

NIC NEWS

Immediate Release:

October 24, 2017

USNIC: Swift FERC Action Needed to Address Threat to U.S. Grid Resiliency, Bow Wave of Premature Nuclear Baseload Retirements

Calling U.S. Energy Secretary Rick Perry's proposed Grid Reliability and Resilience Pricing Rule "a logical first step", the U.S. Nuclear Infrastructure Council urged "final, timely action" by the Federal Energy Regulatory Commission (FERC) to enact the measure.

The Council's statement was made in comments submitted this week to the FERC on the Secretary's September 28, 2017, proposed rule for final action by the Commission to ensure that the reliability and resilience attributes of electric generation resources are fully valued.

"We welcome Secretary Perry's farsighted, bold, decisive and urgent request to address the threat to U.S. electric grid resiliency emanating from premature retirements of fuel-secure traditional baseload resources, such as nuclear energy," said the Council.

According to the Council, "Leading indicators of less reliable and less resilient electricity generation along with an historically unprecedented wave of premature baseload fuel-secure plant retirements coupled with zero projected additions of new nuclear capacity -- and the necessity of unilateral state action to avoid the shutdown of seven reactors -- are proof positive that the regulated markets are not appropriately valuing and incentivizing baseload reliability and resiliency."

It concluded: "The Secretary's proposed Grid Reliability and Resilience Pricing Rule is consistent with recent FERC consideration into options for the regulated wholesale power market to better value baseload power and to provide just and reasonable rates for wholesale electricity sales. The Pricing Rule measure also moves the ball forward tangibly on a compendium of information recognizing that reliability and resiliency market attributes have not been fully factored and valued. It is our hope that the FERC will take final, timely action to issue the proposed rule as requested by the Secretary or alternatively as an interim final rule."

The Council focused on seven areas in its comments to the Commission:

- Rapid changes in the electricity mix commensurate with complex challenges to the electrical grid are jeopardizing affordable, reliable and resilient electricity and warrant action.
- Challenges to the grid have been exacerbated by premature fuel-secure baseload closures, a situation that is continuing to compound and spiral.
- Current wholesale power markets are stifling advanced nuclear development.

- The Polar Vortex and hurricanes have illuminated the importance of baseload and the capacity to meet fuel supply disruptions.
- The proposed rule is not a “Hobson’s Choice” for electricity consumers or the FERC with respect to reliable low cost electricity generation.
- The DOE Staff Report has further substantiated the challenges to the grid and added clarity to the need to address resiliency.
- Proactive and urgent action is required by the FERC and Organized Wholesale Markets to adequately price the resiliency attributes of fuel-secure power.

Pointing to the slow pace of U.S. nuclear new build, the Council added: “In addition to a deepening crisis of premature nuclear energy plant closures, the current FERC-organized market is effectively throttling advanced nuclear energy generation. Despite a spate of policies in recent years designed to push clean energy deployment and advances in passive safety features, just two new nuclear energy units are under construction in the United States.

“This stagnation in new nuclear reactor deployment is threatening both the advance of American nuclear energy technology as well as undermining America’s geo-strategically important global leadership in nuclear energy,” he said.

###

Note: These aforementioned comments represent the consensus of the Council; however they do not necessarily represent specific views of individual member companies and organizations.

The Council’s comments for the FERC on the Grid Reliability and Resiliency Pricing Rule can be found at www.usnic.org.

For Further Information Contact:
Caleb Ward (caleb.ward@usnic.org | 202-332-8845)

About USNIC

The United States Nuclear Infrastructure Council (USNIC) is the leading U.S. business consortium advocate for nuclear energy and promotion of the American supply chain globally. Composed of nearly 100 companies, USNIC represents the "Who's Who" of the nuclear supply chain community, including key utility movers, technology developers, construction engineers, manufacturers and service providers. USNIC encompasses eight working groups and select task forces. For more information visit www.usnic.org.