



*Transcending Boundaries*

# 2017 Adopted Resolutions

September 25-26, 2017





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\* Originating Sponsor



## Unanimously Adopted on September 25, 2017

Resolution Sponsored by:

Representative Jim Gooch, Jr., Kentucky\*

Representative Gary Staples, Mississippi

### 1.2017 | Improving Energy Infrastructure Federal Permitting Efficiency

**WHEREAS**, economic growth and the accelerated creation of high-quality jobs in the Southern States Energy Board (SSEB) region are directly linked to reliable and affordable energy produced and delivered with respect for the environment; and

**WHEREAS**, federal and state energy policies greatly influence the development and deployment speed of energy infrastructure projects to serve businesses and consumers in a timely manner; and

**WHEREAS**, policymakers have a major role in establishing and efficiently applying policies that result in more predictable timelines for decisions regarding proposed projects; and

**WHEREAS**, permitting delays and regulatory uncertainty at the federal level can create a backlog of projects locking up and idling billions of dollars of potential investment by project sponsors; and

**WHEREAS**, overlapping and duplicative requirements, inconsistencies across agencies and lengthy administrative processes exist and need to be eliminated; and

**WHEREAS**, the President issued Executive Order (EO) 13766 on January 24, 2017, Expediting Environmental Reviews and Approvals for High Priority Infrastructure Projects to streamline and expedite environmental reviews and approvals for all infrastructure projects, those that are a high priority for the Nation.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board strongly recommends any and all actions be taken under EO 13766 by federal agencies including, but not limited to, shortening permitting times by establishing firm deadlines, conducting concurrent rather than sequential reviews and better coordinating federal and state reviews; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board strongly recommends any and all actions under EO 13766 for the federal government to provide greater transparency into the status of major permits so joint actions by federal and state agencies can be taken to focus on and resolve issues to make decisions about projects; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board recommends that the President take practical actions to create a one-stop permitting management process such as, but not limited to, using the existing Federal Permitting Improvement Steering Council and appointing a person with direct responsibility to the White House for implementing these reforms, designating representatives from federal permitting agencies to work with this person, directing this person to collaboratively create a plan with states to better coordinate federal and state permitting efforts and timelines; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board communicates this resolution to the President, all heads of federal agencies involved with permitting energy infrastructure projects, the Office of Management and Budget Director, the head of the Council on Environmental Quality, congressional delegations of states in the SSEB region and appropriate state officials.

Unanimously Adopted on September 25, 2017

Resolution sponsored by: Senator Eddie Joe Williams, Arkansas\*  
Representative Randy Davis, Alabama

## 2.2017 | Reforming the New Source Review Modification Program

**WHEREAS**, the President is leading a renovation of the federal regulatory system and modernizing the federal permitting process to increase business investment, economic growth, jobs creation and environmental protection, including, but not limited to, his Executive Order 13771 - *Reducing Regulation and Controlling Regulatory Cost* issued on January 30, 2017, and Executive Order 13777 *Enforcing the Regulatory Reform Agenda* issued February 24, 2017, for federal agencies; and

**WHEREAS**, The United States Environmental Protection Agency now has a major responsibility to improve its policies and internal procedures resulting in permitting programs that are more predictable, more expeditious and no more complex than necessary to protect the environment and simultaneously accelerate investments and create jobs; and

**WHEREAS**, the EPA's New Source Review modification program is an example of a regulatory plan that can be reformed to help facilities with air emissions that want to modernize, upgrade and advance technologies resulting in lower emissions per unit of product or unit output; and

**WHEREAS**, EPA's New Source Review program for the power plant sector has caused decades of litigation and is an impediment to projects that improve the reliability, efficiency and safety of the plants; and

**WHEREAS**, there still is great uncertainty whether certain physical and operational changes at a power plant would be considered by EPA to be non-routine modifications requiring an air quality impact review and possible installation of costly additional emissions control equipment.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board (SSEB) strongly recommends that EPA revise its New Source Review regulations in compliance with the President's Executive Orders and other directives by, for example:

- a) Eliminating uncertainties by defining that the regulations apply only to facilities that want to make reliability, efficiency, safety and other improvements that are not routinely performed within sectors, instead of at specific facilities for power, manufacturing or other emission sources;
- b) Making more realistic air quality impact assessments by changing the emission increase test that applies to non-routine projects so the test is the same as EPA uses in its New Source Performance Standards regulation;
- c) Eliminating unnecessary restrictions on non-emitting activities such as installing area lighting, electrical preparations and site drainage; and
- d) Eliminating delays and shortening timelines on decisions due to overlapping federal and state jurisdictions; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board communicates this resolution to the President, the EPA Administrator, congressional delegations in the SSEB region and appropriate state and territory officials.

