

# Federal Energy Regulatory Commission

## FY 2025 CONGRESSIONAL JUSTIFICATION

FY 2025 Performance Budget Request  
FY 2025 Agency Performance Plan  
FY 2023 Agency Performance Report

March 11, 2024  
Chairman Willie L. Phillips



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# Introduction

The Federal Energy Regulatory Commission (FERC or the Commission) is an independent agency that regulates the transmission and wholesale sale of electricity and natural gas in interstate commerce, as well as the transportation of oil by pipelines in interstate commerce. FERC also reviews proposals to build interstate natural gas pipelines, natural gas storage projects, and liquefied natural gas (LNG) terminals, and FERC licenses non-federal hydropower projects. Congress assigned these responsibilities to FERC in various laws including the Federal Power Act (FPA), which originally was enacted over 100 years ago, the Public Utility Regulatory Policies Act of 1978, the Natural Gas Act (NGA), the Natural Gas Policy Act of 1978, and the Interstate Commerce Act (ICA). More recently, as part of the Energy Policy Act of 2005, Congress gave FERC additional responsibilities to protect the reliability and cybersecurity of the Bulk-Power System through the establishment and enforcement of mandatory reliability standards, as well as additional authority to enforce FERC regulatory requirements through the imposition of civil penalties and other means.

While the Commission has many statutory responsibilities, there are areas outside its responsibilities that fall to other federal agencies or state public utility commissions. Some examples are outlined below.

WHAT FERC DOES	WHAT FERC DOES NOT DO
<ul style="list-style-type: none"> <li>Regulates the transmission and wholesale sale of electricity in interstate commerce</li> <li>Reviews certain mergers and acquisitions and corporate transactions by electricity companies</li> <li>Regulates the transmission and wholesale sale of natural gas in interstate commerce</li> <li>Regulates the transportation of oil by pipelines in interstate commerce</li> <li>Approves the siting and abandonment of interstate natural gas pipelines and storage facilities</li> <li>Reviews the siting application for electric transmission projects under limited circumstances</li> <li>Assesses the safe operation and reliability of proposed and operating LNG terminals</li> <li>Licenses and inspects private, municipal, and state hydroelectric projects</li> <li>Protects the reliability of the high voltage interstate transmission system through mandatory reliability standards</li> <li>Monitors and investigates energy markets</li> <li>Enforces FERC regulatory requirements through imposition of civil penalties and other means</li> <li>Oversees environmental matters related to natural gas and hydroelectric projects and other matters</li> <li>Administers accounting and financial reporting regulations and conduct of regulated companies</li> </ul>	<ul style="list-style-type: none"> <li>Regulate retail electricity and natural gas sales to consumers</li> <li>Approve physical construction of electric generation facilities</li> <li>Regulate most activities of municipal power systems, federal power marketing agencies, and most rural electric cooperatives</li> <li>Regulate nuclear power plants</li> <li>Issue State Water Quality Certificates</li> <li>Oversee the construction of oil pipelines</li> <li>Oversee abandonment of service as related to oil facilities</li> <li>Regulate mergers and acquisitions as related to natural gas and oil companies</li> <li>Exercise responsibility for pipeline transportation on or across the Outer Continental Shelf or for pipeline safety</li> <li>Regulate local distribution pipelines of natural gas</li> <li>Oversee development and operation of natural gas vehicles</li> <li>Address reliability problems related to failures of local distribution facilities</li> <li>Regulate tree trimmings near local distribution power lines in residential neighborhoods</li> </ul>

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## Guiding Principles

**Organizational Excellence:** The Commission strives to use its resources efficiently and effectively to achieve its strategic priorities.

**Due Process and Transparency:** Paramount in all its proceedings is the Commission's determination to be open and fair to all participants.

**Regulatory Certainty:** In each of the thousands of orders, opinions, and reports issued by the Commission each year, the Commission strives to provide regulatory certainty through consistent approaches and actions.

**Stakeholder Involvement:** The Commission conducts regular outreach to ensure that interested parties have an appropriate opportunity to contribute to the performance of the Commission's responsibilities.

