October 18, 2017
FERC Docket No. RM18-1-000
Grid Reliability and Resilience Pricing

The American Chemical Society (“ACS” or “the Society”), the world’s largest scientific society, is concerned about the potential impacts of this proposed rule on the future of energy technology and the welfare of the American public. As described in the Society’s Energy Policy statement, ACS believes that U.S. government policies should encourage the market to incorporate the full lifecycle cost of energy sources into their prices. This recommendation is technology-neutral, reflecting ACS’s sentiment that all energy sources should be allowed to compete so long as the environmental, health, and social consequences of their use are fully accounted for. The proposed rule runs counter to the ACS recommendation—and established Federal Energy Regulatory Commission (“FERC”) practices—by advantaging certain energy sources and disadvantaging others on the basis of “reliability” and an undefined quality of “resiliency.” Moreover, the proposed rule would direct the market away from attempts to account for the negative outcomes of the use of different energy sources, endangering the development of cost effective, reliable, and safer energy alternatives. ACS asks FERC to reject this proposed rule and instead focus on allowing market-driven forces to shape the portfolio of energy sources used in the United States.

ACS is also concerned about the evidentiary basis for the proposed rule. As reflected in the Society’s Scientific Integrity in Public Policy statement, ACS believes that policymakers have the responsibility to consider technical analyses and any other relevant technical input in a comprehensive, transparent, and unbiased manner. Neither recent North American Electric Reliability Corporation (“NERC”) reports nor the Department of Energy’s (“DOE’s”) Staff Report to the Secretary on Electricity Markets and Reliability provides sufficient evidence to
suggest that such dramatic changes to regulation of energy pricing are warranted. These reports also fail to provide any justification for the expedited rulemaking process suggested by DOE, a hurried process that threatens FERC’s ability to comprehensively evaluate the potential impact of the proposed rule on the future of the U.S. energy resource mix.

In closing, ACS recommends that FERC decline to institute any new grid reliability and resilience pricing rule that fails to account for the full lifecycle cost of different energy sources in a technology-neutral way. ACS believes the proposed, retrograde rule would significantly disrupt the market-driven evolution of energy technologies by unfairly disadvantaging emerging technologies that do not fit the unclear definition of “resilient.” Instead, ACS asks FERC to craft policies that promote continued modernization of the electric grid to provide flexibility and adaptability. By doing so, FERC can stimulate developments that would provide for true dependability of the domestic power system without an unnecessary reliance on outmoded technologies.

Respectfully Submitted,

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About ACS
The American Chemical Society, the world’s largest scientific society, is a not-for-profit organization chartered by the U.S. Congress. ACS is a global leader in providing access to chemistry-related information and research through its multiple databases, peer-reviewed journals and scientific conferences. ACS does not conduct research, but publishes and publicizes peer-reviewed scientific studies. Its main offices are in Washington, D.C., and Columbus, Ohio.