

**President Lisa Edgar Talking Points  
FERC Technical Conference on Environmental Regulations  
Feb. 19, 2015**

**10:45-12:45**

**Format: Five-minute opening remarks, followed by panel Q&A**

Good morning Chairman LaFleur and Commissioners. For the record, I am Lisa Edgar and I am a member of the Florida Public Service Commission and President of the National Association of Regulatory Utility Commissioners. Our members are the public utility regulators in all 50 states and the U.S. territories. Our mission is to advocate and educate for effective regulation in the public interest.

On behalf of NARUC I want to thank the commission for holding this series of technical conferences. We have several State commissioners participating today, and more will take part in the regional technical conferences. I also want to thank your other panelists, and note Ms. Dunn from ECOS, the Environmental Council of the States. This is our

second recent appearance together on this topic, which shows that environmental and economic regulators coast to coast are focused on the impacts and implementation of this proposal.

Today's discussion is essential so that reliability, regional considerations, and consumer impacts are addressed as the EPA finalizes its rule. NARUC is a diverse and vibrant organization, as evidenced by the amount and range of comments our members sent to the EPA on the proposed rule. Although our organization has taken no position on the overall Plan, we have reached consensus on some major points.

The most important, and the most relevant for today's meeting, is that the EPA rule requirements must not negatively harm the reliability of the electric power system. As economic regulators, ensuring the safe and reliable delivery of utility services in our states, at just and reasonable rates, is our responsibility. Every decision we make is based

on the underlying notion that reliability of the system is paramount for public health, public safety, and our local economies.

As you know, specifics vary State to State, and region to region. But it is important to take notice that a number of our members in their comments to EPA raised reliability concerns. In addition, States like Ohio, Virginia, and others have referenced the NERC study on Potential Reliability Impacts, which details a number of concerns about the timing and feasibility of the proposal. I'm sure you'll hear more about that from Gerry Cauley and from other State Commissioners, today and beyond. And in keeping with the theme of State and regional differences, it should also be noted that some State Commissions have not raised concerns about potential reliability impacts.

At the same time, many States have questions about infrastructure and whether we have the pipeline capacity needed to accommodate an anticipated increase in natural gas use to comply with the proposal.

These infrastructure concerns also extend to the electricity transmission system. In some cases, additional renewable energy will require additional transmission lines. As you well know, the siting process for linear infrastructure, for both gas and electricity, is a time-consuming and often contentious process. And of course, new infrastructure is expensive and these costs will likely land on ratepayers, many already overburdened. Utility rates and reliability are the responsibility of State commissions and FERC. That's why these discussions are so important—we need to make sure that reliability and cost impacts are considered in the final rule, and that the federally mandated costs and implementation requirements are well understood.

Speaking specifically for Florida, the FPSC has exclusive jurisdiction over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy. Intrusion by EPA into these matters could interfere

with our jurisdiction over the generation and distribution of electricity, Florida's electricity grid, and the economic regulation of electric retail service. In addition, the proposed rule potentially compromises Florida's ability to maintain a diversified generation fuel source mix. The rapid addition of large scale intermittent generating resources may compromise grid reliability. Finally, without knowing the final requirements of a State implementation plan, individual utilities will not be able to determine the most cost-effective compliance path or be able to coordinate plans across the State.

No matter your perspective on the EPA's Clean Power Plan, it will only work if we are able to maintain and improve upon the reliability of the electricity system. It must be technically and economically feasible.

FERC's role in helping us work through these issues cannot be underestimated.

Again, on behalf of NARUC, thank you for holding this meeting and we look forward to FERC's continued involvement.