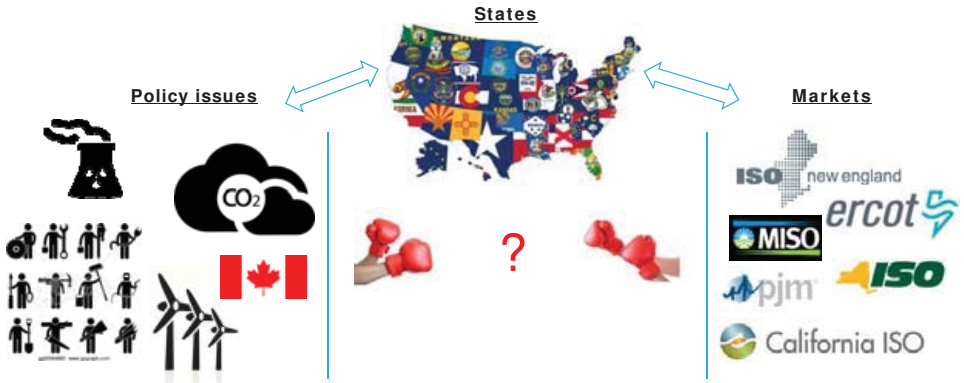
October 6, 2017

Interplay and Competition of Federal v. State Energy Regulatory Jurisdiction

16th Annual Gas and Power Institute

Framing the Core Issues



State policies increasingly collide with competitive markets. Can we square the circle to implement competitive markets that achieve the desired low-carbon future?

From the state perspective: Are markets a barrier to mandated/desired state policies?

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States Have Multiple Objectives

- ✓ …which are not always reflected in, or consistent with, centralized competitive markets:
- ✓ NJ LCAPP and Maryland – control over capacity decisions and reliability; skepticism of market ability and outcomes
- ✓ CT Contracts – open hostility to 'federally-mandated congestion costs'
- ✓ Ohio, Illinois, NY – jobs, taxes, votes
- ✓ MA – off-shore wind industry; Global Warming Solutions Act goals

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Current Challenge: ZECs

State	Program Overview	Status
NY	• As a part of the Clean Energy Standard, NY has granted $7.6 billion in subsidies in the form of ZEC payment to three economically challenged EXC nuclear units in upstate NY: Nine Mile, Fitzpatrick & Ginna. • ZECs will be paid over 12 years from 2017 to 2029 with price adjustments every two years.	• Complaint filed in a Federal District Court in NY on October 19, 2016. • On July 25th 2017, the court granted Defendants' and Intervenors' motions to dismiss. • Appeal filed Aug 24, 2017.
IL	• IL passed the Future Energy Jobs Act (FEJA), which included a $253 million/yr ZEC payment over 10 years to in-state nuclear units.	• Complaint filed in a Federal District in IL on February 14, 2017 • On July 14th 2017, the court granted the motions of Defendants and Intervenor Exelon to dismiss and denied Plaintiffs' motion for a preliminary injunction. • Appeal was filed on July 17, 2017

Other States have contemplated nuclear subsidies (CT, OH, PA, NJ).

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