

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5722

To amend the Federal Power Act to require the Federal Energy Regulatory Commission to review the decisions of the North American Electric Reliability Corporation affecting cost allocation under system support resources agreements.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 2014

Mr. BENISHEK (for himself and Mr. PETERS of Michigan) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Federal Power Act to require the Federal Energy Regulatory Commission to review the decisions of the North American Electric Reliability Corporation affecting cost allocation under system support resources agreements.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Providing Opportuni-  
5        ties to Work for Energy Reliability Act” or the “POWER  
6        Act”.

1 **SEC. 2. REVIEW OF DECISIONS OF NORTH AMERICAN ELEC-**  
2 **TRIC RELIABILITY CORPORATION AFFECT-**  
3 **ING COST ALLOCATION UNDER SYSTEM SUP-**  
4 **PORT RESOURCES AGREEMENTS.**

5 Section 205 of the Federal Power Act (16 U.S.C.  
6 824d) is amended by adding at the end the following:

7 “(g) REVIEW OF DECISIONS OF NORTH AMERICAN  
8 ELECTRIC RELIABILITY CORPORATION AFFECTING COST  
9 ALLOCATION UNDER SYSTEM SUPPORT RESOURCES  
10 AGREEMENTS.—

11 “(1) DEFINITIONS.—In this subsection:

12 “(A) SYSTEM SUPPORT RESOURCES  
13 AGREEMENT.—

14 “(i) IN GENERAL.—The term ‘system  
15 support resources agreement’ means an  
16 agreement between the owner of a system  
17 support resources unit and a transmission  
18 organization that provides for—

19 “(I) operation of the system sup-  
20 port resources unit for a period past  
21 the date on which the owner of the  
22 system support resources unit pro-  
23 poses to suspend the operation of, or  
24 retire, the system support resources  
25 unit;

1                   “(II) the payments to be made to  
2                   the owner of the system support re-  
3                   sources unit for the continued oper-  
4                   ation; and

5                   “(III) the manner in which the  
6                   costs for the continued operation will  
7                   be recovered.

8                   “(ii) INCLUSIONS.—The term ‘system  
9                   support resources agreement’ includes the  
10                  associated rate schedule, or any other allo-  
11                  cation of costs, for an agreement described  
12                  in clause (i).

13                  “(B) SYSTEM SUPPORT RESOURCES  
14                  UNIT.—The term ‘system support resources  
15                  unit’ means a generating unit that has been  
16                  designated by a transmission organization as a  
17                  system support resources unit on—

18                         “(i) an application to the transmission  
19                         organization by the owner of the unit to  
20                         retire or suspend operation of the unit; and

21                         “(ii) a determination by the trans-  
22                         mission organization that the operation of  
23                         the unit is necessary to operate the trans-  
24                         mission system consistent with applicable  
25                         reliability standards.

1           “(C) TRANSMISSION ORGANIZATION.—The  
2 term ‘transmission organization’ has the mean-  
3 ing given the term in section 215(a).

4           “(2) REVIEW BY COMMISSION.—

5           “(A) IN GENERAL.—The Commission shall  
6 review any decision by the North American  
7 Electric Reliability Corporation to approve a  
8 new balancing authority that would alter cost  
9 allocations under an existing system support re-  
10 sources agreement.

11           “(B) SUSPENSION OF EFFECTIVENESS.—  
12 The new balancing authority described in sub-  
13 paragraph (A) shall not take effect until ap-  
14 proved by the Commission.

15           “(3) COST-BENEFIT ANALYSIS.—Prior to  
16 issuing a decision under paragraph (4), the Commis-  
17 sion shall publish a cost-benefit analysis of the pro-  
18 posed decision described in paragraph (2)(A), includ-  
19 ing the likely financial impact of the decision on  
20 ratepayers.

21           “(4) DECISION BY COMMISSION.—

22           “(A) IN GENERAL.—The Commission  
23 shall—

1                   “(i) review a decision of the North  
2                   American Electric Reliability Corporation  
3                   described in paragraph (2)(A); and

4                   “(ii) issue a decision that approves,  
5                   disapproves, or modifies the decision of the  
6                   North American Electric Reliability Cor-  
7                   poration.

8                   “(B) DISAPPROVAL.—The Commission  
9                   shall disapprove a decision of the North Amer-  
10                  ican Electric Reliability Corporation described  
11                  in paragraph (2)(A) if the Commission deter-  
12                  mines that the decision would result in unjust,  
13                  unreasonable, unduly discriminatory, or other-  
14                  wise unlawful rates for ratepayers.”.

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