

NAESCO ADVOCACY DIGEST, OCTOBER 2020

Federal

- The Congress has passed a Continuing Resolution (CR) that will fund the government to December 11, 2020. The only changes from the FY 2020 budget are an additional \$8 billion for food stamps and \$20 billion for agricultural commodity supports.
- The negotiations between House Speaker Pelosi and Treasury Secretary Mnuchin have restarted. They are trying to bridge the gap between the House-passed \$2.2 trillion bill and the \$1.6 billion Mnuchin proposal.
- The House has passed HR 4447, a comprehensive energy bill that contains the \$22 Open Back Better (OBB) bill that would invest \$22 billion in public facilities, with the federal investment leveraged by private investments using ESPC or P3 contracts. OBB has been endorsed by 14 major national organizations. The President has threatened to veto HB 4447 if it passes, and the Senate seems unlikely to even consider its much smaller bipartisan bill, because the Senate schedule has been pre-empted by the Supreme Court confirmation process.
- The consideration of tax extenders like 179D will be put off until the Lame Duck session after the election.

Regional and State

- FERC mandated a Minimum Offer Price Rule (MOPR) for the Pennsylvania Jersey Maryland (PJM) RTO. The MOPR is designed to prevent state clean energy programs such as nuclear plant subsidies and Renewable Portfolio Standards from lowering their prices below cost in future capacity auctions, and is prompting several states to consider dropping out of PJM. FERC also issued Rule 2222 that is designed to make it easier to bid small DER projects through aggregators into the PJM auctions.
- California, which is fighting record forest fires and a shortage of generating capacity, is starting its long-delayed rework of EE cost effectiveness standards, which have forced utilities to cut their EE program budgets by hundreds of millions of dollars and severely limited utility incentives to the large projects that ESCOs implement. Meanwhile, the legislature, frustrated by the CPUC, has passed AB 841, which sweeps about \$450 billion of allowable but unspent EE funds into a program to retrofit schools that will be administered by the CEC (which also administered the \$1.5 billion Prop 39 program). NAESCO will work to ensure that the AB 841 funds can be used in ESPC projects.
- NAESCO continues to work with a group of Illinois ESCOs to fight AIA-sponsored legislation that would knock ESPC out of the K-12 market, and is working with the Governor's office and key legislators on the development of the Clean Energy Jobs Act and the expenditure of dedicated EE funds in the Capital Bond program.
- NAESCO is part of a coalition that is lobbying for the repeal of Ohio HB-6, which replaced utility EERS and RPS mandates with subsidies for nuclear plants, and which is tainted by bribery and racketeering indictments of the former House Speaker and several associates in connection with the passage of HB-6.
- NAESCO is working with the Alliance to Save Energy's Active Efficiency program, with a focus on New York, which is combining an aggressive EE program (annual incremental savings of 3%/year) with an aggressive electrification program, which, among other measures, will invest about \$450 million in cold-weather heat pumps.