Unanimously Adopted on September 25, 2017

Resolution sponsored by:

Representative Weldon Watson, Oklahoma\*  
Representative Gary Staples, Mississippi

### **3.2017 | Modernizing and Enhancing Energy Infrastructure**

**WHEREAS**, almost half of the energy in the United States is consumed in the Southern States Energy Board (SSEB) region, and total energy consumption in member states has risen by almost 200 percent from 1960 due mainly to energy intensive industrial and manufacturing processes, increases in population and relocation of businesses; and

**WHEREAS**, member states have reliably met this demand with a full portfolio of generating and delivery technologies that yield affordable, stable electricity prices approximately 11 percent lower than the national average and considerably lower than many states in the Nation; and

**WHEREAS**, despite over a 30 percent increase in electricity consumption since 1995, member states and territories have substantially reduced sulfur dioxide and other emissions and carbon emissions have decreased over 15 percent in the last 10 years; and

**WHEREAS**, the energy sector makes substantial investments to the benefit of states, such as, but not limited to, the investor owned electric companies who serve nearly 70 percent of the Nation's industries, businesses, and residential customers contributing more than 2 percent of the Nation's real Gross Domestic Product, investing more than \$100 billion annually to build smarter energy infrastructure; and

**WHEREAS**, the energy sector provides high quality employment throughout all states in the Nation that in turn support additional jobs equivalent to about 5 percent of all jobs in the Nation (e.g., 2.7 million employees, contractors and supply chain personnel work in investor-owned, public power and electric cooperatives in the electric power industry supporting an additional 4.4 million jobs for a total of more than 7 million jobs); and

**WHEREAS**, SSEB member states favor these trends of increasing economic productivity, creating more high quality jobs and improving environmental quality to continue to the benefit of their citizens and the Nation.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board calls on the President, the Congress and federal agencies to implement innovative energy, environment, economic development, fiscal and other policies in equal partnership with member states and territories to:

- a) Ensure the Southern region's energy security and supply with substantial investments in a proven, diverse mix of traditional, new and advanced technologies;
- b) Sustain business development in the region and compete globally by eliminating barriers to the use of efficient energy and environmental technologies; and
- c) Support improved energy efficient technologies that reduce environmental impacts and contribute to a clean global environment; and

**BE IT FURTHER RESOLVED**, that to achieve these goals, the Southern States Energy Board supports the following:

- a) Comprehensive federal tax reform that maintains low capital costs, keeps energy bills affordable and predictable and encourages much needed investment in infrastructure;
- b) Greater efficiency of permitting review procedures using the existing Federal Permitting Improvement Steering Council with a new Executive Director to regularly update the



## Unanimously Adopted on September 25, 2017

Resolution sponsored by: Representative Weldon Watson, Oklahoma\*  
Representative Gary Staples, Mississippi

President and Cabinet on the status of energy projects, collaboratively coordinating federal and state permitting efforts and timelines;

- c) Expanding coordination among federal and state agencies and other stakeholders on transmission infrastructure;
- d) Maintaining supportive policies for natural gas and oil pipeline investments; and
- e) Making more funding available directed to pre-commercial research and development projects to drive down costs and preserve options in the future for nuclear, clean coal, carbon capture and storage, renewable and energy delivery technologies, energy storage, energy efficiency, distributed generation and smart technologies, electric and alternative fuel vehicle charging and fueling infrastructure; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board communicates this resolution to the President of the United States, all heads of federal agencies responsible for policies related to energy infrastructure projects described in this resolution, the Office of Management and Budget Director, SSEB state and territory congressional delegations and appropriate state and territory officials.



Unanimously Adopted on September 25, 2017

Resolution sponsored by:

Governor Asa Hutchinson, Arkansas\*  
Representative Gary Staples, Mississippi  
Representative Randy Davis, Alabama

#### **4.2017 | Protecting the Nation's Electric Power Grid from Cyber and Physical Security Threats**

**WHEREAS**, protecting the Nation's electric grid and ensuring a reliable and affordable supply of electricity are top priorities for federal and state/territory governments and the electric power industry; and

**WHEREAS**, the electric grid is a complex, interconnected network of generation, transmission, distribution, control and communication technologies that can be impacted by natural events – including earthquakes and hurricanes – as well as by malicious events such as cyber (e.g., data breach, ransomware or a control system event) or physical attacks or a combined cyber/physical attack; and

**WHEREAS**, Southern States Energy Board (SSEB) member states and territories depend upon secure sources of energy to power their economies; and

**WHEREAS**, our Nation's critical energy infrastructure appears to be under increasing cyber-attacks from multiple domestic and international threat sources; and

**WHEREAS**, the threat of cyber-attacks and physical security attacks against critical energy infrastructure systems cannot be eliminated but actions are being collaboratively undertaken by federal, state/territory and local governments and the private sector to reduce the likelihood of successful attack and to respond and recover from the harmful consequences of an attack; and

