STATEMENT ON FERC ANNOUNCEMENT

Today, the Federal Energy Regulatory Commission (FERC) announced that they have rejected the Department of Energy’s Notice of Proposed Rulemaking (NOPR) that sought to compensate coal and nuclear plants for supposed grid resilience attributes, and will instead undertake their own analysis on resilience issues. DOE’s plan would have cost consumers billions of dollars without providing clear resilience benefits.

Additionally, the definition of resilience that FERC highlighted in its new order aligns closely with the definition that the Institute for Policy suggested in our comments to FERC (also discussed here).

Burcin Unel, energy policy director at the Institute for Policy Integrity at New York University School of Law, has released the following statement:

“Consumers can breathe a sigh of relief since the FERC Commissioners have declined to bail out coal plants. There is no evidence that the proposed plan would have made the grid more resilient, but it certainly would have undermined energy markets and added to consumer costs. Ample research shows that resilience improvements must be evaluated holistically, and hopefully FERC’s new docket will bring an approach based on evidence rather than politics.”

Avi Zevin, an attorney at the Institute for Policy Integrity at New York University School of Law, has released the following statement:

“Blanket subsidies for coal and nuclear plants are not the way to address legitimate concerns about grid resilience. FERC was right to tread carefully on this important matter and ultimately reject the Department of Energy’s ill-considered proposal as inconsistent with the requirements of the Federal Power Act. This unanimous, bipartisan decision by FERC is a promising sign that its new effort to improve resilience will be thoughtful and sensible.”

Unel and Zevin are available for interviews on this announcement and related issues. They have submitted two sets of comments to FERC on this matter, and they recently wrote about the proper approach for addressing grid resilience.
The Institute for Policy Integrity at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decisionmaking. The institute produces original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.