U.S. Supreme Court Asked to Review Zero Emissions Credit Schemes

In two related cases, petitioners are asking the U.S. Supreme Court to strike down state generator subsidies that petitioners argue distort competitive wholesale power markets that are under the exclusive jurisdiction of the Federal Energy Regulatory Commission under the Federal Power Act, reports Verrill Dana in its **Energy Law Update**.

Associate **Brian Marshall** of Portland, Maine, explains:

> Both cases concern "zero emission credits" (ZEC) schemes, one in Illinois and one in New York, that subsidize nuclear power plants. These ZEC subsidies allow otherwise uncompetitive nuclear plants to stay profitable and continue to operate, even if they fail to receive sufficient compensation in wholesale power auctions. Both the Second and Seventh Circuits have upheld the ZEC nuclear power subsidies.

Read the article.