**WHEREAS**, these actions generally include threat information sharing, industry-government pre- and post- attack coordination planning, investments in research and development and strategic infrastructure security technologies and processes and cross-sector partnerships among critical energy and other sectors such as telecommunications, water and waste water to plan and respond to major incidents; and

**WHEREAS**, these actions require substantial investments of human and financial resources, for example, approximately \$52 billion in 2016 by electric companies to enhance and protect the energy grid and further support grid security activities; and

**WHEREAS**, additional public and private sector efforts need to continue to address new and emerging cyber threats such as those potentially associated with distributed energy resources; and

**WHEREAS**, industry trade associations and national policymaker associations such as the National Association of Regulatory Utility Commissioners, acknowledge the need for enhanced vigilance against all cybersecurity threats to our Nation's critical energy infrastructure and they encourage their members to continue their efforts to give a high priority to monitoring and evaluating cybersecurity threats to energy systems in collaboration with those agencies and entities having cyber-threat management and mitigation expertise.



## Unanimously Adopted on September 25, 2017

Resolution sponsored by: Governor Asa Hutchinson, Arkansas\*  
Representative Gary Staples, Mississippi  
Representative Randy Davis, Alabama

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board encourages its policymakers in states and territories to take actions such as:

- a) Helping stakeholders and energy consumers learn about and understand the value of energy infrastructure;
- b) Reinforcing industry efforts to strengthen security defenses by expanding and building upon partnerships with federal and state/territory government;
- c) Supporting companies responsible for planning, building, operating and maintaining energy infrastructure as platforms to integrate emerging technologies as they become available;
- d) Supporting policies that promote investment in new technologies while balancing security risk, operational efficiency and customer costs;
- e) Encouraging expanded partnerships between the energy industry and leading technology companies to accelerate the deployment of new technologies;
- f) Supporting federal research and development on security technologies and expediting technology transfer to the private sector;
- g) Promoting improved and expedited background checks by federal and state/territory law enforcement for personnel with access to critical energy infrastructure;
- h) Supporting the expansion of mutual assistance and restoration initiatives, such as *Grid Assurance* for warehousing critical equipment to share in a short time, to avoid normal long deployment times; and
- i) Working with state/territory legislatures in a careful and deliberate manner to avoid unintended consequences that may impair existing federal regulations, standards, efforts and initiatives by industry when considering whether to pursue state legislative or regulatory approaches to cyber and physical security issues.

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board encourages its pertinent member state agencies to continue in partnership with the relevant federal, regional, and industry organizations to work together to enhance and strengthen the cybersecurity and physical security status of the region's and Nation's critical energy infrastructure systems; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board communicates this resolution to the President of the United States, all the heads of relevant federal agencies involved with providing protection against cyber and physical security attacks, SSEB member state and territory congressional delegations, and appropriate state and territory officials.

**Unanimously Adopted on September 25, 2017**

Resolution sponsored by: Governor Henry McMaster, South Carolina\*  
Representative William E. Sandifer, III, South Carolina  
Representative Gary Staples, Mississippi

## **5.2017 | Supporting Advancement of a National Repository for Spent Nuclear Fuel and High-level Radioactive Waste**

**WHEREAS**, nuclear utility ratepayers in the South and throughout the United States have contributed more than \$46 Billion in fees and interest, as mandated under the Nuclear Waste Policy Act of 1982 (NWPAct), for the purpose of removing used nuclear fuel from commercial reactor sites and defense-related high-level radioactive waste from defense sites; and

**WHEREAS**, the federal government failed to satisfy the NWPAct's statutory requirement to begin accepting used nuclear fuel in 1998 and has failed to meet the terms of its contracts with U.S. nuclear plant operators; and

**WHEREAS**, the 99 operating U.S. commercial reactors have accumulated some 79,000 metric tons of used nuclear fuel which is currently stored on site in 34 states of which 13 of the states are located in the Southern States Energy Board region; and

**WHEREAS**, the former Administration in January 2010 appointed a Blue Ribbon Commission on America's Nuclear Future comprised of distinguished American scientists and nuclear policymakers to review various alternative options and make recommendations for future safe management of U.S. commercial used nuclear fuel and defense waste; and

**WHEREAS**, the Blue Ribbon Commission issued a report in 2012 recommending an integrated nuclear fuel management program incorporating:

1. A new organization dedicated solely to implementing the waste-management program and empowered with the authority and resources to succeed;
2. Access to the funds nuclear utility ratepayers are providing for the purpose of nuclear waste management;
3. Prompt efforts to develop one or more geologic disposal facilities;
4. Prompt efforts to develop one or more consolidated storage facilities;
5. Prompt efforts to prepare for the eventual large-scale transport of spent nuclear fuel and high-level waste to consolidated storage and disposal facilities when such facilities become available;
6. Support for continued U.S. innovation in nuclear energy technology and for workforce development;
7. Active U.S. leadership in international efforts to address safety, waste management, non-proliferation and security concerns; and

