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Services Corporation

April 2, 2018

VIA COURIER

The Honorable James Richard Perry
Secretary of Energy United States
Department of Energy 1000
Independence Avenue, S.W.
Washington, DC 20585

**Re: Request for Emergency Order Pursuant to Federal Power Act Section 202(c) Of
First Energy Solutions/Intervention and Comments of PSEG Companies**

Dear Secretary Perry:

On March 29, 2018, FirstEnergy Solutions (along with its identified affiliates) ("FES") submitted an application ("Application") pursuant to Section 202(c) of the Federal Power Act ("FPA"), Section 301(b) of the Department of Energy ("DOE") Organization Act, seeking a finding by the Secretary of Energy ("Secretary") that an emergency condition exists in the footprint of the PJM Interconnection, L.L.C. ("PJM"). The Application contends that immediate intervention by the Secretary, in the form of a Section 202(c) emergency order is needed to support resiliency and the continued operation of fuel-secure resources.

The PSEG Companies¹ agree the Application identifies an issue that requires immediate attention within the PJM footprint. PJM is faced with the recently announced closure of more 4,048 megawatts of FES nuclear generation and is faced with the risk of losing other nuclear plants in the future. Not only does nuclear generation provide resiliency to the generation fleet but it also provides the largest source of carbon-free generation in the region. The loss of nuclear generation to the PJM footprint would severely undermine the achievement of environmental goals designed to reduce the emission of greenhouse gases. Further, in addition to their fuel-secure and zero-emission attributes, nuclear plants are already hardened against many potential

¹ The "PSEG Companies" consist of PSEG Power LLC, PSEG Energy Resources & Trade LLC and Public Service Electric and Gas Company. In addition to submitting comments, the PSEG Companies also move to intervene in this proceeding to the extent that a formal request for intervention is required. A formal request to intervene and a further description of the PSEG Companies and their interests in this proceeding is set forth in Attachment A hereto.

threats² and provide other national security benefits³. To date, the PSEG Companies do not believe that either PJM or FERC has given this issue the proper level of priority or attention. The PSEG Companies thus urge policy makers to take immediate steps to assure that the attributes of nuclear generation are properly valued in market rules so that nuclear generation retains its role in supporting a resilient and secure electric grid and continues to serve as an important economic driver in the communities they serve.

Finally, the PSEG Companies reserve their rights to supplement their response under 10 C.F.R. § 205.374, and provide any other information relevant to the action requested in the Application.

Respectfully submitted,

PSEG Power LLC
PSEG Energy Resources & Trade LLC
Public Service Electric and Gas Company

By:



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Cc: Bruce J. Walker, Assistant Secretary, DOE Office of Electricity Delivery & Energy Reliability
Patricia A. Hoffman, Principal Deputy Assistant Secretary, DOE Office of Electricity Delivery & Energy Reliability
FirstEnergy Solutions Corp.
Federal Energy Regulatory Commission
Delaware Public Service Commission
Illinois Commerce Commission
Indiana Utility Regulatory Commission

² See *Grid Reliability and Resilience Pricing*, RM18-1-000, “Reply Comments of the PSEG Companies,” Affidavit of Jeremy C. Carl, p. 10 (“Nuclear has an advantage in this world because nuclear power plants are already hardened against risks and have been designed with safety and security (physical and cyber) in mind from the ground up.”)

³ See *Grid Reliability and Resilience Pricing*, RM18-1-000, “Reply Comments of the PSEG Companies,” Affidavit of Jeremy C. Carl, p. 13 (“In addition to our work in non-proliferation, the civilian nuclear enterprise dramatically strengthens our military capability as well, another nuclear attribute that is not priced into the market.”)

