

110TH CONGRESS  
2D SESSION

# S. 2660

To amend the Federal Power Act to ensure that the mission and functions of Regional Transmission Organizations and Independent System Operators include keeping energy costs as low as reasonably possible for consumers, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2008

Mr. SANDERS (for himself, Ms. SNOWE, Mr. KERRY, Ms. COLLINS, Mr. KENNEDY, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Federal Power Act to ensure that the mission and functions of Regional Transmission Organizations and Independent System Operators include keeping energy costs as low as reasonably possible for consumers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Protection  
5 and Cost Accountability Act”.

1 **SEC. 2. REQUIREMENTS RELATING TO TRANSMISSION OR-**  
2 **GANIZATIONS.**

3 (a) DEFINITIONS.—In this Act:

4 (1) COMMISSION.—The term “Commission”  
5 means the Federal Energy Regulatory Commission.

6 (2) LOWEST REASONABLE COST.—The term  
7 “lowest reasonable cost” means the lowest total de-  
8 livered cost to consumers consistent with the provi-  
9 sion of reliable service.

10 (3) TRANSMISSION ORGANIZATION.—The term  
11 “Transmission Organization” has the meaning given  
12 the term in section 3 of the Federal Power Act (16  
13 U.S.C. 796).

14 (b) RATE AND CHARGES; SCHEDULES; SUSPENSION  
15 OF NEW RATES.—Section 205 of the Federal Power Act  
16 (16 U.S.C. 824d) is amended by adding at the end the  
17 following:

18 “(g) REQUIREMENTS RELATING TO TRANSMISSION  
19 ORGANIZATIONS.—

20 “(1) DEFINITION OF LOWEST REASONABLE  
21 COST.—In this subsection, the term ‘lowest reason-  
22 able cost’ means the lowest total delivered cost to  
23 consumers consistent with the provision of reliable  
24 service.

25 “(2) CONSIDERATION OF TRANSMISSION ORGA-  
26 NIZATION RATES.—With respect to determining

1       whether a rate or charge made, demanded, or re-  
2       ceived (including any rule or regulation promulgated  
3       by a Transmission Organization relating to a rate or  
4       charge made, demanded, or received) is consistent  
5       with each requirement described in subsection (a) or  
6       section 206, as applicable, the Commission shall con-  
7       sider whether the rate or charge (including each rule  
8       or regulation relating to the rate or charge) would  
9       enable the Transmission Organization to provide, or  
10      facilitate the provision of, reliable service to con-  
11      sumers at the lowest reasonable cost.

12           “(3) CONSIDERATION OF TRANSMISSION ORGA-  
13      NIZATION RATE CHANGES.—In determining whether  
14      any filing by a Transmission Organization to estab-  
15      lish or change a rate or charge made, demanded, or  
16      received (including any rule or regulation promul-  
17      gated by a Transmission Organization relating to a  
18      rate or charge made, demanded, or received) is con-  
19      sistent with each requirement described in sub-  
20      section (a), the Commission shall consider whether  
21      the rate or charge (including each rule or regulation  
22      relating to the rate or charge) would—

23           “(A) provide consumer benefits that out-  
24      weigh any anticipated direct or indirect costs to  
25      consumers, as demonstrated by a cost-benefit

1 analysis to be submitted by the Transmission  
2 Organization to the Commission; or

3 “(B) have only a de minimus impact on  
4 the total delivered costs to consumer.

5 “(4) BIENNIAL AUDITS.—The Commission shall  
6 ensure that each Transmission Organization is sub-  
7 ject to biennial, independent audits that—

8 “(A) include—

9 “(i) an assessment of the performance  
10 of the Transmission Organization; and

11 “(ii) recommendations to lower the  
12 costs and improve the performance of the  
13 Transmission Organization; and

14 “(B) are made available to the public.”.

15 (c) ANNUAL REPORTS.—Not later than 1 year after  
16 the date of enactment of this Act, and annually thereafter,  
17 the Commission shall submit to the appropriate commit-  
18 tees of Congress a report describing each determination  
19 of the Commission with respect to whether each Trans-  
20 mission Organization provides, or facilitates the provision  
21 of, reliable service at the lowest reasonable cost to con-  
22 sumers.

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