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**Energy Newsletter**

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## FERC REVISES ANALYSIS FOR CERTIFICATION OF QUALIFYING FACILITIES

On 1 September, the Federal Energy Regulatory Commission (FERC) issued an order (172 FERC ¶ 61,194) denying an application from Broadview Solar, LLC to recertify its 160 MW solar array and 50 MW battery storage system as a small power production qualifying facility (QF). The maximum gross output of the facility was 82.5 MW, and after subtracting facility loads and losses, the facility's maximum net capacity output was 80 MW.

FERC found that the facility exceeded the 80 MW statutory limit for small power producing QFs, under Public Utility Regulatory Policies Act of 1978 (PURPA). Reconsidering precedent on the issue, FERC reasoned that there was a difference between a facility that "may incidentally or occasionally cross PURPA's 80 MW threshold due to certain components or variances" and a facility that was "purposefully designed with a 160 MW solar array."

FERC concluded that rather than focusing on "output" or "send out" of a facility, analysis of QF certification should focus on a facility's "power production capacity" based on the statutory and regulatory language. While the order does not change the Form 556, which applicants use to request QF certification, Commissioner Glick, who dissented from the order, noted that it diverts from 40-year precedent and means that FERC will assess applicants for QFs based on its power production on a component-by-component basis.

## HAWAIIAN ELECTRIC SEEKS APPROVAL FOR LARGEST RENEWABLE PROCUREMENT TO DATE

On 16 September, Hawaiian Electric officially sought regulatory approval for seven solar-plus-storage projects and one battery storage project. Six of the projects will be located on Oahu, to be built by five developers. Longroad Development and Innergex will also each develop a project on Maui. Combined, the projects represent the largest renewable energy procurement in Hawaii's history. The projects were part of the second phase of Hawaiian Electric's renewable procurement effort that began in February 2018.

The eight contracts submitted for review represent nearly 300 MW of renewable generation and 2,000 megawatt hours of storage. With these additions, Hawaiian Electric's renewable portfolio is expected to reach 30 percent by the end of the year, representing a one-third increase in solar capacity. Hawaiian Electric intends to use its expanded renewable portfolio to facilitate the retirement of the state's last coal fired generation plant, located on Oahu, as well as an oil-fired plant, located on Maui.

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## WORLD'S FIRST ZERO EMISSION PASSENGER PLANES TO BE LAUNCHED FOR COMMERCIAL USE BY 2035

On 21 September, Airbus announced its commitment and associated blueprint concepts to develop zero-emission commercial passenger aircrafts that use hydrogen for fuel by 2035. The plane would be powered by gas-turbine engines that have been modified to burn liquid hydrogen, and by hydrogen fuel cells to create electric power. Because the volumetric energy density of hydrogen is different than traditional fossil fuels, and the storage issues are more complex due to the difficulty of isolating hydrogen, the zero-emission aircraft will be an architecturally different shape than traditional commercial passenger planes. The concepts propose plans for the aircraft to be capable of carrying up to 200 passengers across 2,000 nautical miles, which is approximately the flight distance from Washington, D.C. to Los Angeles, California.

Airbus's announcement furthers the United Nation's International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) that was released in 2016 and that aims for carbon neutral growth in the aviation industry from 2020 onward. ICAO estimates it is possible to meet 100 percent of international jet fuel demand with sustainable fuels by 2050, which will result in a 63 percent reduction in aviation emissions overall. Airbus has indicated that for these hydrogen planes to fully integrate into the aerospace industry, airports must invest in new refueling infrastructure.

## MORGAN STANLEY ANNOUNCES COMMITMENT TO REACH NET-ZERO FINANCED EMISSIONS BY 2050

On 21 September, Morgan Stanley issued a press release announcing its commitment to achieve net-zero financed emissions by 2050. Morgan Stanley becomes the first major bank to set such a goal.

The announcement is part of the bank's initiatives to make its operations more sustainable, an effort that has gained speed since 2019. As part of those initiatives, Morgan Stanley became the first major bank to join the Partnership for Carbon Accounting Financials, committing itself to disclose financed greenhouse gas emissions in its portfolio. By leveraging its Global Sustainable Financing Group and the Morgan Stanley Institute for Sustainable Investing, Morgan Stanley intends to help encourage the U.S. economy to transition to low carbon-intensive fuel sources.

# KEY CONTACTS



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