



## NECESSARY COMPONENTS OF A FEDERAL ELECTRICITY TITLE

### Transmission Issues

1. Establish a system of mandatory reliability rules that is enforceable, includes meaningful penalties and applies to all market participants.
2. Protect the ability of all load serving entities, whether transmission owners or transmission dependent utilities, to continue to use their existing firm transmission rights to meet their obligations to serve reliably.
3. Preserve and clarify FERC's authority to require public utilities to place their transmission facilities under the control of regional transmission organizations with clear responsibility to control and operate the regional grid on a reliable and competitively neutral basis, and to plan and construct, or cause construction, of additions needed to maintain a robust system. TAPS opposes requiring RTOs to operate complex bid-based energy markets.
4. Require DOE to regularly assess generation and transmission adequacy and empower FERC (as a backstop) to authorize siting of transmission facilities needed to ensure reliability.
5. Congress should leave transmission pricing policy to FERC, which already has ample authority and the expertise. The legislation should not mandate participant funding, which is a largely untested mechanism for raising capital for needed infrastructure that will delay needed construction. Further, the legislation should not mandate incentive rates for transmission. Instead, for the protection of consumers, the need for investment capital for new transmission should be bid out if a utility says it needs an incentive rate, so that the market can decide the true cost of capital.

### Other Issues

1. Prohibit all forms of electric market manipulation and deception, and authorize the imposition of meaningful penalties.
2. Require transparency of information about electric markets on a timely basis, to promote competition and deter market manipulation.
3. If PUHCA is repealed:
  - a. Enhance FERC's merger review authority to include holding company mergers, electric/gas convergence mergers and generation asset acquisitions.
  - b. Provide for FERC oversight of transactions between holding company affiliates to protect consumers and investors.