

The Honorable Rick Perry
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Mr. Secretary:

This letter is in response to the administration's plan to use federal authority to compel utilities, grid operators, and ratepayers to purchase electricity from uncompetitive coal and nuclear power plants. While ensuring a reliable electric supply is a critical objective, we are troubled by the prospects of the federal government using war-time powers to intervene in the power markets. We also do not believe that the evidence supports the administration's premise that there is or will be a national security or electricity reliability crisis associated with the recent pattern of coal and nuclear retirements.

On May 31, 2018, news outlets published an internal administration memorandum that cited the use of the Federal Power Act and Defense Production Act as potential mechanisms to delay the closure of these plants up to two years and provide financial payments to the owners of unprofitable coal and nuclear plants. The next day, the White House released a statement directing DOE to take "immediate steps to stop the loss of these resources."

DOE should encourage and foster smart investments in innovation and modern technologies that make our electricity grid more reliable and resilient to outages—distributed energy resources, grid automation technologies, energy storage, and microgrids are real solutions that help increase electricity security. The administration should similarly focus on real solutions for coal communities and coal workers—by supporting worker retraining programs and community development programs across the federal government, investing in the energy technologies of the future, and diversifying local economies. Bailing out uneconomic coal plants won't make our electricity system more reliable or improve our national security any more than it will change the long-term future of the coal industry, but it will exacerbate the very real climate crisis we are facing, which actually threatens both national and global security.

We respectfully request that the DOE and administration drop the idea of propping up coal and nuclear plants. Grid operators and reliability experts continue to state that there

is no electricity reliability crisis¹ associated with coal and nuclear retirements, and they are in the best position to make this assessment.² Without compromising reliability, the market is simply choosing cleaner and cheaper options, which is good for consumer pocketbooks, public health and the environment. Please do not create a problem where there is none. DOE could advance greater electricity security by helping to develop and deploy the advanced grid technologies of the future and ensuring new opportunities for coal workers without hurting consumers, vulnerable communities, and the environment.

Thank you for your attention to this important matter. If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Kenneth Kimmell

President

¹ PJM Press Release, June 1, 2018. Online at <http://www.pjm.com/-/media/about-pjm/newsroom/2018-releases/20180601-pjm-statement-on-potential-doe-market-intervention.ashx>.

² DOE Staff Report to the Secretary on Electricity Markets and Reliability, August 2017. Online at <https://www.energy.gov/downloads/download-staff-report-secretary-electricity-markets-and-reliability>.