

# United States Senate

WASHINGTON, DC 20510

August 29, 2019

The Honorable Neil Chatterjee  
Chairman  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

Dear Chairman Chatterjee:

We write to express significant concerns with a potential policy shift at the Federal Energy Regulatory Commission (FERC) that may unnecessarily raise electricity prices for the 65 million homes and businesses and put at risk thousands of jobs in the 13 states served by PJM Interconnection (PJM), the nation's largest grid operator. We are also troubled that this policy could severely undermine state policies designed to support clean energy and address climate change.

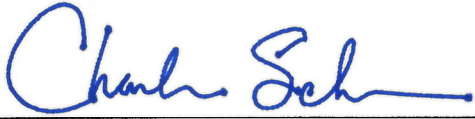
On multiple occasions, the Republican FERC commissioners have cited their concerns regarding state policies that support electricity generation from clean sources of energy. In a June 2018 order, FERC claimed that "out of market payments" supporting these sources of energy, including zero-emissions credits and renewable portfolio standards, threatened the integrity and effectiveness of the PJM capacity market. However, there is no evidence that these policies have resulted in resource adequacy problems sufficient to justify regulatory action, and efforts to mitigate these policies may interfere with the exclusive authority that Congress reserved to the states under the Federal Power Act to regulate facilities used for the generation of electricity. In fact, these credits and standards supporting cleaner sources of energy have created thousands of new jobs and have now created market conditions where resources like new wind and solar can lower costs for consumers.

With the upcoming departure of Commissioner LaFleur, it is our understanding that the Commission's now two-to-one Republican majority is considering moving forward a Minimum Offer Price Rule that would overrule existing rules that allow state-supported clean generation to participate freely in the PJM capacity market. According to a recent study by the consulting firm Grid Strategies, the total costs of this policy change to consumers could be as high as \$5.7 billion per year—increasing electricity costs by 60 percent compared to the current capacity market.

Needlessly increasing electricity prices for the millions served by PJM would be unacceptable, and state-level policies that support carbon-free electricity generation should not be harmed through federal overreach. Any action taken by FERC with respect to state policies must provide a meaningful and affordable option to support job-creating clean energy technologies. Accordingly, we strongly urge FERC to reconsider this policy shift and refrain

from taking any action that could raise electricity prices or frustrate state efforts to address climate change.

Sincerely,



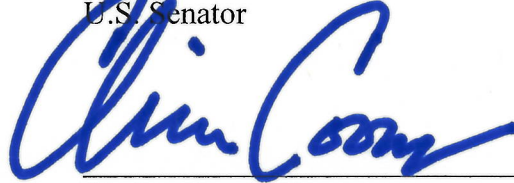
Charles E. Schumer  
U.S. Senator



Richard J. Durbin  
U.S. Senator



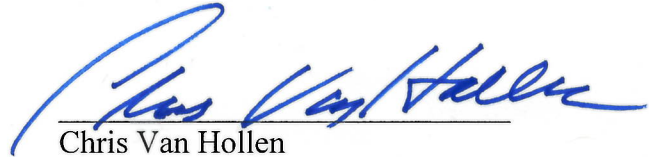
Thomas R. Carper  
U.S. Senator



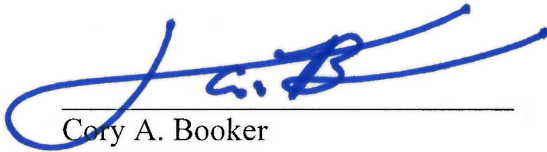
Christopher A. Coons  
U.S. Senator



Benjamin L. Cardin  
U.S. Senator




Chris Van Hollen  
U.S. Senator



Cory A. Booker  
U.S. Senator



Sheldon Whitehouse  
U.S. Senator



Brian Schatz  
U.S. Senator



Robert P. Casey Jr.  
U.S. Senator

cc: The Honorable Bernard L. McNamee  
Commissioner

The Honorable Richard Glick  
Commissioner

President Donald J. Trump