

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Rate Recovery, Reporting, and Accounting) Docket No. RM22-5-000
Treatment of Industry Association Dues and)
Certain Civic, Political, and Related Expenses)

REPLY COMMENTS OF WIRES

Pursuant to the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) December 16, 2021 Notice of Inquiry (“NOI”) in the above-captioned proceeding,¹ WIRES, on behalf of its members, submits the following reply comments.²

I. REPLY COMMENTS

In its initial comments on the NOI, WIRES explained that the Commission’s existing rules appropriately and adequately account for utility recovery of trade association dues and that organizations like WIRES provide broad benefits to consumers and the industry and do not engage in the type of civic, political and related activities that are at the core concern of the NOI.³ In light of these circumstances, WIRES cautioned the Commission against trying to fix what is not broken, notwithstanding the best of intentions,

¹ *Rate Recovery, Reporting, and Accounting Treatment of Industry Association Dues and Certain Civic, Political, and Related Expenses*, 177 FERC ¶ 61,180 (Dec. 16, 2021).

² This filing is supported by the full supporting members of WIRES but does not necessarily reflect the views of the RTO/ISO associate members of WIRES.

³ Comments of WIRES, Docket No. RM22-5 (Feb. 22, 2022) (“WIRES Initial Comments”).

or to create or impose additional unnecessary, costly, and time-consuming processes or burdens.

To the extent some commenters expressed concerns about utilities' ability to recover trade association dues, it is clear that the overwhelming focus is on the potential for improper recovery of lobbying and political activities,⁴ which incidentally WIRES does not engage in, and which the Commission's rules already prohibit from cost recovery. In addition, many of the comments acknowledge that trade associations engage in a variety of activities that do not include lobbying or political activities and that benefit consumers.⁵ Thus, the status quo on recovery of those expenses should be maintained.

However, some urge the Commission either to expand the definition of lobbying in a manner that could encompass activities that include education, advocacy, and other communication with regulators, policymakers, and stakeholders or to adopt a presumption that trade association dues are not recoverable. Rather than risk jeopardizing the undeniable benefits to customers and other stakeholders of activities undertaken by utilities to communicate with, educate, and collaborate with a variety of

⁴ See *e.g.*, Comments of Solar Rights Alliance; RM 22-5 (Feb. 15, 2022); Comments of Missouri Solar Energy Industries Ass'n; RM22-5 (Feb. 16, 2022).

⁵ Of course, each individual utility could do all of the beneficial activities – such as the studies, reports, filings, meetings, and conferences that is done by organizations like WIRES – on its own. But doing so would be duplicative and inefficient and would ultimately increase costs for customers rather than having WIRES do so on a collective, lower-cost-per-utility basis.

interested and impacted groups,⁶ WIRES urges the Commission to avoid taking such an extreme step.

At the outset, an overly broad, expanded definition of lobbying that attempts in any way to include utility education, advocacy, and/or stakeholder outreach activities is more likely to harm than help utility customers. Such activities support and advance cooperation and collaboration among government, industry, financial institutions, customers, and communities in pursuit of energy diversity, access to clean energy supplies, electric reliability, and lower cost power through transmission solutions.

Moreover, given the well-documented need for more transmission to meet the nation's clean energy, electrification, and resilience challenges, the Commission should be wary of creating any more obstacles to getting needed transmission built. It is axiomatic that investment in and expansion of the electric transmission system is critical to realizing the benefits of efficient and reliable electric service while enabling the ongoing transition to cleaner generating resources to power an increasingly electrified economy. As the Commission has recognized, there are numerous ongoing drivers underlying the need for new transmission infrastructure including the evolution in the nation's resource mix, an increase in the number of new resources seeking transmission service, shifts in load patterns, implementation of reformed transmission planning

⁶ See WIRES Initial Comments at pp. 5-8.

processes, and new challenges to maintaining transmission infrastructure.⁷ Numerous studies show the tremendous benefits of transmission and that the need for new transmission has never been greater.⁸ At the same time, getting new transmission projects planned, approved, and built has never been more challenging. Now is not the time to discourage or undermine utility efforts to engage with and educate customers, landowners, federal and state regulators and policymakers, community and consumer groups, and other interested stakeholders in the need for and the value of beneficial transmission infrastructure. To the contrary, it is more important than ever to promote communication between utilities and all interested stakeholders on the entire spectrum of issues relevant to facilitating the development of transmission that supports the nation's move to a cleaner energy, increasingly electrified, and more resilient, grid of the future. In light of these benefits, the Commission should continue to allow utilities to recover expenses associated with education, advocacy, and other communication with regulators, policymakers, community and consumer groups, and other stakeholders.

⁷ *Elec. Transmission Incentives Policy Under Section 219 of the Fed. Power Act*, 170 FERC ¶ 61,204 (2020) at pp. 25-30.

⁸ See e.g., Charles River Associates, *Value of Local Transmission Planning Report*, (Dec. 2021); London Economics International, Inc., *Repowering America: Transmission Investment for Economic Stimulus and Climate Change* (May 2021); ScottMadden, Inc., *Informing the Transmission Discussion: A Look at Renewables Integration and Resilience Issues for Power Transmission in Selected Regions of the United States* (Jan. 2020); The Brattle Group, *The Coming Electrification of the North American Economy, Why We Need a Robust Transmission Grid* (Mar. 2019); London Economics International, Inc., *How Does Electric Transmission Benefit You?* (Jan. 2018).

II. CONCLUSION

WIRES respectfully submits these reply comments for consideration by the Commission.

Respectfully submitted,

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