



[6540-01-P]

DEPARTMENT OF ENERGY

Intent to Revise Power Marketing Policy Kerr-Philpott System of Projects

AGENCY: Southeastern Power Administration (Southeastern), DOE.

ACTION: Notice of Intention to begin a public process.

SUMMARY: Pursuant to its Procedure for Public Participation in the Formulation of Marketing Policy, published in the *Federal Register* of July 6, 1978, Southeastern Power Administration (Southeastern) intends to revise its marketing policy by including provisions regarding renewable energy certificates from its Kerr-Philpott System of Projects. The current power marketing policy was published on July 29, 1985, for the Southeastern Kerr-Philpott System and is reflected in contracts for the sale of system power, which are maintained in Southeastern's headquarters office. Southeastern solicits written comments and proposals in formulating the proposed marketing policy revision.

DATES: Comments and proposals must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Written comments or proposals should be submitted to Kenneth E. Legg, Administrator, Southeastern Power Administration, 1166 Athens Tech Road, Elberton, GA 30635-6711, (706) 213-3800, Comments@sepa.doe.gov.

FOR FURTHER INFORMATION CONTACT: Leon Jourolmon IV, General Counsel, (706) 213-3800, Comments@sepa.doe.gov.

SUPPLEMENTARY INFORMATION: A "Final Power Marketing Policy Kerr-Philpott System of Projects" was developed and published in the *Federal Register* on July 29, 1985, 50 FR 30752, by Southeastern. The policy establishes the marketing area for system power and

addresses the utilization of area utility systems for essential purposes. The policy also addresses wholesale rates, resale rates, and conservation measures, but does not address renewable energy certificates.

Under Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), Southeastern is responsible for the transmission and disposition of electric power and energy from reservoir projects operated by the Department of the Army. Furthermore, Southeastern must transmit and dispose of such power and energy in such manner as to encourage the most widespread use at the lowest possible rates to consumers consistent with sound business principles. Rate schedules are drawn having regard to the recovery of the cost of producing and transmitting such electric energy.

The Kerr-Philpott System consists of two projects, the John H. Kerr Project and the Philpott Project. The power from the projects is currently marketed to Preference Customers located in the service areas of Dominion Energy, Duke Energy Progress, American Municipal Power, and American Electric Power.

Both the John H. Kerr Project and the Philpott Project are located within the regional footprint served by the regional transmission organization PJM Interconnection, L.L.C. (PJM) footprint, as are the Virginia-based Preference Customers with power allocations. Southeastern owns no transmission assets in the area of the Kerr-Philpott System and relies on PJM transmission resources to dispose of power and energy from the projects. As such, Southeastern joined PJM in 2005.

As the projects are located within the PJM region and potentially satisfy Renewable Portfolio Standards in a number of states, Southeastern has subscribed to the PJM Generation Attribute Tracking System (GATS). The GATS provides an unbundled, certificates-based

tracking system that reports certain operating attributes of electricity generators selling energy through the PJM Market Settlement System. The attributes are unbundled from the megawatt-hour of energy produced and recorded onto a certificate. These certificates may be used by electricity suppliers and other energy market participants to comply with relevant state policies and regulatory programs and to support voluntary “green” electricity markets. Southeastern is considering distributing the GATS-created certificates to current Preference Customers with allocations of power from the Kerr-Philpott System.

Upon formulating a proposed revision to the Kerr-Philpott System marketing policy to address renewable energy certificates, Southeastern will publish the proposal in the *Federal Register* and begin a sixty-day comment period pursuant to its Procedures for Public Participation in the Formulation of Marketing Policy.

Dated: November 7, 2019.

Kenneth E. Legg,
Administrator.

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