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FirstEnergy

FirstEnergy Corp. Issues HB 6-Related Updates

Summary: FirstEnergy Corp. this week issued a [press release](#) describing its “proactive efforts to resolve regulatory uncertainty in Ohio” due to the HB 6 scandal. More specifically, FirstEnergy Corp. stated it will not seek to resume the collection of lost distribution revenue from residential and commercial customers pursuant to its current electric security plan through May 31, 2024.

The press release did not indicate the amount of savings to customers but estimated that FirstEnergy Corp. will lose 11 cents per share as a result.

Moreover, the press release failed to mention that the lost distribution revenue was intended to compensate utilities for energy efficiency programs, which HB 6 terminated. The press release further stated that the company is conducting an internal HB 6 investigation, limiting its participation in politics, and searching for a chief ethics and compliance officer.

Additionally, in a new filing with the U.S. Securities and Exchange Commission, FirstEnergy Corp. stated that it now believes “that payments under the consulting agreement” with an unnamed regulator responsible for overseeing the FirstEnergy Utilities’ distribution rates “may have been for purposes other than those represented within the consulting agreement.”

Federal

FERC Upholds Order Terminating Proposed Grid Reliability Rule Proceeding (Docket No. RM18-1001)

Summary: On Sept. 29, 2017, the U.S. Secretary of Energy submitted a proposed rule to FERC that would subsidize inefficient and failing coal plants in the name of promoting grid reliability and resiliency. In January 2018, FERC terminated the

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proceeding considering the proposed rule because section 206 of the Federal Power Act prevents FERC from imposing a new rate without a showing that the existing rate is unlawful. While some commenters alleged resilience concerns, FERC found that the claims did not demonstrate “the unjustness and unreasonableness of the existing RTO/ISO tariffs.” Foundation for Resilient Societies (RFS), a non-profit organization, sought rehearing of the January 2018 Order.

This week, on Feb. 18, 2021, FERC upheld its January 2018 order, determining that RFS’ arguments lacked legal support and that because the threshold issue of whether the RTO/ISO tariffs were unlawful had not been met, FERC could not consider the proposed rule.