**WHEREAS**, the Trump Administration has proposed \$120 million in funding to reinstate activities related to the license review or further development of a permanent central disposal repository at the Yucca Mountain Project in Nevada, which had been the federal government's only intended destination for used commercial fuel and defense-related waste; and



**Unanimously Adopted on September 25, 2017**

Resolution sponsored by: Governor Henry McMaster, South Carolina\*  
Representative William E. Sandifer, III, South  
Carolina  
Representative Gary Staples, Mississippi

**WHEREAS**, the State of South Carolina and other parties remain involved in lawsuits attempting to compel the federal government to meet its obligations under the NWPA; and

**WHEREAS**, a number of prominent organizations of state officials, including the National Association of Regulatory Utility Commissioners, the National Conference of State Legislatures and the American Legislative Exchange Council, have generally endorsed the Blue Ribbon Commission's recommendations and specifically endorsed establishment of a national repository and one or more centralized NRC-licensed interim fuel storage facilities in volunteer host communities;

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board calls on the Trump Administration and the U.S. Congress:

1. To adopt legislation advancing the resumed construction of the Yucca Mountain national repository in Nevada in addition to one or more centralized interim fuel storage facilities through directives to the U.S. Department of Energy and through incentives to interested communities funded through access to the accumulated Nuclear Waste Fund;
2. To recognize there are willing host communities and states that are ready to voluntarily host interim storage sites and accept used fuel and defense waste shipments;
3. To assure access by the Nuclear Waste Management program to the revenues generated by consumers' continuing fee payments and to the significant balance in the Nuclear Waste Fund; and
4. To enable one or more NRC-licensed private interim storage facilities to meet this public policy need of the Southern States Energy Board region and the United States as a whole in conjunction with the development of the national repository.



Unanimously Adopted on September 25, 2017

Resolution sponsored by: Governor Henry McMaster, South Carolina\*  
Representative William E. Sandifer, III, South Carolina  
Representative Gary Staples, Mississippi

## **6.2017 | Encouraging Completion of a Fuel Fabrication Facility in South Carolina**

**WHEREAS**, at the end of the Cold War, the United States and the former Soviet Union began dismantling thousands of nuclear weapons which resulted in large reserves of excess uranium and plutonium which neither country wanted to be used for the development of additional nuclear armaments; and

**WHEREAS**, both the United States and Russia entered into an agreement in 2000 committing each to dispose of 34 metric tons of surplus plutonium, sufficient for approximately 8,500 nuclear weapons per country; and

**WHEREAS**, in 2002, the United States Department of Energy proposed a plan to irradiate the plutonium and combine it with uranium to make mixed oxide fuel to power existing U.S. commercial nuclear reactors because burning mixed oxide fuel in a reactor makes it difficult to use the plutonium for any other purpose and, once taken out of a reactor, the mixed oxide fuel would not be reprocessed or reused; and

**WHEREAS**, mixed oxide fuel has been fabricated for many decades in Europe for use in commercial mixed oxide fueled light water reactors and could be used similarly in the United States to help fuel nuclear power plants while fulfilling America's commitment to the aforementioned landmark nuclear nonproliferation agreement; and

**WHEREAS**, the existing fleet of 43 nuclear reactors throughout the Southern States Energy Board (SSEB) region demonstrate the role of nuclear energy and nuclear technology as key components of our Nation's diverse energy portfolio and technology goals;

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board endorses the continued design, construction and operation of a mixed oxide Fuel Fabrication Facility at the Savannah River Site in Aiken, South Carolina; and

**BE IT FURTHER RESOLVED**, that SSEB supports ongoing bipartisan efforts in Congress to enact legislation to provide authorized funding for the completion of a mixed oxide Fuel Fabrication Facility at the Savannah River Site in Aiken, South Carolina; and

**BE IT FURTHER RESOLVED**, that SSEB requests that a copy of this resolution be forwarded to the President of the United States, the Southern Congressional Delegation, the chairs and ranking members of the U.S. Senate Committees on Environment & Public Works and Energy & Natural Resources, the chairs and ranking members of the U.S. House of Representatives Committees on Energy & Commerce and Science, Space & Technology, the Secretary of the U.S. Department of Energy and the Chairman of the U.S. Nuclear Regulatory Commission.