Kentucky Public Service Commission
Maryland Public Service Commission
Michigan Public Service Commission
State of New Jersey Board of Public Utilities
North Carolina Utilities Commission
Public Utilities Commission of Ohio
Pennsylvania Public Utilities Commission
Tennessee Public Utility Commissions
Commonwealth of Virginia State Corporation Commission
Public Service Commission of West Virginia
New York Public Service Commission
Public Service Commission of the District of Columbia
PJM Interconnection
ReliabilityFirst Corp.
SERC Reliability Corporation
AES Warrior Run
Avon Lake
B L England
Beaver Valley
Birchwood Power
Braidwood Generation Station
Brandon Shores
Brunner Island
Byron Generating Station
Calvert Cliffs Nuclear Power Plant
Cardinal
Chalk Point
Chambers Cogeneration LP
Chesterfield
Cheswick Power Plant
Clover
Conemaugh
Conesville
Cooper
Covington Facility
CP Crane
Davis Besse
Dickerson
Donald C Cook
Dover
Dresden Generating Station
East Bend
Edgecombe Genco
FirstEnergy Bruce Mansfield
FirstEnergy Fort Martin Power Station
FirstEnergy Harrison Power Station

FirstEnergy Pleasants Power Station
FirstEnergy W H Sammis
FirstEnergy Solutions Corp.
General James M Gavin
H L Spurlock
Herbert A Wagner
Homer City Generating Station
Indian River Generating Station
Ingredion Incorporated
J M Stuart
James River Genco
John E Amos
Joliet 9
Joliet 29
Keystone
Killen Station
Kincaid
LaSalle Generating Station
Limerick
Logan Generating Company
Longview Power Plant
Luke Mill
The Honorable James Richard Perry
Mecklenburg Power Station
Miami Fort
Mitchell (WV)
Morgantown Generating Plant
Mountaineer
Mt Storm
North Aima
Orrville
Oyster Creek
P H Glatfelter
P H Glatfelter Chillicothe Facility
Painesville
Peach Bottom
Perry
Powerton
PSEG Hope Creek Generating Station
PSEG Salem Generating Station
Quad Cities Generating Station
Radford Army Ammunition Plant
Rockport
Spruance Genco
Surry
TalenEnergy Montour

TalenEnergy Susquehanna
Tennessee Eastman Operations
Three Mile Island
University of Notre Dame
Virginia City Hybrid Energy Center
W H Zimmer
Waukegan
Wausau Paper Middletown
Whitewater Valley
Will County
Yorktown

Attachment A: Description of the PSEG Companies and Request to Intervene

The PSEG Companies consist of PSEG Power LLC (PSEG Power), PSEG Energy Resources & Trade LLC (PSEG ER&T) and Public Services Electric and Gas Company (PSE&G) and are each wholly owned, direct and indirect subsidiaries of Public Service Enterprise Group Incorporated ("PSEG"). The principal and executive offices of PSEG are located at 80 Park Plaza, Newark, New Jersey 07102. PSEG is a public utility holding company engaged in, among other things, the generation of electric energy, and the transmission, distribution and sale of electricity and natural gas through its subsidiaries.

The PSEG Companies respectfully submit that they have vital interests in this proceeding and that their participation will serve the public interest. In addition, some or all of the PSEG Companies (or their subsidiaries) may qualify as "entities" that have been "designated as a potential source of emergency assistance or as a potential supplier of transmission services" within the meaning of 10 C.F.R. § 205.374 of the DOE's regulations.

PSEG Power is a wholesale energy supply company that integrates its generation asset operations with its wholesale energy, fuel supply, energy trading and marketing, and risk management functions through three principal subsidiaries: (i) PSEG Nuclear LLC ("PSEG Nuclear"), which owns and operates nuclear generating stations; (ii) PSEG Fossil LLC ("PSEG Fossil"), which develops, owns, and operates domestic fossil-fuel fired and other non-nuclear generating stations; and (iii) PSEG ER&T, which markets the capacity and production of PSEG Nuclear's and PSEG Fossil's generating stations. PSE&G is the largest electric and gas utility located in the state of New Jersey and is a PJM transmission owner.

PSEG Power's subsidiary, PSEG Nuclear, is the operator of two nuclear generating plants – Salem and Hope Creek -- located in Salem County, New Jersey. Exelon Corporation is a co-owner with PSEG Nuclear of the Salem units. In addition, PSEG is the non-operator co-owner, also with Exelon Corporation, of an interest in the Peach Bottom nuclear plant located in southeastern Pennsylvania. In total, PSEG Nuclear owns approximated 3,630 MWs of nuclear generation capability. All three of the nuclear plants are identified in Attachment A to the Application. PSEG ER&T and PSE&G also have significant interests at stake. PSEG ER&T's activities in the PJM market and as a supplier of load in the PJM region could be affected by the outcome of this proceeding. PSE&G's operations and the customers located in its service territory could also be affected.