Federal Energy Regulatory Commission § 2.22 Pricing policy for transmission services provided under the Federal Power Act.

(a) The Commission has adopted a Policy Statement on its pricing policy for transmission services provided under the Federal Power Act. That Policy Statement can be found at 69 FERC 61,086. The Policy Statement constitutes a complete description of the Commission’s guidelines for assessing the pricing proposals. Paragraph (b) of this section is only a brief summary of the Policy Statement.

(b) The Commission endorses transmission pricing flexibility, consistent with the principles and procedures set forth in the Policy Statement. It will entertain transmission pricing proposals that do not conform to the traditional revenue requirement as well as proposals that conform to the traditional revenue requirement. The Commission will evaluate “conforming” transmission pricing proposals using the following five principles, described more fully in the Policy Statement.

1. Transmission pricing must meet the traditional revenue requirement.
2. Transmission pricing must reflect comparability.
3. Transmission pricing should promote economic efficiency.
4. Transmission pricing should promote fairness.
5. Transmission pricing should be practical.

(c) Under these principles, the Commission will also evaluate “non-conforming” proposals which do not meet the traditional revenue requirement, and will require such proposals to conform to the comparability principle. Non-conforming proposals must include an open access comparability tariff and will not be allowed to go into effect prior to review and approval by the Commission under procedures described in the Policy Statement.

[59 FR 55039, Nov. 3, 1994]

§ 2.23 Use of reserved authority in hydropower licenses to ameliorate cumulative impacts.

The Commission will address and consider cumulative impact issues at original licensing and relicensing to the fullest extent possible consistent with the Commission’s statutory responsibility to avoid undue delay in the relicensing process and to avoid undue delay in the amelioration of individual project impacts at relicensing.
§ 2.24 Project decommissioning at relicensing.

The Commission issued a statement of policy on project decommissioning at relicensing in Docket No. RM93–23–000 on December 14, 1994.

[59 FR 66718, Dec. 28, 1994]

§ 2.25 Ratemaking treatment of the cost of emissions allowances in coordination transactions.


(b) Costing Emissions Allowances in Coordination Sales. If a public utility’s coordination rate on file with the Commission provides for recovery of variable costs on an incremental basis, the Commission will allow recovery of the incremental costs of emissions allowances associated with a coordination sale. If a coordination rate does not reflect incremental costs, the public utility should propose alternative allowance costing methods or demonstrate that the coordination rate does not produce unreasonable results. The Commission finds that the cost to replace an allowance is an appropriate basis to establish the incremental cost.

(c) Use of Indices. The Commission will allow public utilities to determine emissions allowance costs on the basis of an index or combination of indices of the current price of emissions allowances, provided that the public utility affords purchasing utilities the option of providing emissions allowances. Public utilities should explain and justify any use of different incremental cost indices for pricing coordination sales and making dispatch decisions.

(d) Calculation of Amount of Emissions Allowances Associated With Coordination Transactions. Public utilities should explain the methods used to compute the amount of emissions allowances included in coordination transactions.

(e) Timing. (1) Public utilities should provide information to purchasing utilities regarding the timing of opportunities for purchasers to stipulate whether they will purchase or return emissions allowances. A public utility may require a purchasing utility to declare,