

FOR IMMEDIATE RELEASE
February 15, 2017

CONTACT: John Shelk
(202) 628-8200

EPSA ENCOURAGED BY FERC CONFERENCE ON SUBSIDIES

Federal Leadership Essential to Addressing Looming Wholesale Market Disruptions

WASHINGTON, DC – Electric Power Supply Association (EPSA) president and CEO John E. Shelk released the following statement in response to yesterday's announcement by Acting FERC Chairman Cheryl LaFleur that the Commission will convene a staff-led technical conference to address the ramifications of the potential proliferation of state-level subsidies that distort wholesale power markets:

EPSA welcomes FERC's plans to hold a technical conference on the impacts of state out-of-market subsidies on the wholesale markets FERC regulates. The technical conference cannot come soon enough.

Just within recent days, nuclear utilities in restructured states have signaled their intention to descend on state legislatures in Ohio, Pennsylvania, New Jersey and Connecticut to force consumers to pay them above market prices. These attempts will prove as controversial in those states as is already true in New York and Illinois. At the same time, there is growing recognition that state subsidies strike at the very heart of the wholesale markets in PJM, New York and New England on which tens of millions depend for reliable and competitively priced electricity.

No doubt wholesale market conditions are challenging, but that is true for all power suppliers at a time of rapid change in how electricity is generated, sold and used. Those changes are only going to accelerate. FERC leadership is essential to bring all parties to the table to view these problems and potential solutions in light of the public interest, not just through the lens of any one narrow special interest. The simple fact is the power grid relies on all types of power generation.

For over twenty years, EPSA's singular mission has been to promote well-functioning competitive wholesale power markets for all fuels and technologies. EPSA members have invested private capital, not ratepayer subsidies, to achieve the goals of federal and state policymakers in opening up power generation to competitive market forces. Competitive suppliers have delivered as intended. There is too much at stake for FERC not to act before it is too late.

-EPSA-

Celebrating its 20th 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.