wright& talisman

ELECTRIC ENERGY REGULATION

WE KNOW THE CHALLENGES. WE FIND THE SOLUTIONS.

At a time of dynamic changes in energy markets bringing uncertainty and opportunity, understanding the complexities of the energy industry is more critical than ever before.

Recognized by *Chambers USA* as one of the leading law firms in the electric industry, Wright & Talisman represents and advises many of the industry's key players including investor owned electric utilities, regional transmission organizations (RTOs), independent transmission companies (ITCs), independent power producers and qualifying facilities, power marketing companies, and investors in, and lenders to, the electric industry. For several decades, our profound understanding of the legal challenges surrounding the generation and transmission of electric energy, as well as our solid grasp of regulation of the industry by the Federal Energy Regulatory Commission (FERC), have made us a steady partner with clients throughout the electric energy industry.

INVESTOR OWNED UTILITIES

Investor owned utilities, within or outside RTOs, have a variety of significant and complex matters before FERC. We work with these organizations in matters including open access transmission tariff issues, transmission rate design, centralized energy and ancillary services market issues, market-based rates, power purchase agreements, contract disputes, FERC and NERC compliance and audit matters, and project development.

RTOS, RTO MEMBERS AND MARKET PARTICIPANTS

RTOs operate significant portions of the electricity grid in the United States. Our substantial knowledge of and experience in the complex legal and technical design of these organizations, and their centrally administered electricity markets, allow us to bring a unique skill set and understanding to our clients. Specifically, we counsel RTOs in their membership, governance, independence and compliance with FERC and other legal and regulatory requirements, as well as work with them to establish and maintain their open access transmission tariffs and centrally administered energy and capacity markets including policies, market rules and contractual arrangements. We counsel transmission owners with facilities in RTOs regarding rates, policy, contractual relationships with the RTO and credit issues.

INDEPENDENT TRANSMISSION COMPANIES

We represent ITCs in the regulatory aspects of formation, development, and acquisition of transmission projects, and we advise clients about regulatory requirements for incentive rate treatment and seek rate incentives from FERC under the Energy Policy Act of 2005 (EPAct). We also advise and represent clients in processes to integrate new transmission projects into RTO/Independent System Operator grids.

INDEPENDENT POWER PRODUCERS

Advising energy producers, including independent power producers (IPPs), renewable energy developers, and qualifying facilities (QFs) under the Public Utility Regulatory Policies Act (PURPA), we also seek FERC approvals for transactions, market-based rate authorizations and any necessary regulatory waivers and assist these entities in ensuring ongoing compliance with FERC's regulations.

FERC RATE PROCEEDINGS

Throughout the past four decades, we have represented electric energy clients in the development, filing and prosecution of revenue requirements and rates for transmission service before FERC. With an ever-shifting regulatory landscape, we have expanded our expertise in transmission rate cases for vertically integrated utilities to transmission rate cases and litigating transmission issues for RTOs, ITCs and RTO members. Our substantial experience includes knowledge of traditional cost-of-service rates and formula rates, as well as related FERC accounting matters. We also advise clients on sales of energy and capacity at market-based rates, market power analysis, obtaining market-based rate authority and related compliance.

FERC REGULATION OF TRANSACTIONS, FINANCING AND CORPORATE MATTERS

The Federal Power Act (FPA) requires prior FERC approval for the transfer, sale or disposition of electric facilities and assets over which FERC has jurisdiction. Clients regularly turn to us to help identify matters where this approval is needed, or not, and to obtain the approval efficiently when required.

Because FERC must approve the issuance of securities and the assumption of liabilities by some public utilities subject to its jurisdiction, we routinely work with public utilities in obtaining these approvals and in maintaining compliance with related FERC conditions for these approvals.

We also assist and advise clients concerning interlocking boards of directors and the various notification and records access requirements FERC administers under the FPA and the Public Utility Holding Act of 2005 (PUHCA).

FERC POLICY AND RULEMAKING PROCEEDINGS

We have unparalleled experience representing and advocating for clients in FERC policy development and FERC rulemaking proceedings, both at FERC and in the courts, and have helped our clients shape FERC policy over the years. We work with clients to develop and advance their positions on markets, open access transmission tariffs, firm transmission rights, resource adequacy, interconnection and cost allocation. We also are regularly engaged to evaluate the merit of pursuing judicial review of adverse regulations and rulings, and are experienced in all aspects of appellate litigation in the United States Circuit Courts of Appeals and the Supreme Court of the United States on behalf of our clients.

COMPLIANCE AND ENFORCEMENT

With FERC having stepped up its enforcement of the FPA, other statutes, and related FERC regulations, we are called upon to become substantially involved in accounting and compliance audits, and formal and informal FERC enforcement investigations, for corporations and individuals. Our involvement includes advising clients at every step from drafting and implementing compliance plans and standards of conduct, to representing clients in investigations or negotiating settlements with enforcement authorities and everything in between.

Our acute understanding of electric transmission and generation systems allows us to counsel clients effectively on the reliability standards of the North American Electric Reliability Corporation (NERC) and Regional Entities (RE), including developing compliance plans, assisting with audits and representing clients during compliance proceedings and investigations.

REPRESENTATION BEFORE THE DEPARTMENT OF ENERGY

We regularly represent and advise clients in matters before the Department of Energy (DOE), including cross-border presidential permits required for project development, grants, the build-out of the Smart Grid and other similar issues. We also closely track legislation related to these issues

for our clients.

REPRESENTATION BEFORE STATE PUBLIC UTILITY COMMISSIONS

In addition to representing clients before FERC and other federal agencies, our attorneys are familiar with state laws pertaining to firm clients and coordinate with local firms to provide comprehensive representation.