

## Remember The Notice Of Proposed Rulemaking (NOPR) To Subsidize 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.

## Plants Owners Now Want The Government To Use A National Security Law To Subsidize Them.

This past April, the same special interests who were supportive of NOPR called on the administration to use a Cold War-era law to subsidize aging and uneconomic plants in the name of grid security. Known as the Defense Production Act, the law has historically been reserved for use during military operations like Desert Storm or major national emergencies like the California gas crisis.

## Using The Defense Production Act Sets A Dangerous Precedent.

The retirement of power plants that are aging, uneconomic, and cannot compete in a free market does not constitute a national emergency. Using special presidential powers to subsidize an entire class of electricity generators would only hurt consumers and raise electricity rates. Such a move would also be a gross misuse of an important national security law.

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

"The dark scary picture for the grid is just complete nonsense. Claims about how losing all this generation would cause all this doom and gloom' are just not grounded in reality."  
– Robbie Orvis, Energy Innovation Director of Energy Policy



"The law was amended in 2009 to restrict its use...I believe this is an enormous stretch, and it would surprise me if lawyers in other administrations would find this a valid use."  
– Susan Tierney, Analysis Group Senior Advisor & Former DOE Assistant Secretary

"The proposal is, frankly, a sop to coal-producing swing states. One can't really use this wartime authority to subsidize coal and nuclear with a straight face."  
– Professor David Spence, University of Texas



"Moreover, to invoke the concept of 'national defense' for what is transparently a domestic effort to boost an uneconomic segment of industry would be an unprecedented abuse of the Act. Using this statute to favor a particular industry that is struggling in the competitive markets would threaten that support and risk the loss of an important tool that could be needed to ensure national security."  
– AEE, API, AWEA, EPSA, INGAA, and NGSA