



Organization of PJM States, Inc. (OPSI)

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Resolution # OPSI-2012-4

RESOLUTION REQUESTING PJM TO ASSESS THE GAS INFRASTRUCTURE REQUIREMENTS TO SUPPORT NEW/ADDITIONAL GENERATION FACILITIES

WHEREAS, in response to federal EPA requirements such as MATS and CSAPR, as well as state environmental regulations such as the New Jersey EHDD, the initial screen presented in the Coal Capacity at Risk for Retirement in PJM report dated August 26, 2011¹ has identified 20,000 MW of existing coal generating capacity at risk; *and*

WHEREAS, PJM's assessment of future generation and transmission requirements will address the impact on the reliability of the electrical system as a result of the potential replacement of existing coal-fired generating capacity; *and*

WHEREAS, PJM's assessment of the replacement of coal-fired generating capacity with potentially substantial new natural gas-fired generating capacity does not appear to have considered the impact on the existing natural gas transmission, storage and distribution infrastructure to adequately support new/additional natural gas-fired generating facilities; *and*

WHEREAS, on March 1, 2012, the Midwest Independent Transmission System Operator, Inc. ("MISO") filed as supplemental comments in FERC Docket No. AD12-1, *et al*, the Gas and Electric Infrastructure Interdependency Analysis prepared for MISO by EnVision Energy Solutions² ("MISO Analysis"); *and*

WHEREAS, the MISO Analysis concluded, among other things, that "almost all the pipelines will have to be increasingly operationally flexible to provide delivery service to the MISO power generators ... [and] the cost to accommodate the needed lateral and

¹ <http://www.pjm.com/documents/~media/documents/reports/20110826-coal-capacity-at-risk-for-retirement.ashx>

² https://www.midwestiso.org/Library/Repository/Tariff/FERC%20Filings/MISO%20Supp.%20Resp.%20to%20Evid.%20Requests_AD12-1-000.pdf

mainline expansion projects in the MISO region and the need for additional gas storage and LNG could easily exceed \$3.0 Billion”;³ *and*

WHEREAS, the MISO Analysis also suggested that meeting such enlarged infrastructure needs required increased regulatory flexibility, certainty, and coordination⁴; *and*

WHEREAS, The costs ultimately to be paid by ratepayers includes the PJM generation and transmission facilities as well as for the gas infrastructure supporting those facilities.

THEREFORE, be it resolved, OPSI supports PJM efforts to identify the impact on the reliability of the electric system of potential generating capacity retirements in the near future; *and*

BE it further resolved, OPSI Members should also be informed as to the supplementary cost and other impacts of the potential gas infrastructure needed to support existing, critical and new/additional generating facilities in PJM; *and*

BE it further resolved, PJM should provide to OPSI the results of existing analyses of potential gas infrastructure cost, regulatory, and other requirements to support existing, critical and new/additional natural gas-fired generating capacity; *and*

BE it further resolved, PJM should consider commissioning a report such as the MISO Analysis to provide to PJM and OPSI the potential gas infrastructure cost, regulatory, and other requirements to support existing, critical and new/additional natural gas-fired generating capacity.

Adopted by the Board of Directors of the Organization of PJM States, Inc. on April 5, 2012

³ *Id* page 12

⁴ *Id*