## **7.2017 | Encouraging Resource Conservation, Preservation and Recovery of Coal Combustion Products**

**WHEREAS**, the U.S. Resource Conservation and Recovery Act of 1976 (RCRA) establishes a national goal to conserve valuable materials and energy resources by promoting the demonstration, construction and application of solid waste management, and resource recovery, and resource conservation systems which preserve and enhance the quality of air, water and land resources; and

**WHEREAS**, the utilization of coal for energy production has provided reliable and inexpensive electricity to meet the energy needs of the United States; and

**WHEREAS**, the burning of coal generates coal combustion products (CCPs) that have material economic value as minerals for the U.S. economy; and

**WHEREAS**, RCRA provides for regulation of the disposal of coal combustions residuals and an exemption for beneficial use of the resource value of CCPs; and

**WHEREAS**, the CCPs generated by the energy production industry also contain rare earth elements which are strategic to the U.S. defense and economy; and

**WHEREAS**, the recovery and use of CCPs as substitutes for mined minerals provides reduced costs of America's transportation infrastructure, commercial, industrial and residential construction industries; and

**WHEREAS**, the use of CCPs as a substitute for native mined resources reduces energy consumption, preserves natural resources and enhances the quality of the environment consistent with the national goals of RCRA; and

**WHEREAS**, the use of CCPs as a recovered mineral resource assists each state and America in reducing and/or controlling the costs of highways, bridges and infrastructure construction while improving the life cycle costs.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board urges Congress to propose and adopt legislation which expands the federal funding of research and development and pilot plant demonstration for technologies that can economically extract rare earth elements from CCPs and provide for increased utilization of CCPs in federally funded infrastructure projects consistent with the energy and resource conservation goals of RCRA.

Unanimously Adopted on September 25, 2017

Resolution sponsored by:

Representative Jim Gooch, Jr., Kentucky\*

## **8.2017 | Enhancing Electric Grid Stability and Incentivizing Carbon Emissions Reduction Through Improved Efficiency Base Load Coal Units**

**WHEREAS**, the United States is blessed with an abundance of energy resources with specific regions capable of supplying energy types that are most abundant within each state; and

**WHEREAS**, the United States should promote the development of energy sources that supply the most reliable and competitive production within states and their respective regions; and

**WHEREAS**, a secure, reliable and resilient power grid is critical to the economic foundation and the security of the U.S. economy; and

**WHEREAS**, maintaining a secure, reliable and resilient grid depends on successful integration of all forms of electricity generation; and

**WHEREAS**, grid stability is provided by base load generation from coal fueled power plants; and

**WHEREAS**, the common goal within states is to provide a reliable and affordable supply of electricity while reducing the carbon footprint of each type of generation; and

**WHEREAS**, the utilization of coal for energy production has provided reliable and inexpensive electricity to meet the energy needs of the United States; and

**WHEREAS**, the United States has led the world in reducing carbon dioxide emissions, and one method of reducing the carbon footprint of coal fueled electric generation is to increase the efficiency of the existing coal fleet by incentivizing construction of new High Efficiency Low Emissions (HELE) generating plants; and

**WHEREAS**, the average efficiency of the older generating units is 33 percent and newer, improved U.S. coal generating units have demonstrated a 5 percent efficiency improvement; and

**WHEREAS**, while the efficiency of coal units continues to improve in countries outside the United States with results approaching 50 percent efficient, the United States is falling behind in providing incentives for innovation in generating technologies that can improve efficiencies and reduce the carbon emissions of the next generation of coal fueled plants; and

**WHEREAS**, to keep the United States competitive as an electric energy producer and as a leader in coal fueled generation efficiency and innovation, the development of incentives is needed to promote reduced carbon emissions and deployment of carbon dioxide capture and storage/utilization technologies.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board urges Congress to propose and adopt legislation that recognizes the importance of improving the efficiency of coal



**Unanimously Adopted on September 25, 2017**

Resolution sponsored by: Representative Jim Gooch, Jr., Kentucky\*

fueled electricity with lower carbon emissions and encourages the development of coal generation technologies; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board urges EPA to establish a streamlined permit review process for efficiency improvements at existing coal units that are demonstrated to reduce carbon dioxide emissions or provide grid stability with reliable electric generation.





## **Carried Over for Consideration During 2018 SSEB Annual Meeting**

Resolution sponsored by:

Dr. Mary Beth Tung, Maryland Energy Administration,  
Maryland Governor's Alternate\*  
Representative Gary Staples, Mississippi  
Representative Randy Davis, Alabama

### **9.2017 | Concerning the Cost Allocation of Grid-Stability Transmission Projects**

**WHEREAS**, the Federal Energy Regulatory Commission (FERC) is an independent agency that regulates the interstate transmission of electricity, natural gas and oil; and

**WHEREAS**, PJM Interconnection, LLC (PJM) is the regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia; and

**WHEREAS**, FERC Order No. 1000 established the requirement that each public utility transmission provider must participate in a regional transmission planning process that has a regional cost allocation method for new transmission facilities selected in the regional transmission plan; and

**WHEREAS**, PJM revised its Regional Transmission Expansion Plan (RTEP) process to comply with FERC Order No. 1000; and

**WHEREAS**, the cost allocation methodologies for regional transmission facilities selected in the RTEP process are set forth in Schedule 12 of the PJM Open Access Transmission Tariff; and

