

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 576 Session of 2017

INTRODUCED BY PYLE, SNYDER, CORBIN, MATZIE, QUIGLEY, CUTLER, PASHINSKI, PICKETT, SAYLOR, BERNSTINE, MARSHALL, MEHAFFIE, LONGIETTI, NEILSON, BARBIN, HICKERNELL, SAINATO, TOOHL, MACKENZIE, CHARLTON, EVERETT, M. K. KELLER, A. HARRIS, GODSHALL, PETRARCA, PETRI, GILLESPIE, METZGAR, MAHER, SANKEY, MASSER, DeLUCA, KORTZ, KAMPF, TOEPEL, ROTHMAN, LEWIS, SANTORA, FARRY, MILLARD, STEPHENS, COOK, WARD, WALSH, MARSICO, MILNE, ELLIS, JOZWIAK, DELOZIER, HENNESSEY, TURZAI, BARRAR, TAYLOR, DRISCOLL, READSHAW, REED, RAPP, FEE, MICCARELLI AND JAMES, OCTOBER 24, 2017

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF REPRESENTATIVES, 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

1 that is produced from long-term fuel sources located onsite; and  
2 WHEREAS, The North American Electric Reliability Corporation,  
3 whose mission is to assure the reliability and security of North  
4 America's bulk power system, in a May 2017 letter to United  
5 States Secretary of Energy Rick Perry warned that "premature  
6 retirements of fuel-secure baseload generating stations reduces  
7 resilience to fuel supply disruptions"; and

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

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

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

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

28 WHEREAS, Pennsylvania's nuclear industry, including nuclear  
29 power plants, is a vital contributor to the State's economy,  
30 providing support through direct, indirect and induced impacts,

1 including approximately 15,900 in-State full time jobs and \$2  
2 billion to the Commonwealth's gross domestic product, and \$69  
3 million in net State tax revenues annually; and

4 WHEREAS, In addition to the reliability, security, grid  
5 resilience and economic attributes, Pennsylvania's fuel-secure  
6 baseload coal plants have made significant investments to meet  
7 increased environmental standards, helping to improve air and  
8 water quality in the Commonwealth; and

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

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

21 WHEREAS, Pennsylvania's diverse portfolio of fuel-secure  
22 baseload generation resources are vital to our Commonwealth's  
23 economic competitiveness, natural environment and public health  
24 and safety; and

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

30 WHEREAS, The Secretary of Energy has proposed, for

1 consideration by FERC, a Grid Resilience Pricing Rule with the  
2 goal of ensuring our nation's energy security; therefore be it  
3 RESOLVED ~~(the Senate concurring), That the General Assembly,~~ <--  
4 THAT THE HOUSE OF REPRESENTATIVES of the Commonwealth of  
5 Pennsylvania acknowledge the grid resilience and reliability  
6 benefits that fuel-secure baseload electricity generation  
7 resources provide to the residents, businesses and economy of  
8 this Commonwealth and assert that fuel-secure baseload  
9 generation resources receive proper compensation for these  
10 positive attributes; and be it further

11 RESOLVED, That the ~~General Assembly~~ HOUSE OF REPRESENTATIVES <--  
12 of the Commonwealth of Pennsylvania agree with the goals of the  
13 United States Department of Energy's proposed Grid Resiliency  
14 Pricing Rule and urge the Federal Energy Regulatory Commission  
15 to swiftly implement policies and approve tariff provisions to  
16 ensure fuel-secure baseload electricity generation resources  
17 receive proper compensation for all of the positive attributes  
18 they provide our nation's and this Commonwealth's electric  
19 system; and be it further

20 RESOLVED, That the ~~General Assembly~~ HOUSE OF REPRESENTATIVES <--  
21 of the Commonwealth of Pennsylvania, while expressing support  
22 for FERC's swift action to ensure the positive attributes  
23 provided by fuel-secure baseload generation resources receive  
24 proper compensation in the wholesale market, will continue to  
25 exercise the General Assembly's authority to make energy policy  
26 consistent with the health, safety and welfare of our residents;  
27 and be it further

28 RESOLVED, That copies of this resolution be transmitted to  
29 the President of the United States, United States Secretary of  
30 Energy Rick Perry, FERC Commissioners, the presiding officers of

- 1 each house of Congress, each member of Congress from
- 2 Pennsylvania and the Board of Mangers of PJM Interconnection.