

## [First Look: Department of Energy's Notice of Proposed Rulemaking \(NOPR\) to the Federal Energy Regulatory Commission on Grid Resiliency Pricing](#)

Proposes that certain power plants be offered new pricing dependent on their 'resiliency' — defined by having a 90 day supply of fuel on-site.

Updated last **November 7, 2017**

for the 09/28/2016 Notice of Proposed Rulemaking.



### WHAT IT DOES

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On September 28, 2017, Secretary of Energy Rick Perry submitted a [Notice of Proposed Rulemaking \(NOPR\) to the Federal Energy Regulatory Commission](#) calling for certain power plants to be offered new pricing that rewards them for their “resiliency.”

Resiliency, in this case, is defined as the ability to continue normal operation in the event of fuel supply disruptions due to emergency or disaster. For power plants to be eligible for the new pricing, they must have on-site a 90-day supply of fuel and meet several other regulatory conditions. The NOPR argues that decreasing resiliency is leading to more power disruptions; however, this conclusion contradicts findings in other recent Department of Energy and National Electricity Reliability Corporation (NERC) studies on U.S. power system reliability. The proposed rule applies only to plants located in specific electricity markets, called RTOs and ISOs, and would significantly alter pricing dynamics in those markets by providing additional revenue to coal and nuclear plants, which have lately been out-bid by lower-cost natural gas and renewable plants. The NOPR sets a 60-day deadline for FERC to complete final action on the rule.

### STATUS

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The proposed rule was published by the Department of Energy on October 10, 2017, and directed the Federal Energy Regulatory Commission to take final action by December 11, 2017 or to issue the proposed rule as an interim final rule. The Commission has requested public comments on or before October 23, 2017, with reply comments due on or before November 7, 2017.

### RELEVANT EXPERTS

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The Nicholas Institute for Environmental Policy Solutions at Duke University held a webinar entitled "[DOE's Directive to FERC on Baseload Resources: Understanding the Legal and Market Implications](#)" on October 19, 2017. The full video of the webinar, as well as the associated resources, can be found [here](#).

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**ENERGY SUBCATEGORY**

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**RECOMMENDED CITATION**

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