



The Electric Power Supply Association
1401 New York Avenue, N.W.
9th Floor
Washington, DC 20005
202.628.8200 | www.epsa.org

March 19, 2020

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
U.S. Capitol, S-230
Washington, DC 20510-7010

The Honorable Charles Schumer
Minority Leader, U.S. Senate
U.S. Capitol, S-221
Washington, DC 20510-7010
Sent via e-mail

Dear Leader McConnell and Leader Schumer,

As the national association representing competitive power suppliers, which provide more than 150,000 MW of power capacity to America's homes, businesses, hospitals, and emergency services, the Electric Power Supply Association (EPSA) writes to inform you of the steps we are taking to ensure that continued safe, reliable power is available even as our nation combats the unprecedented global threat posed by the novel Coronavirus and COVID-19. As Americans face other disruptions, reliable power is thankfully not currently anything to add to their concerns. The lights will stay on, hospitals will have the power they need to care for patients, and emergency services continue to have the power they need to ensure public health and safety.

The safety and well-being of our customers, employees, communities, and our nation is the first priority for EPSA and America's competitive power suppliers—as it is for the entire energy industry, with which we stand in solidarity during this time of crisis. The state of our nation's power supply, generation, transmission, and delivery system is strong, and we are in close coordination with our peers across the sectors to ensure service is not disrupted and power is available where needed. Our member companies' diverse power capacity is available to be deployed as needed, with resources working in tandem to provide power to support intermittent or otherwise unavailable supply. We have a strong track record of serving the grid in times of extreme weather or other emergencies.

At a time when policymakers must dedicate substantial resources needed to combat this public health crisis and support American homes and businesses facing economic hardship, our members are not asking for government relief, financial support, or subsidies. We don't do so in

normal times, and certainly not in emergencies. We believe the efforts of the federal government should be focused on ensuring the health and well-being of the American public. We are all in this challenging time together and we stand ready to help.

Competitors Working Together

As the impact of the novel Coronavirus/ COVID-19 progresses, competitive power suppliers are united with the entire energy industry, government agencies, and public officials to ensure Americans have a safe, reliable supply of electricity. In addition to longstanding planning efforts to prepare for extreme events, we have been working proactively and closely monitoring the situation for weeks to assess and prepare for eventual outcomes, while preparing and implementing the industry's three-phase pandemic plan. There is full engagement in this industry-wide effort up to the chief executive level of all EPSA member companies as we work to ensure our resources perform as needed when called upon. Policy differences are put aside to allow laser focus on one of the most disruptive events in recent American history. EPSA and its members are committed to doing our part to ensure the system performs at the highest level until and after the restoration of "normalcy."

Action From EPSA and Industry Leaders

- EPSA is part of the [Electricity Subsector Coordinating Council \(ESCC\)](#), which is the principal liaison between the federal government and the electric power sector, including utilities, public power, rural electric co-ops, and associated industries. We are cooperating to provide information and receive updates about how companies and service could be impacted. This effective coordination ensures that organizations have the resources that they need to continue providing electricity to customers throughout any disruptions.
- EPSA member company representatives are engaged on ESCC "Tiger Team" task forces addressing specific issues and operational concerns.
- EPSA is engaged in cross-association issue management with our fellow energy trade associations including API, AGA, NGSAA, INGAA, APPA, and others to address reliability considerations.
- EPSA has proactively reached out to ISOs/RTOs to address any performance and/or reliability concerns.
- The ESCC has developed a [COVID-19 Resource Guide](#) to help the power industry make informed localized decisions in response to this evolving global pandemic, which will be updated as needed.
- The ESCC is holding coronavirus coordination calls twice a week with senior leadership from the Department of Energy, the Department of Homeland Security, the Department of Health and Human Services, the Centers for Disease Control and Prevention, and the Federal Energy Regulatory Commission to ensure that industry and government are working together to resolve any challenges that may arise during the health emergency.
- EPSA is working closely with member companies to understand how their operations may or may not be impacted in order to share that information with government and

others and communicate with media and the public. We are also working to understand what measures would help or impede our members' ability to serve the public.

- EPSA's member companies have been actively and constructively engaged with Governor's offices, as well as city, county and state health and emergency management offices, across the country.

Competitive Power Suppliers Respond

- Competitive power suppliers are focused on maintaining the availability of key personnel, such as power plant operators and control room staff who ensure the safe operation of power generating facilities.
- It is possible that EPSA member company employees could be impacted by the virus. In anticipation of such a situation, competitive power suppliers are taking every step possible to ensure coverage of mission critical positions.
- EPSA and our companies are closely monitoring the situation and adjusting tactics as needed.
- Competitive companies with retail services have implemented steps to ensure those facing hardship are not disconnected.

Implications for Power Demand, Markets, and Prices

Power markets are elastic in response to supply and demand. As Americans take steps to avoid contact with the virus, there has been and will be a shift in power demand from the workplace, restaurants, hotels, and other public venues to home. No one can say for sure what the exact impact on demand will be because we've never experienced such a shift in behavior. It's possible certain types of demand (such as residential) could increase and offset a portion of reductions in other demand.

While the impact on the equity markets has been significant, it's very early in the event and the long-term impact on investment and financing won't be known for a while.

Power markets have performed well. Energy prices have been relatively unchanged or slightly lower, which is helpful for consumers—especially those who may face decreased employment and other economic hardship.

Competitive markets are working as designed. As demand drops, so too will prices. A competitive market structure keeps generators and developers accountable, efficient, and responsive to consumer demand and the needs of the grid.

If demand drops, lower-cost resources like renewables and reliable natural gas, which are currently the cheapest and cleanest on the market, are likely to be selected. At the end of the day, the most affordable, most efficient and likely cleaner resources will be selected. Generators and investors, rather than taxpayers and customers, will bear the costs—leaving state budgets and funding available for other critical needs.

Power On

Competitive power suppliers have substantial generation capacity and stand ready to deliver power when called upon. We are ready and able to deploy that capacity and do our part to keep America's people and critical industries powered.

We will keep you updated if and when there is more news to share and encourage you to reach out at any time.

For information on how the electric power industry is responding as the Coronavirus/ COVID-19 situation evolves, visit www.electricitysubsector.org. For the American Petroleum Institute's Pandemic Planning Guide, visit www.api.org.

For all other information related to the Coronavirus/ COVID-19, visit www.cdc.gov.

Respectfully yours,



Todd A. Snitchler
President & CEO
Electric Power Supply Association

EPSA Member Companies

BP • Calpine • Cogentrix Energy • Competitive Power Ventures, Inc. • Diamond Generating Corporation • Eastern Generation LLC • Energy Capital Partners • GenOn • J-Power USA • LS Power • NRG Energy • Rockland Capital • Tenaska • TransAlta • Vistra • Shell

About EPSA

The Electric Power Supply Association (EPSA) is the national trade association representing America's competitive power suppliers. EPSA members provide nearly 150,000 MW of reliable and competitively priced electricity from environmentally responsible facilities using a diverse mix of fuels and technologies including natural gas, wind, solar, hydropower, geothermal, storage, biomass, and coal. EPSA seeks to bring the benefits of competition to all power customers. Learn more at www.epsa.org and connect with us on [LinkedIn](#) and Twitter [@EPSAnews](#).