

**Group Against Smog and Pollution Inc.**  
**1133 South Braddock Avenue, Suite 1A, Pittsburgh, PA 15218**  
**(Tel) 412-924-0604**  
[www.gasp-pgh.org](http://www.gasp-pgh.org)

Via email: <http://www.ferc.gov>  
Docket No. RM18-1-000

October 23, 2017

Reference: Proposed Grid Reliability and Resilience Pricing Rule, Docket No. RM18-1-000

Group Against Smog and Pollution urge you to reject the Secretary of Energy's proposed Grid Resiliency Pricing Rule ("The Proposal") noted in Docket No. RM18-1-000 for some of the following reasons.

The Proposal suggests "The resiliency of the nation's electric grid is threatened by the premature retirements of power plants that can withstand major fuel supply disruptions caused by natural or man-made disasters and, in those critical times, continue to provide electric energy, capacity, and essential grid reliability services."<sup>1</sup>

1. Comment: The availability of power during natural or man-made disasters is improving.

"The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to assure the reliability of the bulk power system (BPS) in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the BPS through system awareness; and educates, trains, and certifies industry personnel. NERC's area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the Electric Reliability Organization (ERO) for North America, subject to oversight by the Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada."<sup>2</sup>

NERC is a FERC go-to resource for understanding reliability of the BPS in the United States. In their *State of Reliability 2017 Report*, it is noted in Summary Information, Key Finding #6: "**Bulk power System (BPS) Resiliency to Weather Continues to Improve.**" "In 2016 for the second consecutive year, there were no days that the daily severity risk index (SRI) was part of the top-10 most severe list of days between 2008 and 2015, **despite days with extreme weather conditions across North America.**" This despite significant closures of coal fired power plants.

With the construction of additional pipelines and storage facilities, it has become easier to guarantee a consistent on-site supply of natural gas for electricity production. Don Santa, Interstate Natural Gas Association of America, President and CEO, said “In the aggregate, the United States’ many natural gas transmission pipelines comprise an interconnected, nationwide network that offers multiple pathways for rerouting deliveries in the event of a disruption. Our natural gas pipelines are the envy of the world.”<sup>3</sup>

2. Comment: High demand periods such as the “polar vortex” cited in The Proposal as a reason for supporting coal and nuclear energy as reliable sources may not be needed. “Reduced growth in electricity consumption in part due to changing economic conditions, customers’ conservation efforts, more efficient buildings and appliances from stronger codes and standards, and utilities’ efficiency and load management programs, has tempered the need to maintain or extend the lives of aging generators.”<sup>4</sup> Other opportunities for reduced demand include having advanced meters in 41% of homes in 2014 according to the Energy Information Agency. Additionally, advanced thermostats may significantly reduce power needs.

3. Comment: Coal and nuclear plants have reliability negatives. “Coal and nuclear plants periodically go on outage, and when they do, their outages tend to be long...Further, unexpected coal and nuclear generating unit outages are sometimes the ‘largest contingencies’ for which system planners and operators must prepare, and thus, many system investments are made to mitigate the potential system impacts of these contingencies.”<sup>5</sup>

4. Comment: Operational flexibility is becoming an increasingly important reliability service. Despite considerable retired coal capacity, “PJM, for example, has pointed out that its resource mix has become more balanced over time and that its expected near-term portfolio is among the highest-performing.”<sup>6</sup>

1. Issued by Federal Energy Regulatory Commission, *Grid Resiliency Pricing Rule*, regulations.gov, Docket No. RM18-1-000, section II, <https://www.regulations.gov/document?D=FERC-2017-1219-0001>

2. North American Electric Reliability Corporation, *State of Reliability 2017*, June 2017, p. 5

3. Natural Gas Council, *Pipeline and Gas Journal*, <https://pgjonline.com/2017/07/31/natural-gas-council-releases-reliability-and-resilience-guide/>

4. The Brattle Group, prepared for National Resource Defense Council, *Advancing Past “Baseload” to a Flexible Grid—How Grid Planners and Power Markets Are Better Defining System Needs to Achieve a Cost-Effective and Reliable Supply Mix*, p. 8

5. Id. p. 6,7

6. Id. p. 13

### Response to “Other” questions

#3. This proposal should be rejected. The Commission has the statutory authority for maintaining reasonable rates and reliability for electric service. The Commission should not be creating subsidies for fuel sources which could have competitive consequences. Other entities may subsidize energy sources for various reasons but the Commission should not. There should be a continuing drive towards clean energy sources in our power mix. We have only to look at China to see the results of ignoring air quality issues.

The Proposal puts forth the support of what is termed “reliable” features of coal-fueled power plants with required pollution controls, but this statement may be less protective than it appears as there is also a proposal to repeal the *Clean Power Plan*. The power grid already appears reliable with respect to present fuel/energy diversity. The American people should have clean air at a reasonable price and it can and is on that track. Don’t be complicit in allowing more expensive and more polluting power generation without any meaningful benefit.

Thank you for the opportunity to make comments,

Sue Seppi  
Project Manager  
Group Against Smog and Pollution