

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Carbon Pricing in FERC-Jurisdictional  
Organized Regional Wholesale Electric  
Energy Markets

Docket No. AD20-14-000

**MOTION TO INTERVENE AND COMMENTS OF THE  
ELECTRICITY CONSUMERS RESOURCE COUNCIL (“ELCON”)**

On April 13, 2020, Advanced Energy Economy, the American Council on Renewable Energy, the American Wind Energy Association, Brookfield Renewable, Calpine Corporation, Competitive Power Ventures, Inc., the Electric Power Supply Association, the Independent Power Producers of New York, Inc., LS Power Associates, L.P., the Natural Gas Supply Association, NextEra Energy, Inc., PJM Power Providers Group, R Street Institute, and Vistra Energy Corp. (together, the “Interested Parties”) filed a request that the Commission hold a technical conference or workshop to discuss integrating state, regional, and national carbon pricing in FERC-jurisdictional organized regional wholesale electric energy markets (the “Request”).

On April 21, 2020, the Commission issued its Notice of Request for Technical Conference or Workshop. The notice sets a deadline of May 21, 2020 for comments on the Request. Pursuant to 18 C.F.R. § 385.211 (2019) and 18 C.F.R. § 385.214 (2019), Electricity Consumers Resource Council (“ELCON”) hereby submits comments and provides timely notice of intervention in the above-captioned proceeding. ELCON welcomes the opportunity to submit comments here and respectfully requests the opportunity to share further comments at a technical conference or workshop, should the Commission choose to grant the Request.

**I. STATEMENT OF INTEREST**

ELCON is the national association representing large industrial consumers of electricity. ELCON member companies produce a wide range of products and services

from virtually every segment of the industrial community. ELCON members own and operate hundreds of major facilities and are consumers of electricity in the footprints of all organized markets and other regions throughout the United States. Reliable electricity supply at just and reasonable rates is essential to our members' operations. ELCON has a longstanding interest in promoting well-functioning wholesale electricity markets to the benefit of its members and consumers generally. ELCON has a direct interest in this proceeding both on behalf of its members and on behalf of the organization. Further, ELCON's interests are not adequately represented by any other party to this proceeding.

## II. COMMENTS

### A. ELCON Supports a Robust Discussion of Market Design

ELCON is supportive of the Commission holding a technical conference or workshop on carbon pricing in FERC-jurisdictional wholesale electricity markets. ELCON agrees with Interested Parties that "the time appears ripe for the Commission to convene a technical conference or workshop on these issues."<sup>1</sup> However, at this time ELCON does not request that FERC initiate a rulemaking or other formal process beyond establishing a forum for discussion and debate.

### B. The Diverse Array of Stakeholders Should Include Consumers

Although Interested Parties themselves represent a broad coalition, and the proposed participants represent a fairly wide cross-section of the electricity industry ("market participants, environmental groups, states, ISOs and RTOs, technical experts, and officials involved in regional and state Greenhouse Gas initiatives"),<sup>2</sup> consumer interests are not well represented. In fact, the word "consumer" does not appear in the Request. That said, ELCON appreciates that Interested Parties identify "cost-effectively

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<sup>1</sup> Request at 6.

<sup>2</sup> Request at 8.

serving customers”<sup>3</sup> as a priority. However, given the nature of the Request – to explore pricing carbon, which is not explicitly priced in FERC-regulated markets at the moment, at rates yet to be established – consumers should be front and center because any price impacts associated with carbon pricing will ultimately fall on consumers.

If the Commission grants the Request, ELCON respectfully requests that it be invited to provide testimony to broaden the record and ensure that consumer interests are well represented. ELCON asks further that the Commission consider adding a dedicated place on the agenda to discuss consumer interests. For example, in Section III of the proposed agenda, “load” interests are lumped together with “generation, renewable and advanced technologies, environmental and others.” Consumers deserve a separate platform – we should not be asked to compete with producers, among others, for time and attention before the Commission and its stakeholders because producer and consumer interests typically are opposed.<sup>4</sup> Further, to address consumer interests, ELCON proposes that the Commission include the following question: “How will residential, commercial, and industrial consumers be affected by carbon pricing?”

### C. Discussion of Carbon Pricing Should Address Duplicative Policies

Interested Parties raise an important question in Section IV(C) of the draft agenda: “*Do the States believe that policies supporting specific low- and zero-carbon resources would continue unchanged if carbon pricing were implemented?*” There are many public policies meant to address the need to reduce emissions of carbon dioxide in the electricity sector – most notably Renewable Portfolio Standards and Zero Emission Credits at the state level as well as Production and Investment Tax Credits at the federal level.

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<sup>3</sup> Request at 7.

<sup>4</sup> Economist Frederic Bastiat wrote in *Abundance and Scarcity*, originally published in 1845: “A radical antagonism exists between seller and buyer. The former desires that the subject of the bargain should be scarce, its supply limited, and its price high. The latter desires that it should be abundant, its supply large, and its price low. The laws, which should be at least neutral, take the part of the seller against the buyer, of the producer against the consumer, of dearness against cheapness, of scarcity against abundance.” See <https://www.gutenberg.org/files/44145/44145-h/44145-h.htm>

Discussion of carbon pricing should be approached as a next step towards a more economically rational carbon policy in the electricity sector, one whose increased efficiency above the status quo can benefit consumers. There is ample opportunity to improve today's policy approach to reducing carbon emissions in the electricity sector. However, if less efficient policies are not on the table, adding a carbon price in FERC-jurisdictional electricity markets may increase costs and leave consumers worse off.

### III. CONCLUSION

ELCON supports Interested Parties' Request for a technical conference or workshop to discuss carbon pricing in FERC-jurisdictional electricity markets. Should the Commission grant the Request, ELCON respectfully requests the opportunity to share the consumer perspective.

Respectfully submitted,



Travis Fisher  
President & CEO  
Electricity Consumers Resource Council  
1101 K Street NW, Suite 700  
Washington, DC 20005  
Email: [tfisher@elcon.org](mailto:tfisher@elcon.org)  
Phone: 202-682-1390

Dated: May 21, 2020

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day caused to be served the foregoing document upon each person designated on the official service list compiled by the Secretary of this proceeding.

Dated at Washington, D.C.:        May 21, 2020

/s/ W. RICHARD BIDSTRUP

W. Richard Bidstrup

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