**Electric Utilities Fundamentals and Future**

**WEEK 4**

Question 1 North American Reliability Corp. (NERC) develops specific federal reliability and operational standards to make sure the power system is operating reliably and safely. Which organization enforces those standards?

1. No one, these standards are simply voluntary
2. Environmental Protection Agency (EPA)
3. Federal Energy Regulatory Commission (FERC)
4. State government

Ans. C

Question 2 If electric utilities don't comply with NERC's standards, there are few ramifications.

1. True
2. False

Ans. B

Question 3 State utilities commissions are very important and have many roles, select all that apply.

1. Overseeing low-voltage distribution lines
2. Overseeing where power plants are sited
3. Overseeing retail electricity sales to end users
4. Overseeing hydroelectric licensing

Ans. A, B, C

Question 4 A lot of the pace of change in the electric industry is dictated by which of the following factors.

1. The regulatory framework
2. Available technology
3. The price of petroleum
4. Available land for wind farms

Ans. A, B

Question 5 Which industry provides some insights as to what structural changes could occur within the electric utility industry?

1. Electric vehicles
2. Telecommunications
3. Consumer durable goods!
4. Hospitality

Ans. B

Question 6 If you stretched all the transmission lines end to end, the distance would be longer than it is from Earth to the moon.

1. True
2. False

Ans. A

Question 7 At this point in time, power can be stored cost-effectively on a large scale.

1. True
2. False

Ans. B

Question 8 Most wholesale electricity markets are ...

1. Competitive
2. Non-competitive

Ans. A

Question 9 The FERC's role consists of the following:

1. Make transmission system owners build new lines when necessary.
2. Tell states that have ruled NOT to allow transmission, that they need to allow it.
3. Establish a maximum price that companies with market power can charge.
4. None of the above.

Ans. C

Question 10 Which of the following holds true about the Environmental Protection Agency's (EPA) Clean Power Plan?

1. The plan focuses mainly on the reduction of mercury emissions from power plants.
2. It has garnered overwhelming support.
3. Some feel the plan may negatively impact the United States' financial vitality.
4. Called for coal-fired plants to reduce carbon dioxide emissions by 30 percent compared to what they were in 2005.

Ans. C, D

Question 11 State public utilities commissions have no authority over electric utility environmental policy.

1. True
2. False

Ans. B

Question 12 Who is responsible for oversight of individual state public utilities commissions?

1. State legislatures
2. FERC
3. NERC
4. Federal legislature

Ans. A

Question 13 Which of the following holds true about state Renewable Portfolio Standards (RPS)?

1. The standards generally prove fairly consistent across states.
2. They require that a certain percentage of electricity that is sold to customers has to come from approved renewable energy sources
3. The RPS approach is something unique to the United States.
4. Generally, the same rules apply within states whether a utility is an investor-owned utility, municipality or cooperative.

Ans. B

Question 14 A feed-in tariff guarantees the purchase of all renewable energy, regardless of what it costs.

1. True
2. False

Ans. A

Question 15 Which of the following is an example of a carve-out?

1. A state specifies in its RPS that there is a specific goal for electricity generation coming from solar.
2. A state weighs early installation of distributed generations projects more heavily than those installed later.
3. A state may give more 'credit' to an electric utility that purchases in-state manufactured solar components.

Ans. A