Bond Case Briefs

Municipal Finance Law Since 1971

S&P: Interconnection Queue Backlog Adds Risks For U.S. Not-For-Profit Power Sector

Key Takeaways

- The not-for-profit power sector is currently in flux as a result of the phasing out of fossil-fuel-based generation, changing demand, and growing delays in interconnection approvals as small-scale renewable generators seek to enter the market.
- Growing credit risks for not-for-profit electric utilities related to approval and buildout delays compound escalating costs, including capital plan investments, which could pressure rate-making flexibility, cost recovery, and financial metrics.
- Delays also complicate power-supply planning for load-serving not-for-profit electric utilities and challenge their ability to achieve timely decarbonization goals and meet their obligations of energy reliability.
- Replacing generation retirement to meet demand growth is uniquely challenging to the not-fo--profit power sector, which maintains heightened responsibility to procure sufficient power for the end-use customers.
- S&P Global Ratings believes that reliability will remain a prominent concern for policymakers, who have already shown an inclination to extend the operating lives of aging units slated for retirement.

Continue reading.

8 Oct, 2024

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com