for ballot at the time. TAPS sent Shai Horowitz (Utility Services, NERC consultant) to participate in person. Spiegel staff and others from Utility Services remotely monitored the hybrid sessions as well. These efforts enabled further private conversations with NERC staff to expand on positions that we developed based on what Shai and others had heard at the workshop.

TAPS Board of Directors

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Kevin Gaden (Vice Chair)	Illinois Municipal Electric Agency
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Fred Clark (Treasurer)	Energy Southeast
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Ken Nolan	Vermont Public Power Supply Authority
Colin Hansen	KPP Energy
Dan O'Hagan	Florida Municipal Power Agency
Roy Jones	Electricities

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