

Federal Energy Policy and Regulation Update

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FERC Regulation of Public Utilities



- FERC authority under FPA
 - Public utility electric transmission and sales for resale – FPA Sections 201, 205, 206.
 - FERC has exclusive jurisdiction over:
 - (1) the transmission of electric energy in interstate commerce,
 - (2) the sale of electric energy at wholesale in interstate commerce, and
 - (3) all facilities for such transmission and sale.
 - Corporate activities and transactions by public utilities – FPA Sections 203, 204, 305(b).
(*e.g.* mergers, issuances, interlocking directorates).
 - Accounting – FPA Section 301.
 - Reliability – FPA Section 215.

Federal Energy Regulatory Commissioners



- Five commissioners, no more than three from the same political party, appointed by the President, confirmed by the Senate; one is designated chairman.
- Five-year term, except that a commissioner appointed to fill a vacancy prior to expiration is appointed only for the unexpired term.

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Federal Energy Regulatory Commissioners (cont.)



- **Commissioner Cheryl A. LaFleur** – Democrat, Massachusetts – began serving in 2010; confirmed for a second term in 2014; term expires June 30, 2019.
- **Nominee for Chairman – Kevin J. McIntyre** – Republican, Virginia – Co-leader of the Jones Day energy practice; represents clients in natural gas, conventional power, oil, hydropower and renewables.
- **Confirmed for Commissioner (currently designated Chairman) – Neil Chatterjee** – Republican, Kentucky – confirmed for the term expiring June 30, 2021; energy policy advisor to Senator Mitch McConnell of Kentucky; previously worked for the National Rural Electric Cooperative Association in Government Relations.
- **Confirmed for Commissioner – Robert F. Powelson** – Republican, Pennsylvania – confirmed for the term expiring June 30, 2020; Commissioner on the Pennsylvania Public Utility Commission since 2008; serves as President of the National Association of Regulatory Utility Commissioners (NARUC).
- **Nominee for Commissioner – Richard Glick** – Democrat, Virginia – for the remainder of a 5-year term expiring June 30, 2022; currently General Counsel for the Senate Energy and Natural Resources Committee; previously Vice President, Government Affairs for Iberdrola's renewable energy, electric and gas utility, and natural gas storage business in the U.S.



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Key Electric Power Issues to be Addressed by New FERC Commissioners



Regional Transmission Organizations and Independent System Operators



- Organized markets are managed by regional oversight entities called Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs), created in response to FERC's Orders 2000 and 888, to:
 - Facilitate competition among wholesale suppliers;
 - Provide non-discriminatory access to transmission by scheduling and monitoring the use of transmission;
 - Perform planning and operations of the grid to ensure reliability;
 - Manage the interconnection of new resources, e.g., generation, loads . . . ;
 - Oversee competitive energy markets to guard against market power and manipulation.
- Some are confined to a single state, while some cross multiple states.
 - In New England, Mid-Atlantic, and Midwest, regional RTO's create markets: ISO-NE, PJM, MISO, and SPP.
 - In New York and California, statewide RTOs run markets: NYISO, CAISO.

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