

CLEARPATH

DOE Releases Bold Plan Backing Clean, Reliable Grid

Proposal to FERC may mitigate against premature nuclear closures

WASHINGTON, Sept. 29, 2017 -- The Department of Energy today submitted [a proposal to the Federal Energy Regulatory Commission](#) to shore up the resiliency of the electric grid, including protecting against premature retirements of nuclear plants. The proposal exercises the Secretary's authority under section 403 of the DOE Organization Act to initiate a rulemaking at FERC to institute "just and reasonable rates" in the wholesale pricing market to better value reliable, resilient and clean power sources such as nuclear energy.

ClearPath strongly supports Secretary Perry's action this morning.

"Not only is nuclear our largest source of clean energy, it is also by far our most reliable and resilient, evidenced by strong performance of nuclear plants during the recent hurricanes," ClearPath Executive Director Rich Powell said. "Nuclear plants, however, are not compensated for this resiliency. Secretary Perry's bold action today will stabilize America's world-leading nuclear fleet and sends a strong signal in support of baseload clean energy."

By urging FERC to establish a new tariff allowing highly reliable and resilient operators (who have three months or more of on-site fuel supply in place) to recover their full costs of generation, DOE today takes a historic step to shore up our vital national nuclear fleet.

This approach will work within the wholesale electricity markets as opposed to forcing further bottom-up state action to save the plants -- out of market actions that add further complexity and uncertainty to our already un-level playing field for power. ClearPath hopes this is the beginning of a holistic review of the functioning of the wholesale power markets, which might also include changes to how generators are compensated, as well as formal valuation of clean power.

Some observers may be concerned that this measure compensates all highly reliable sources of power, including unmitigated coal. ClearPath believes that FERC, and the RTOs and ISOs, will be able to design a tariff structure that compensates all highly reliable generators to remain

online and *ready to run*, without necessarily increasing the *dispatch* of emitting sources like unmitigated coal.

Lastly, we are further encouraged that the Secretary's Notice affirms the value of FERC completing its work on its more incremental price formation reform agenda. ClearPath has been calling for FERC to move ahead rapidly on this price formation reform agenda:

WHY FERC MATTERS FOR NUCLEAR

About ClearPath

Founded by businessman Jay Faison, ClearPath's mission is to accelerate conservative clean energy solutions. To advance the mission, ClearPath develops cutting-edge policy and messaging and works with policymakers and industry.