



**National Rural Electric
Cooperative Association**
A Touchstone Energy® Cooperative

FAST **FACTS**

HOUSE AND SENATE ENERGY LEGISLATION

Current Situation

The House and Senate have passed different versions of comprehensive energy legislation, and they will be reconciled in a Conference Committee to convene this Summer. Specifically, the House passed H.R. 8, the North American Energy Security and Infrastructure Act of 2015 (House Energy Bill) in 2015, and the Senate recently passed S. 2012, the Energy Policy Modernization Act of 2015 (Senate Energy Bill). While NRECA supports both the House and Senate Energy bills, there are certain provisions in both bills that are of concern. During the Conference Committee, NRECA will work to prevent these provisions from being included in the final energy bill.

H.R. 8, House Energy Bill

NRECA supports several provisions in H.R. 8 including language to allow electric utilities to continue to provide fossil fuel-generated electricity to new and renovated federal buildings, such as military bases, in 2030 and subsequent years. The House Energy Bill also includes language establishing the Federal Energy Regulatory Commission (FERC) as the lead agency for siting interstate natural gas pipelines and requiring FERC, in consultation with the North American Electric Reliability Corporation (NERC), to prepare an independent reliability analysis of any proposed or final rule that has at least an annual \$1 billion impact on the economy.

H.R. 8 was strengthened by the passage of a floor amendment to allow the Bureau of Land Management and the Forest Service to authorize electric transmission and distribution owners and operators to selectively manage vegetation within 150 feet of an existing right-of-way. Allowing for the treatment of danger or hazard trees that are very near to existing rights-of-way can help remove the threat of wildfire and potential power outages and promote liability.

Unfortunately, two unfavorable amendments were included when H.R. 8 was considered on the House floor. One amendment would unnecessarily require the consideration of a redundant interconnection standard for community solar facilities that, if implemented, will increase electric utility costs.

In the other amendment, FERC would be granted redundant, and potentially conflicting, authority to develop unilaterally mandatory reliability standards to address grid security vulnerabilities. It calls for FERC to issue an order requiring NERC to submit reliability standards to protect the bulk-power system from geomagnetic storms and electromagnetic pulses. NERC would be required to submit the standards within 6 months of the order being issued.

FERC already has authority under the Federal Power Act to direct NERC to develop mandatory reliability standards to address grid vulnerabilities as necessary. The amendment's language would essentially duplicate this existing authority and could create questions or conflicts regarding FERC-authority in this area. NRECA will work to prevent both amendments from being included in a final energy bill.

S. 2012, Senate Energy Bill

As passed by the Senate, S. 2012 includes several provisions that NRECA supports. As with the House Energy Bill, S. 2012 would allow electric utilities to continue to provide fossil fuel-generated electricity to new and renovated federal buildings in 2030 and subsequent years. In addition, FERC would become the lead agency for siting interstate natural gas pipelines, and common-sense reforms would occur regarding the FERC licensing process for both new and existing hydropower projects. Other important provisions include expanding the authority of the North American Electric Reliability Corporation (NERC), in coordination with regional entities, to prepare reliability impact statements involving major federal regulations; making electric resistance water heaters eligible to participate in the Department of Energy's electric grid energy storage research program; and establishing a pilot program focused on increased transparency of operations of the Western Area Power Administration (WAPA).

Unfortunately, an amendment to require the Department of Energy, in consultation with FERC, to develop model guidance for interconnection services was added to S. 2012. The language ignores federal and state interconnection requirements that currently exist. Since, such model guidance is unnecessary, NRECA will work to remove this language.

NRECA Position. NRECA continues to urge the House and Senate to modernize our nation's energy policy in ways that keep consumers' costs affordable, promote system reliability, and do not impose undue burdens on consumer-owned utilities like electric cooperatives. During the Conference Committee, we will work to remove language that could result in higher electricity rates and undermine co-op, decision-making autonomy.

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