

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 227 Session of 2017

INTRODUCED BY AUMENT, WHITE, FOLMER, CORMAN, ARGALL, GORDNER, KILLION, RAFFERTY, STEFANO, TOMLINSON, LANGERHOLC, BAKER, MARTIN, VOGEL, SCHWANK, HUTCHINSON, McGARRIGLE, BOSCOLA AND BREWSTER, OCTOBER 19, 2017

AS AMENDED, OCTOBER 25, 2017

A CONCURRENT RESOLUTION

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1 Urging the Federal Energy Regulatory Commission to swiftly
2 consider the United States Department of Energy's proposed
3 Grid Resiliency Pricing Rule and implement policies to ensure
4 fuel-secure baseload electricity generation resources receive
5 proper compensation for the positive attributes they provide
6 our nation's and our Commonwealth's electric system.

7 WHEREAS, Electric generation power plants in this
8 Commonwealth that participate in the wholesale electric markets
9 strengthen competition and enhance the resilience and
10 reliability of the bulk power and transmission systems and are
11 vital to the public interest; and

12 WHEREAS, The nation's and this Commonwealth's economy,
13 environment and security depend on a reliable, resilient
14 electric grid powered by an "all of the above" mix of energy
15 generation resources, including traditional baseload generation
16 that is produced from long-term fuel sources located onsite; and

17 WHEREAS, The North American Electric Reliability Corporation,
18 whose mission is to assure the reliability and security of North
19 America's bulk power system, in a May 2017 letter to United

1 States Secretary of Energy Rick Perry warned that "premature
2 retirements of fuel-secure baseload generating stations reduces
3 resilience to fuel supply disruptions"; and

4 WHEREAS, The recent United States Department of Energy *Staff*
5 *Report to the Secretary on Electricity Markets and Reliability*
6 made clear that resiliency must be addressed by the Federal
7 Energy Regulatory Commission (FERC) and there is an "urgent need
8 for clear definitions of reliability- and resilience-enhancing
9 attributes and should quickly establish the market means to
10 value or the regulatory means to provide them"; and

11 WHEREAS, The 2014 polar vortex exposed problems with the
12 resiliency of the electric grid when PJM Interconnection
13 struggled to meet demand for electricity because a significant
14 amount of generation was not available to run due to weather-
15 related outages; and

16 WHEREAS, Pennsylvania's fuel-secure baseload generation
17 plants employ thousands of workers in high-paying jobs and
18 contribute significantly to State and local economies; and

19 WHEREAS, Pennsylvania's coal industry, including coal power
20 plants, is a vital contributor to the State's economy, providing
21 support through direct, indirect and induced impacts, including
22 approximately 36,100 full and part-time jobs, and \$4.1 billion
23 in total value added to the Commonwealth's economy; and

24 WHEREAS, Pennsylvania's nuclear industry, including nuclear
25 power plants, is a vital contributor to the State's economy,
26 providing support through direct, indirect and induced impacts,
27 including approximately 15,900 in-State full time jobs and \$2
28 billion to the Commonwealth's gross domestic product, and \$69
29 million in net State tax revenues annually; and

30 WHEREAS, In addition to the reliability, security, grid

1 resilience and economic attributes, Pennsylvania's fuel-secure
2 baseload coal plants have made significant investments to meet
3 increased environmental standards, helping to improve air and
4 water quality in the Commonwealth; and

5 WHEREAS, Pennsylvania is also home to unique fuel-secure coal
6 generation sources that use waste coal as a fuel-source,
7 employing 3,800 Pennsylvania residents and producing 1,500
8 megawatts of renewable energy, also helping to remove
9 approximately 200 million tons of refuse coal from mine scarred
10 land in Pennsylvania; and

11 WHEREAS, In addition to the reliability, security, grid
12 resilience and economic attributes, Pennsylvania's fuel-secure
13 baseload nuclear power plants also provide more than 93% of this
14 Commonwealth's emissions-free electricity and are the only
15 emissions-free, predictable and reliable electric generation
16 source; and

17 WHEREAS, Pennsylvania's diverse portfolio of fuel-secure
18 baseload generation resources are vital to our Commonwealth's
19 economic competitiveness, natural environment and public health
20 and safety; and

21 WHEREAS, It is in the public interest that fuel-secure
22 baseload generation resources be properly compensated for
23 providing these positive attributes and under the current design
24 of the wholesale electric markets, prices are set in a manner
25 that undervalues fuel-secure generation resources; and

26 WHEREAS, The Secretary of Energy has proposed, for
27 consideration by FERC, a Grid Resilience Pricing Rule with the
28 goal of ensuring our nation's energy security; therefore be it

29 RESOLVED ~~(the House of Representatives concurring)~~, That the <--
30 ~~General Assembly~~ SENATE of the Commonwealth of Pennsylvania <--

