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## **EPSA CONTINUES CALL FOR EXPEDITED FERC ACTION ON OUT OF MARKET SUBSIDIES**

*EPSA Reiterates Serious Threats Posed by ZEC Schemes; Responds to Intervenors' Objections*

WASHINGTON, DC – The Electric Power Supply Association (EPSA) today made two filings with the Federal Energy Regulatory Commission (FERC) reiterating its call for expedited action to swiftly implement countermeasures in the New York ISO and PJM Interconnection wholesale markets to protect consumers and wholesale power markets from the undisputed negative effects of the Zero Emission Credit (ZEC) schemes adopted last year by the New York Public Service Commission and the Illinois legislature. The EPSA filings answer parties' comments and detail that there is no merit to the procedural or substantive objections raised, urging the Commission to act decisively and without delay.

EPSA emphasizes that both the NYISO and PJM, as well as their respective market monitors - all of whom have no financial or political stake in the issue - have recognized the concerns EPSA presented. As the PJM independent market monitor warned there is a very real danger that absent Commission action "competition in the markets could be replaced by competition to receive subsidies." EPSA notes, for example, that a handful of companies are now making plans to take their schemes for expensive ratepayer-backed handouts to other States in the PJM footprint and in New England to shield only themselves from market and policy challenges facing all power generators in these regions.

EPSA President John E. Shelk said, "The Commission should not allow opposing parties to obfuscate matters, and should remain focused on the issue at hand to address the recognized threat to the markets through imposition of a minimum offer price rule (MOPR) on existing units for the capacity auctions used in New York and PJM to protect consumers and markets. FERC should take this corrective action and then work with all stakeholders on fuel-neutral market reforms and State concerns consistent with competitive market principles."

Shelk added, "The negative consumer impacts and market distortions stemming from ZECs and related schemes are a hot topic at this week's NARUC meetings of State utility regulators in Washington, DC. EPSA is encouraged by the growing recognition that such discriminatory measures make the situation worse, not better."

Today's filings also emphasize that, in asking FERC to implement mitigation measures, EPSA is not asking FERC to weigh in on the separate and distinct question, already being litigated in federal court, of whether ZECs are preempted by the Federal Power Act and otherwise unlawful. The EPSA filings are available at [www.epsa.org](http://www.epsa.org).

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*Celebrating its 20<sup>th</sup> anniversary in 2017, EPSA is the national trade association representing leading independent power producers and marketers. EPSA members provide reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies. Power supplied on a competitive basis collectively accounts for 40 percent of the U.S. installed generating capacity. EPSA seeks to bring the benefits of competition to all power customers.*