

October 20, 2017

Federal Energy Regulatory Commission
Secretary of the Commission
888 First Street, NE
Washington, DC 20426

Re: Grid Resiliency Pricing Rule
FERC Docket No. RM18-1-000

**COMMENTS OF THE CLEVELAND BRANCH NAACP IN SUPPORT OF THE
PROPOSED RESILIENCY RULE**

On September 28, 2017, the Department of Energy (“DOE”) issued the “Grid Resiliency Pricing Rule” (the “Proposal”) directing the Federal Energy Regulatory Commission (“FERC”) to adopt a rule requiring operators of organized markets to “ensure that certain reliability and resiliency attributes of electric generation sources are fully valued.” Such a rule, as contemplated by the regulatory language of the Proposal, will ensure that existing nuclear and coal-fired electric generating stations in Ohio will be compensated appropriately and fully for their costs of operation and will avoid premature retirement. Adoption of that rule will thus sustain the long-term viability of critical power plants, preserve and create jobs, maintain electric reliability, and provide substantial economic benefits to the many hard-working Americans living throughout the region.

The Cleveland Branch NAACP (“Cleveland NAACP”) strongly supports the Proposal and shares the Secretary’s urgency that FERC act promptly to direct operators of organized markets to issue the requested rule. FERC has the ability to act, and must act, without undue delay to avoid premature closure of crucial power plants and the loss of critical economic and reliability benefits. Without these critical units, Cleveland NAACP will be challenged to support the economic, social, educational and political rights of all persons in our community. There is

no time for delay. In addition to acting promptly, FERC should also direct organized market operators to issue a comprehensive and enduring set of rules, based on the regulatory language of the Proposal, for the proper compensation of critical power plants. Protracted proceedings undertaken by organized market operators that fail to develop fair, compensatory and transparent rules will only engender market uncertainty and delay in providing sufficient compensation to these facilities, thereby jeopardizing the operation of the very plants that the DOE seeks to maintain in operation.

I. COMMUNICATIONS

All communications, correspondence, and documents related to this proceeding should be directed to the following person:

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II. DESCRIPTION OF CLEVELAND BRANCH NAACP

The mission of the National Association for the Advancement of Colored People is to ensure the political, educational, social, and economic equality of rights of all persons and to eliminate race based discrimination.

III. DESCRIPTION OF CLEVELAND BRANCH NAACP'S INTEREST IN PROCEEDING

The Cleveland Branch NAACP is a non-profit, 501(c)(4), entity located in Ohio. Our focus is on improving the social welfare of the community by ensuring the economic, social, educational and political rights of all persons. The continued operation of the baseload coal and nuclear power plants translates into safer and more prosperous communities. Thus, the Cleveland NAACP members have a direct and substantial interest in this proceeding. As well, the unique

perspective of the Cleveland NAACP and its members will only serve to enhance the record in this proceeding.

IV. COMMENTS

The communities where struggling baseload coal and nuclear power plants are located are dependent on the jobs and economic development opportunities the power plants provide. The recent decline in Ohio electric power industry, for example, has led to reductions in operations at numerous power production and manufacturing facilities across Ohio. This continued decline will impact Cleveland NAACP's ability to bring positive impacts to the many residents in the region, including support for the health, education and financial stability of our communities.

Baseload coal and nuclear plants in Ohio provide economic opportunities to our community. First Energy contributes \$25,000 each year to our organization, and also supports other organizations like the United Way, Salvation Army, Habitat for Humanity and Red Cross. This financial support allows us to continue providing voter education and registration efforts, financial literacy, and health and wellness initiatives to the community. The loss of jobs, tax revenue, and the ripple effect of such losses throughout the local economy, will have a severely detrimental impact on the region.

The issuance of a rule preserving the continued operation of resilient baseload coal and nuclear power plants will maintain a reliable supply of electricity for the region's energy-intensive economy in two ways. First, the preservation of certain plants will avoid the need to replace lost generation with imports and the associated construction of infrastructure to facilitate such importation. Preserving baseload coal and nuclear power plants will keep these needed, reliable facilities running close to home without the need to depend on distant resources,

particularly during catastrophic events like severe storms, to fulfill our region's dynamic need for reliable electricity.

Second, premature plant closures will deplete the stable of highly skilled (and specifically trained and experienced) employees, many of whom have lived in the region for several years and who take great pride in their work. With a depletion of this skilled and experienced group of workers, and the possible replacement of these workers with more distant and perhaps less-skilled individuals, we will see a direct and adverse impact on our ability to provide services to our community. Because of the loss of jobs, the significant reduction in payments to local governments, and the decline in electricity resource and grid reliability that would result from deactivation of the nuclear and coal-fired generating facilities in Ohio, it is essential that the FERC adopt a rule, such as that proposed by DOE, which will ensure that such generating facilities are fully compensated for their costs and will remain in operation.

In order to mitigate the risk that such generating units may be deactivated prematurely, the Cleveland NAACP strongly urges FERC to adopt the rule proposed by the DOE as promptly and comprehensively as possible. FERC has a sufficient record to act that will be further bolstered by the comments considered in this proceeding. FERC has thoroughly considered the impact of electric markets on the sustained operation of at-risk power plants and, as noted by the Secretary of the DOE, the time to act is now given the severe impacts to system reliability and resilience, and national security, attendant to the premature closure of crucial power plants. Any protracted delay in creating fully compensatory market rules will only exacerbate the problem of pre-mature closures.

In acting promptly, FERC should also direct the organized market operators to issue a rule that is not only compensatory (and based on the regulatory language of the Proposal) but

comprehensive and enduring. The rules to be issued by operators of organized markets should be fair and transparent, and should ensure that critical power plants can continue to operate for the long-term and without the prospect of repeated re-examination and adjustment to their market compensation. The uncertainty that less than comprehensive and enduring market rules will engender will defeat the very purpose of preserving the extended operation of these much-needed power plants.

Respectfully submitted,

Danielle L. Sydnor
Chair Economic Development Committee
Cleveland Branch NAACP