

104TH CONGRESS
2D SESSION

H. J. RES. 178

Disapproving Orders Nos. 888 and 889 of the Federal Energy Regulatory Commission.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 1996

Mr. FRANKS of New Jersey introduced the following joint resolution; which was referred to the Committee on Commerce

JOINT RESOLUTION

Disapproving Orders Nos. 888 and 889 of the Federal Energy Regulatory Commission.

Whereas the Federal Energy Regulatory Commission issued Orders Nos. 888 and 889 adopting new rules to promote wholesale competition through open access nondiscriminatory transmission services by public utilities and to enable the recovery of stranded costs by public utilities and transmitting utilities (RM95-8-000 and RM94-7-001);

Whereas these rules will open wholesale electric power markets to increased competition, thereby lowering energy prices for millions of Americans;

Whereas Congress supports the intent of these rules to reduce electric costs through increased wholesale competition;

Whereas Congress is concerned about the adverse environmental effects that the resulting change in generation dispatch will have on certain regions of the country;

Whereas open access to transmission will enable low-cost electric generators, many of which are older, coal-fired plants subject to minimal pollution control requirements, to increase power production and sell electricity to customers throughout the United States;

Whereas the environmental analysis by the Federal Energy Regulatory Commission found that open access, without mitigation, will result in increases in emissions of nitrogen oxides (NO_X), carbon dioxide, particulates, and other pollutants;

Whereas the benefits of interregional competition among electric utilities promise to be shared nationally, but the NO_X emissions and ozone transported from the upwind regions will disproportionately impact the Ozone Transport Region in the Northeastern United States;

Whereas additional emissions resulting from these rules will exacerbate the already existing ozone nonattainment problem in the Ozone Transport Region;

Whereas States in the Ozone Transport Region are already implementing stringent and costly measures to reduce their own emissions, including cleaner fuels, tough automobile inspection programs, and stringent stationary source emissions reductions, at a great expense to the economy in the Northeast;

Whereas continuing ozone noncompliance through additional NO_X emissions and ozone as a result of these rules raises the possibility of additional pollution-control costs and economic sanctions that will stifle development and

threaten the economic well-being of residents and businesses in the Ozone Transport Region;

Whereas measures to mitigate the increased release of NO_x and ozone should be promulgated in conjunction with the deregulation of the electric utility industry;

Whereas it is less costly to the economy as a whole to address NO_x and ozone mitigation at the source of the emissions rather than impose additional regulation on people of the Northeast;

Whereas even with environmental mitigation at the source, there remains the potential for an enormous economic benefit through increased electric competition because of these rules;

Whereas on February 8, 1996, 20 Members of Congress wrote to the Chairman of the Federal Energy Regulatory Commission, urging the Commission to support mitigation strategies that address the potential environmental impacts of energy deregulation;

Whereas on February 13, 1996, the Ozone Transport Commission called on the Federal Energy Regulatory Commission to work with the Environmental Protection Agency and the States to ensure equitable environmental requirements and to mitigate comprehensively and concurrently any adverse impacts on ground level ozone associated with the implementation of the open access rule and related actions;

Whereas on February 20, 1996, the Environmental Protection Agency formally stated that this rule should be adopted only if the Federal Energy Regulatory Commission makes an appropriate commitment to mitigation of

potential environmental harm as part of the final rules; and

Whereas the Federal Energy Regulatory Commission's Orders Nos. 888 and 889, as issued, do not include appropriate mitigation measures as requested by Members of Congress, and the Environmental Protection Agency, and the Ozone Transport Commission; Now, therefore, be it

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That Congress disapproves the rules submitted by the
4 Federal Energy Regulatory Commission relating to the
5 promotion of wholesale competition through open access
6 nondiscriminatory transmission services by public utilities,
7 and recovery of stranded costs by public utilities and
8 transmitting utilities, and such rule shall have no force
9 or effect.

