

What Is Section 202(c)?



Remember The Notice Of Proposed Rulemaking (NOPR) That Would Have Subsidized Certain Uneconomic Power Plants?

The proposal, released at the end of September 2017, would have done nothing to achieve its stated purpose of bettering grid resilience and reliability. It was estimated to cost consumers more than \$10 billion per year. The Federal Energy Regulatory Commission (FERC) rejected the proposal in January 2018 – a victory for tens of millions of consumers.

Some Plant Owners, Who Would Have Benefitted, Weren't Pleased.

In March, FirstEnergy Solutions appealed to the Department of Energy to get a bailout that would declare over 80 plants "emergency" units and leverage government power to not only keep the plants running, but to gain a profit. The mechanism? Section 202(c) of the Federal Power Act, which is intended only for rare use usually during times of war or natural disaster. Section 202(c) enables the Energy Secretary to declare an emergency, with implementation through FERC. FERC's ruling on the NOPR shows where the commission stands on unnecessary bailouts, and 202(c) would force FERC to implement 202(c) against their expert opinion.

Implementing 202(c) Just Doesn't Make Sense.

These powers were intended for use in national emergencies. The retirement of power plants that are aging, uneconomic, and cannot compete in a free market does not constitute a national emergency – especially when independent and government data show that the current grid meets reliability and resilience needs. It would be a misuse of emergency powers.

It's Not Just Us – Here's What Experts Have To Say About It:



"It's obvious \$8 billion is a hefty price to pay to protect outdated, uneconomic coal plants from fair and open competition."
–Dick Munson, Midwest Clean Energy Director

"The motives couldn't be more obvious –the same politically-tied companies that drove the last proposal are back at it again because they can't compete in the marketplace. This is not energy dominance. This is energy desperation."

–Devin Hartman, R Street, & Nicolas Loris, Heritage



"Proposals that benefit a select few companies at the cost of consumers and the market's ability to operate effectively are taxpayer bailouts that will cost billions."
–John Hughes, President and CEO

"This argument says national energy security is at risk because of the market-driven transition that is pushing the system toward other forms of fuel. Nothing could be further from the truth."

–David Schlissel, Director Of Resource Planning Analysis



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