**WHEREAS**, Schedule 12 of the Open Access Transmission Tariff specifies that the costs for lower-voltage facilities will be allocated according to the solution-based distribution factor method (SBDFAX); and

**WHEREAS**, although the SBDFAX method works fairly and reasonably to identify project beneficiaries and assigns costs for the majority of lower-voltage transmission projects, it can result in anomalous outcomes in cases where the rationale for undertaking the project is not driven by power flows (e.g., grid-stability projects); and

**WHEREAS**, PJM approved the construction of a new transmission project in the Artificial Island area of Southern New Jersey (the Artificial Island Transmission Project); and

**WHEREAS**, the purpose of the Artificial Island Transmission Project is to address grid-stability issues at the Salem and Hope Creek nuclear generation facilities; and

**WHEREAS**, under the SBDFAX methodology, 90 percent of the costs of the Artificial Island Transmission Project are assigned to the Delmarva transmission zone, despite this region receiving only minor benefits; and

**WHEREAS**, the application of the SBDFAX methodology for allocating the costs of the Artificial Island Transmission Project was challenged in proceedings before FERC in Docket No. EL15-95-000; and



## **Carried Over for Consideration During 2018 SSEB Annual Meeting**

Resolution sponsored by: Dr. Mary Beth Tung, Maryland Energy Administration,  
Maryland Governor's Alternate\*  
Representative Gary Staples, Mississippi  
Representative Randy Davis, Alabama

**WHEREAS**, FERC decided not to modify the SBDFA methodology, despite evidence presented that showed the methodology assigned the costs for the Artificial Island Transmission Project in a manner that was unjust, unreasonable and unduly discriminatory and preferential; and

**WHEREAS**, FERC granted requests for rehearing on the matter, however, has not yet scheduled a rehearing; and

**WHEREAS**, on June 9, 2017, PJM released two alternative cost allocation methodologies—the Stability Interface Distribution Factor and Stability Deviation Method—that more appropriately assign the costs of the Artificial Island Transmission Project, in a manner that is roughly proportional to the benefits; and

**WHEREAS**, although the cost allocation for the Artificial Island Transmission Project primarily affects the states of Maryland and Delaware, the precedent established by this matter will have immense and wide-ranging impacts on the cost allocations for future grid-stability transmission projects throughout the United States, including those constructed within the member states of the Southern States Energy Board; and

**WHEREAS**, these impacts include, but are not limited to, unfair costs imposed on residential, commercial and industrial ratepayers and delays in addressing grid-stability issues.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board urges FERC to schedule a rehearing on the Artificial Island Transmission Project as soon as possible; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board urges FERC to accept either alternative methodology as a fairer and more reasonable cost allocation solution to grid-stability transmission projects in situations where the costs are not borne by RTO regions that would gain the benefit of the project; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board urges its member states to send letters supporting the approval of an alternative cost allocation methodology to be used for transmission projects designed to address grid-stability issues when the electricity (power) benefits do not flow to the region, which is bearing the economic costs of the transmission project; and

**BE IT FURTHER RESOLVED**, that suitable copies of this resolution be sent to FERC, PJM, and all other RTOs that service member states of the Southern States Energy Board.



## Unanimously Adopted on September 25, 2017

Resolution sponsored by: Senator Dave Sypolt, West Virginia\*  
Senator Randy Smith, West Virginia  
Representative Gary Staples, Mississippi

### 10.2017 | Prioritizing Construction of the Appalachian Storage Hub

**WHEREAS**, the Appalachian region contains world class supplies of natural gas and natural gas liquids and contributes to the Nation's energy dominance; and

**WHEREAS**, harnessing those supplies by constructing an Appalachian Storage Hub constitutes a major infrastructure (storage caverns and pipelines) investment and jobs program for residents of West Virginia, Ohio, Pennsylvania and Kentucky; and

**WHEREAS**, natural gas liquids are the major feedstock of the chemical industry and the region contains enough feedstock to attract \$35 billion in new chemical industry investment; and

**WHEREAS**, chemical industry investments on this scale could create 100,000 new jobs in the region; and

**WHEREAS**, those investments could generate more than \$28 billion in new economic output, more than \$6 billion in new payroll and nearly \$3 billion a year in new federal, state and local tax revenue; and

**WHEREAS**, a petrochemical feedstock storage hub located in the heart of Appalachia could support major energy, infrastructure and job creation objectives.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board urges federal and state policymakers to prioritize construction of the Appalachian Storage Hub and act expeditiously to remove all relevant economic and regulatory constraints facing the Hub; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board distributes a copy of this resolution to the Governor, State Legislative leaders, and Congressional members from West Virginia, Ohio, Pennsylvania and Kentucky.

