

# MULTIPLE ADVOCACY GROUPS FILE LAWSUIT AGAINST FERC: NEW PJM RULES WOULD SIGNIFICANTLY INCREASE COSTS TO CUSTOMERS, STIFLE CLEAN ENERGY

Friday, July 8, 2016

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**WASHINGTON, D.C.** -- The Sierra Club, Natural Resources Defense Council, the Union of Concerned Scientists, and Earthjustice and filed a lawsuit today challenging the Federal Energy Regulatory Commission's (FERC) approval of new [PJM Interconnection, LLC](#) rules that would impose significant costs on customers and severely handicap clean energy participation in PJM's capacity markets. The rules are tailored to suit fossil fuel resources despite clean energy's rapid growth, low costs, and indispensable contributions to grid reliability across the United States during extreme weather emergencies. These rules will increase electric bills for over 61 million customers in thirteen mid-Atlantic and Midwestern states.

"PJM's rules would significantly increase costs to customers and punish the same clean energy and demand response resources that helped keep the lights on during the extreme weather events of the last couple of years," said Casey Roberts, staff attorney at the Sierra Club. "America's rapidly growing clean energy sector has shown time and again that it is a vital part of our energy markets, and these new rules give polluting fossil fuels an unfair advantage to detriment of energy customers' wallets."

PJM rushed to develop these new rules in response to the harsh winter of 2014 because many fossil power plants had failed to deliver electricity in the extreme cold despite being paid for their capacity commitments. The new rules require that all resources perform any time of year and be compensated even more than under the current rules. While this always-available, all-year requirement appears to be resource neutral, it disadvantages -- or outright excludes -- resources that perform reliably and cheaply in the winter (like wind) and the summer (like solar and smarter use of air conditioning), but not necessarily all-

year-round. Notably, some of these resources played a critical role in keeping the lights on during the 2014 winter emergencies.

"We're challenging FERC's approval of PJM's new rules for how it acquires electricity to serve customers in the future because they favor expensive, polluting power plants over clean energy," said Jennifer Chen, an attorney with the Sustainable FERC Project housed within the NRDC. "That's a bad deal for consumers and the environment. PJM, which procures more electricity than any other grid operator, shouldn't be increasing its reliance on fossil-fueled power to meet future electricity demand when affordable wind, solar, and other clean energy options are readily available."

FERC is responsible for protecting electricity customers from excessive rates, but in this case, FERC did not sufficiently scrutinize the new PJM rules - which could impose billions of dollars in additional electricity costs on customers, without any demonstrated improvements in reliability.

"By severely limiting the role of clean energy resources to meet our electricity needs, PJM's new rules represent a step backwards in the effort to advance a cleaner, more affordable and reliable grid," said Mike Jacobs, Senior Energy Analyst with Union of Concerned Scientists.

"FERC's decision limits the participation of clean energy resources in PJM's wholesale capacity markets, resources which have proven critical to ensuring just and reasonable rates and enhanced reliability," said Jill Tauber, Managing Attorney at Earthjustice.

For more information, [see this blog](#) by NRDC that provides additional context for the lawsuit.

***The Sierra Club** is America's largest and most influential grassroots environmental organization, with more than 2.4 million members and supporters. In addition to helping people from all backgrounds explore nature and our outdoor heritage, the Sierra Club works to promote clean energy, safeguard the health of our communities, protect wildlife, and preserve our remaining wild places through grassroots activism, public education, lobbying, and legal action. For more information, visit [www.sierraclub.org](http://www.sierraclub.org).*

***The Natural Resources Defense Council (NRDC)** is an international nonprofit environmental organization with more than 2 million members and online activists. Since 1970, our lawyers, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC has offices in New York City, Washington, D.C., Los Angeles, San Francisco, Chicago, Livingston, Montana, and Beijing. Visit us at <http://www.nrdc.org> and follow us on Twitter @NRDC.*

***The Union of Concerned Scientists** puts rigorous, independent science to work to solve our planet's most pressing problems. Joining with citizens across the country, we combine technical analysis and effective advocacy to create innovative, practical solutions for a healthy, safe, and sustainable future.*

*Earthjustice* uses the power of law and the strength of partnership to protect people's health; to preserve magnificent places and wildlife; to advance clean energy; and to combat climate change. For more information, visit [www.earthjustice.org](http://www.earthjustice.org) and follow us on Twitter @Earthjustice.