



Electric
Reliability
Coordinating
Council

2001 M Street, NW
Suite 900
Washington, DC 20036

November 13, 2018

Submitted via electronic mail

The Honorable Andrew Wheeler
Acting Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Re: Comments Received from Federal Energy Regulatory Commission (FERC)
Chairman regarding Power Plant Regulations and Electric Reliability

Dear Administrator Wheeler:

It is our understanding that you received on October 31, 2018, comments from FERC Chairman Neil Chatterjee regarding the proposed Affordable Clean Energy (ACE) Rule expressing the general concern that regulation of greenhouse gases (GHGs) from the power sector be undertaken only after extensive and coordinated review of potential electric reliability and resilience concerns. On the same day, the Electric Reliability Coordinating Council (ERCC) also communicated with the U.S. Environmental Protection Agency (EPA) stating in part our belief that any power sector regulation of GHGs must advance “a careful balance between continued forward momentum in reducing emissions and the critical need to address consumer demand, all while preserving electric reliability and resilience at the lowest possible cost.” We commend the FERC Chairman for making available to EPA the extensive transcripts and comments submitted to FERC as part of its 2015 technical conferences held on the implications of the predecessor Clean Power Plan (CPP), and for offering on a forward-looking basis the technical and engineering expertise of FERC as EPA may consider rules with potential impacts on reliability.

As you may recall, ERCC is comprised of power companies that provide power to millions of consumers across the country. ERCC members operate diverse portfolios of generation capacity, including traditional baseload and supplementary resources like fossil fuels, nuclear, wind, solar, and other renewables. ERCC members are dedicated to a balanced energy portfolio that ensures reliable and affordable electric power, an essential prerequisite for the protection of the environment, public health, and the economy. To that end, ERCC members work with businesses and household consumers to improve energy efficiency and otherwise manage energy use. Due

principally to a range of market trends, ERCC members and the rest of the electric industry have experienced substantial reductions in the carbon intensity of their power production.

Some have suggested that because the 2015 FERC technical conferences addressed the previous CPP, not much can be learned now that the ACE Rule has been proposed to replace CPP. There is little doubt that the ACE Rule is marked improvement over CPP, allowing as it does the states to match the available inventory of power-generation resources to the planning mission of the ACE Rule in a way that balances environmental and reliability needs. This evolution in EPA thinking is enhanced and supported by the FERC technical conferences, rectifying a previous error in administrative consideration of CPP by which much material was not made available in the EPA docket. The further offer of the FERC Chairman to have FERC work closely with EPA by providing “detailed engineering-driven analysis” of potential impacts of future rules and their pace of implementation can only assist EPA in the effective achievement of its environmental mission.

The FERC Chairman candidly advises EPA to act with self-restraint when regulating the power sector. Over the course of the ill-fated CPP development, the Agency was likewise advised by a majority of litigating state officials and by most of the regulated community that restraint was appropriate and strongly supported by the statutory scheme of the Clean Air Act and principles of cooperative federalism. The subsequent development of the ACE Rule showcases the fact that the Agency is well on the way to achieving the balance between environmental protection and electric reliability. Adequate cooperation with FERC can only be of material assistance as the ACE Rule moves to finalization and eventually implementation.

In short, EPA and FERC both play vital roles in addressing the needs of the American public and economy in providing affordable and reliable power in a manner protective of human health and the environment. We urge continued dialogue and cooperation between the agencies in order to achieve these important and mutually-reinforcing goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Segal". The signature is fluid and cursive, with the first name "Scott" and last name "Segal" clearly distinguishable.

Scott H. Segal
Director, Electric Reliability Coordinating Council

CC: The Honorable Neil Chatterjee
Chairman
Federal Energy Regulatory Commission