Adopted on September 25, 2017

Resolution sponsored by: Governor Phil Bryant, Mississippi\*  
Senator Terry Burton, Mississippi  
Representative Gary Staples, Mississippi  
Representative Randy Davis, Alabama

## **11.2017 | Prioritizing State Mineral Property and Conservation Law Principles as They Apply to Federal Incentives that Advance Investment in Carbon Capture and Enhanced Oil Recovery**

**WHEREAS**, federal protections of water and air through the Safe Drinking Water Act Underground Injection Control (SDWA UIC) program and the Clean Air Act (CAA) Greenhouse Gas (GHG) Reporting program were designed to distinguish between enhanced oil recovery (EOR) oilfield injection operations and dedicated geologic storage activities; and

**WHEREAS**, the Southern States Energy Board (SSEB) member states, in order to encourage the utilization of industrially sourced carbon dioxide (CO<sub>2</sub>) for EOR, have taken the lead through legislative enactment to establish mechanisms that provide for the accounting of CO<sub>2</sub> injected volumes resulting in the associated storage of CO<sub>2</sub> incidental to EOR hydrocarbon recovery operations and that are consistent with the protection of the correlative rights of mineral interest property owners and state mineral conservation laws; and

**WHEREAS**, SSEB member states, through their Attorneys General, were successful in persuading the U.S. Environmental Protection Agency (EPA) to properly enumerate these principles and distinctions as they pertain to their application to EOR under the SDWA UIC program; and

**WHEREAS**, at least 13 SSEB member states have petitioned The United States District Court of Appeals for the District of Columbia Circuit seeking to overturn and invalidate CAA GHG reporting provisions as they relate to EOR contained within the now stayed EPA Clean Power Plan because such “restriction tramples state mineral property laws and private mineral leases”; and

**WHEREAS**, SSEB is on record urging state Attorney Generals “to prevent unlawful obligations from being imposed on states” as it pertains to the Clean Power Plan; and

**WHEREAS**, SSEB is on record as supporting federal legislation for additional tax credits for CO<sub>2</sub> capture and use in EOR (e.g., through amendments to Section 45Q of the Internal Revenue Code of 1986); and

**WHEREAS**, legislation is pending before Congress to expand and extend existing federal tax credits for CO<sub>2</sub> capture and use in EOR that contain provisions that are not compatible with state oil and gas mineral property laws and private mineral leases consistent with prior SSEB member states objections.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board members urge the Congress of The United States ensure any legislation seeking a federal tax incentive, including but not limited to tax credits, master limited partnerships, or private facilities bonds for the purpose of advancing carbon capture technologies so that CO<sub>2</sub> will be utilized in EOR





**Adopted on September 25, 2017**

Resolution sponsored by: Governor Phil Bryant, Mississippi\*  
Senator Terry Burton, Mississippi  
Representative Gary Staples, Mississippi  
Representative Randy Davis, Alabama

hydrocarbon production operations and also result in associated storage of CO<sub>2</sub>, be legally compatible with state mineral property and conservation laws and regulations.

**Adopted on September 25, 2017**

Resolution sponsored by:

Dr. Mary Beth Tung, Maryland Energy Administration,  
Maryland Governor's Alternate\*

## **12.2017 | Expressing Opposition to the Dilution of States' Rights in the Context of Hydropower Relicensing Under Section 401 of the Clean Water Act**

**WHEREAS**, The Southern States Energy Board (SSEB) represents the economic and environmental interest of the following states and territories: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia and West Virginia;

**WHEREAS**, Several provisions of the Hydropower Policy Modernization Act of 2017 (H.R. 3043) serve to constrain state agencies use of their independent authorities, making it more difficult to protect water quality;

**WHEREAS**, States serve an essential role in the Federal Energy Regulatory Commission (FERC) hydropower licensing process when they review applications under Section 401 of the Clean Water Act in order to determine whether the construction and/or operation of the facility will meet state water quality standards and requirements;

**WHEREAS**, Such reviews often result in applicants conducting additional scientific studies and states putting in place conditions to ensure that State water quality standards and requirement are met;

**WHEREAS**, Such conditions are essential for ensuring that existing and new hydropower projects are built and operated in a manner that is consistent with state and federal environmental laws and are protective of the environment;

**WHEREAS**, H.R. 3043 designates FERC as the lead agency over federal authorizations related to an application for a license, license amendment, or exemption for a hydropower project;

**WHEREAS**, This bill requires states to meet deadlines established by FERC in a schedule that FERC develops for the licensing action and places limits on FERC's ability to easily grant extensions to the deadlines;

**WHEREAS**, such timelines established by FERC could reduce the amount of time a state would have to get necessary scientific studies completed and to assess whether water quality standards and requirements will be met as required under Section 401 of the Clean Water Act;

