

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Carbon Pricing in Organized Wholesale Electricity Markets

Docket No. AD20-14-000

SUPPLEMENTAL NOTICE OF TECHNICAL CONFERENCE

(August 5, 2020)

As announced in the Notice of Technical Conference issued in this proceeding on June 17, 2020, the Federal Energy Regulatory Commission (Commission) will convene a Commissioner-led technical conference in the above-referenced proceeding on Wednesday, September 30, 2020, from approximately 9:00 a.m. to 5:00 p.m. Eastern time. The conference will be held either in-person—at the Commission’s headquarters at 888 First Street NE, Washington, DC 20426 in the Commission Meeting Room (with a webcast option available)—or electronically.

The purpose of this conference is to discuss considerations related to state-adoption of mechanisms to price carbon dioxide emissions, commonly referred to as carbon pricing, in regions with Commission-jurisdictional organized wholesale electricity markets (*i.e.*, regions with regional transmission organizations/independent system operators, or RTOs/ISOs). This conference will address carbon pricing approaches where a state (or group of states) sets an explicit carbon price, whether through a price-based or quantity-based approach, and how that carbon price intersects with RTO/ISO-administered markets, addressing both legal and technical issues.

A high-level agenda for this conference is attached. The Commission will issue a further supplemental notice with a full agenda that includes questions for each panel and the list of panelists, and further details regarding whether this conference will be held in-person or electronically. There is no fee for attendance, and the conference will be webcast as an option for the public to attend electronically. Information on this technical conference, including a link to the webcast, will also be posted on this conference’s event page on the Commission’s website, www.ferc.gov/news-events/events/technical-conference-regarding-carbon-pricing-organized-wholesale-electricity, prior to the event. The conference will be transcribed. Transcripts will be available for a fee from Ace Reporting, (202) 347-3700.

Commission conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations, please send an e-mail to accessibility@ferc.gov, call toll-free (866) 208-3372 (voice) or (202) 208-8659 (TTY), or send a fax to (202) 208-2106 with the required accommodations.

For more information about this technical conference, please contact:

John Miller (Technical Information)
Office of Energy Market Regulation
(202) 502-6016
john.miller@ferc.gov

Anne Marie Hirschberger (Legal Information)
Office of the General Counsel
(202) 502-8387
annemarie.hirschberger@ferc.gov

Sarah McKinley (Logistical Information)
Office of External Affairs
(202) 502-8004
sarah.mckinley@ferc.gov

Kimberly D. Bose,
Secretary.



Carbon Pricing in Organized Wholesale Electricity Markets

Technical Conference

Docket No. AD20-14-000

September 30, 2020

Agenda

9:00 am – 9:30 am: **Opening Remarks**

9:30 am – 11:00 am: **Panel 1: Legal Considerations for State-Adopted Carbon Pricing and RTO/ISO Markets**

This panel will explore general legal issues that may arise under the Federal Power Act when the Commission is presented with a proposal to integrate a carbon price set by a state into an RTO/ISO market design. Panelists will discuss threshold issues related to the Commission’s jurisdiction. Panelists will also discuss potentially relevant precedent (i.e., prior Commission acceptance of tariff revisions proposed by RTOs/ISOs to incorporate costs associated with participation in state or regional cap-and-trade programs). Panelists will conceptually discuss future filings, including filings that may differ from the programs the Commission addressed in prior precedent, and any different or additional legal considerations such filings may raise under the just and reasonable and not unduly discriminatory or preferential standard. This panel also will address legal issues that stem from the possible implementation of carbon pricing in multi-state RTO/ISO markets with differing state policies.

Panelists: To be announced

11:15 am – 12:15 pm: Panel 2: Overview of Carbon Pricing Mechanisms and Interactions with RTO/ISO Markets

The objective of this panel is to provide a common understanding of (1) how RTO/ISO markets currently incorporate the cost of CO₂ emissions and other greenhouse gas emissions set by state and regional initiatives (i.e. state-administered carbon pricing), and (2) carbon pricing mechanisms that are under development that contemplate a greater role for RTOs/ISOs in administering a carbon price set through a state or regional initiative, and how such mechanisms intersect with RTO/ISO markets. This discussion will also highlight the goals and objectives that stakeholders considered when formulating current and proposed carbon pricing mechanisms. This will include an introduction to the issue of leakage, wherein carbon pricing causes internal resources to become less competitive compared to external resources, thus shifting production to emitting resources that are outside the carbon pricing region and the technical and policy challenges that leakage may create.

Panelists: To be announced

12:15 pm – 1:30 pm: Lunch Break

1:30 pm – 3:45 pm: Panel 3: Considerations for Market Design

There will be a 15-minute break approximately halfway through this panel.

This panel will explore the operational and market design issues that arise as RTOs/ISOs seek to integrate carbon pricing into their energy and ancillary services markets and hear perspectives from both market design experts (about ways to integrate carbon pricing into RTO/ISO markets) and market participants (about how carbon pricing might affect their participation in the RTO/ISO markets). Panelists will discuss what impacts carbon pricing may have on co-optimization of energy and ancillary services and reliability. The discussion will cover short-term issues, such as technical considerations related to market optimization and dispatch, market rule designs, and the allocation of revenues where an RTO/ISO is designated to assess a carbon charge (based on a state-set carbon price), among other considerations. The panel will also discuss ways to minimize distortion resulting from leakage, including unique challenges associated with sub-regional carbon pricing within a multi-state RTO/ISO, and how different carbon prices imposed by different states might interact in such a market.

Panelists: To be announced

4:00 pm – 5:00 pm: Closing Roundtable Discussion

The conference will conclude with a roundtable discussion to review what was heard during the previous panels. This discussion will provide a space for Commissioners, state representatives, RTOs/ISOs, and industry leaders to reflect on key insights gained throughout the conference.

Panelists: To be announced