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***Demande conjointe relative à la fixation de taux de rendement
et de structures de capital, R-4156-2021***

FERC
NEWS RELEASES

FERC Proposes Further Reforms to Electric Transmission Incentives Policy

April 15, 2021

Docket No. RM20-10-000

Item E-1: [Presentation](#) | [Supplemental NOPR](#)

The Federal Energy Regulatory Commission (FERC) today proposed to modify its March 2020 plan to revise its electric transmission incentives policy meant to stimulate infrastructure development to support the nation's evolving electric grid.

Today's supplemental Notice of Proposed Rulemaking (NOPR) proposes to codify FERC's current practice of granting a 50-basis-point increase in return on equity as an incentive for utilities that join a transmission organization. A utility would be eligible for the incentive for the first three years after the utility transfers operational control of its facilities to the transmission organization.

The Commission's March 2020 NOPR proposed to increase the incentive for membership in a Regional Transmission Organization (RTO), an Independent System Operator or other FERC-approved transmission organization from 50 basis points to 100 basis points. The incentive currently is available for as long as membership continues, and the March 2020 NOPR proposed no change to that.

“An incentive must incentivize something. If it does not do that, then it is a handout, not an incentive,” said Chairman Rich Glick. “Providing what is essentially a permanent payment for RTO membership is bad policy and inconsistent with the Federal Power Act.”

Regional grid operators provide numerous benefits, including more efficient coordination and dispatch of generation, enhanced reliability and more effective integration of renewable resources, said Chairman Glick. “The success of RTOs largely speaks for itself. We should implement the specific directive Congress gave us: to reward the decision to join an RTO – instead of continuing to hand out money with no additional benefits.”

Today's supplemental NOPR would also require utilities that have received the incentive for three or more years to submit, within 30 days of the effective date of a final rule, a compliance filing to eliminate the incentive from its tariff. Utilities currently receiving the incentive must either revise their tariffs to eliminate the incentive or to terminate the

incentive three years from the date that they turned over operational control of their transmission facilities to a transmission organization.

The supplemental NOPR seeks comment on whether the incentive should be available solely to transmitting utilities that join a transmission organization voluntarily. If so, the Commission wants to know how it should apply that standard and, in particular, how to determine whether the decision to join was voluntary.

Comments are due 30 days after publication in the *Federal Register*. Reply comments are due 15 days after that.

R21-30

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