**WHEREAS**, Not only does H.R. 3043 place pressure on states to complete their water quality reviews more quickly using existing information, it also provides applicants with an entitlement to a trial-type hearing before a FERC Administrative Law Judge whenever there is a dispute of material fact;



**Adopted on September 25, 2017**

Resolution sponsored by:

Dr. Mary Beth Tung, Maryland Energy Administration,  
Maryland Governor's Alternate\*

**WHEREAS**, This legislation declares the decision of the FERC Administrative Law Judge to be final and not subject to further administrative review;

**WHEREAS**, This allowance for a trial-like hearing combined with pressure to use existing science and meet strict deadlines together makes it even more challenging for states to protect water quality;

**WHEREAS**, H.R. 3043 would make FERC the decision maker, not the state, with regard to whether the desired amendment to project operations would affect water quality;

**WHEREAS**, such a change would reverse decades of federal court decisions interpreting Section 401 have established the states' authority to require conditions in FERC licenses necessary to protect water quality;

**WHEREAS**, These decisions recognize and affirm the basic principle of federalism embodied in the Clean Water Act that states have the primary role and responsibility to ensure state water quality standards are met;

**WHEREAS**, In impairing the states' primary roles and responsibilities under Section 401 to fashion conditions in FERC licenses, H.R. 3043 relegates the states – the entities with the greatest interest and expertise in protecting state water quality – to bystander or second-class status; and

**WHEREAS**, The legislation should clearly indicate that state actions associated with Section 401 requirements, including the assessment of water quality standard achievement and resulting conditions, are not eligible for a trial type hearing by a FERC Administrative Law Judge for purposes of resolving disputes of material fact.

**THEREFORE, BE IT RESOLVED**, that the Southern States Energy Board urges that the provisions of H.R. 3043 that would have the effect of curtailing State authority under Section 401 of the Clean Water Act be stricken from the bill;

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board strenuously opposes any provisions in H.R. 3043 that would have the effect of curtailing State authority under Section 401 of the Clean Water Act to establish license conditions to protect water quality;

**BE IT FURTHER RESOLVED**, that H.R.3043 should clearly indicate that state actions associated with Section 401 requirements, including the assessment of water quality standard achievement and resulting conditions;

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board urges that a copy of this Resolution be sent to each Governor in the States that comprise the Southern States Energy Board;



**Adopted on September 25, 2017**

Resolution sponsored by:

Dr. Mary Beth Tung, Maryland Energy Administration,  
Maryland Governor's Alternate\*

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board urges that a copy of this Resolution be sent to each Congressional member of each of the states which comprise the Southern States Energy Board;

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board urges its member States to send letters to each Congressional member of their respective states;

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board send a copy of this Resolution to President Donald J. Trump and the Secretaries of the U.S Department of Energy, the Department of the Interior and the Environmental Protection Agency;

**BE IT FURTHER RESOLVED** that the Southern States Energy Board send a copy of this Resolution be sent to the Congressional Leadership in both the US Senate and the US House and to the Chair and Ranking Chair of the US House and US Senate Energy and Natural Resources Committee;

**BE IT FURTHER RESOLVED** that the Southern States Energy Boars send a copy of this Resolution be sent to the Federal Energy Regulatory Commission; and

**BE IT FURTHER RESOLVED** that a copy of this Resolution be sent to the National Governors' Association, the Western Governors' Association, the Conference of New England Governors and Eastern Canadian Premiers; Northeast Governors Association; the Environmental Council of States and the Council of State Governments and their regional affiliates to adopt similar resolutions and send letters to their respective members of Congress to oppose the dilution of states' rights in the context of hydropower relicensing and Section 401 of the Clean Water Act.





**Unanimously Adopted on September 26, 2017**

Resolution sponsored by: Governor Asa Hutchinson, Arkansas

### **13.2017 | Providing Support to Southern States Energy Board Member Jurisdictions in the Aftermath of Hurricane Disasters**

**WHEREAS**, recent Hurricanes Harvey, Irma, and Maria have impacted several Southern States Energy Board member states and territories; and

**WHEREAS**, over three million people currently are without electricity in Puerto Rico and the U.S. Virgin Islands due to devastating damage to their energy infrastructure and environment; and

**WHEREAS**, these territories lack sufficient resources to quickly rebuild and restore their energy infrastructure; and

**WHEREAS**, the Southern States Energy Board member jurisdictions have the technical capabilities and resources that can be tasked to assist in this restoration effort; and

**WHEREAS**, the federal government provides emergency response assistance and funding that can aid in the energy infrastructure restoration effort.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board will offer support to the Governors of Puerto Rico and the U.S. Virgin Islands and the utilities to restore and rebuild their critical energy infrastructure and coordinate cooperative assistance with its Associate Members, the nation's energy sector, and the federal government to provide necessary technical support and resources.

# NOTES

# NOTES