**Timeliness:** The Commission's goal is to reach an appropriate resolution of each proceeding in an expeditious manner.

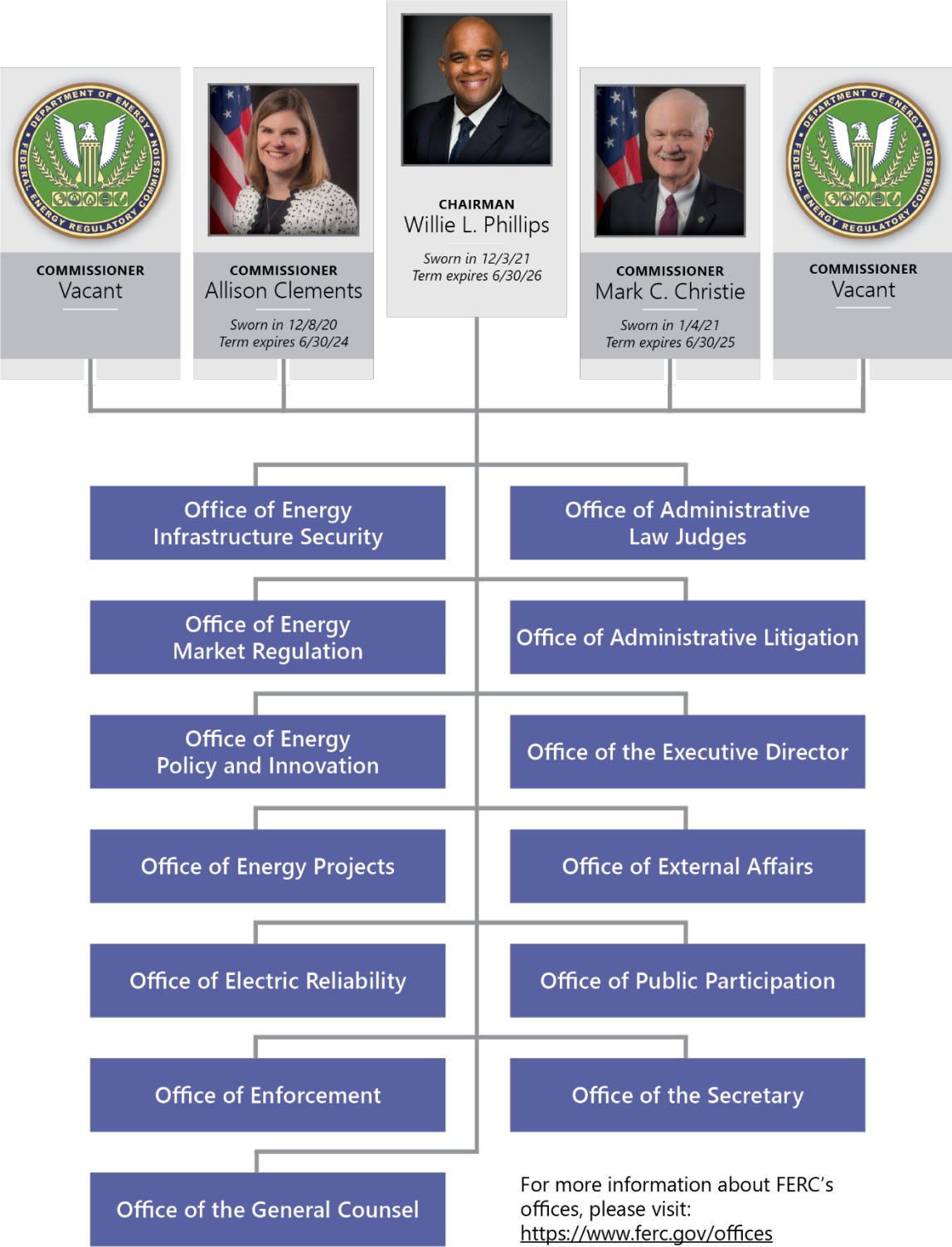
## The Organization

FERC is composed of up to five commissioners who are appointed by the President of the United States with the advice and consent of the Senate. Commissioners serve staggered five-year terms<sup>1</sup> and have an equal vote on the orders through which FERC acts. The President designates one of the commissioners to be the chairman of FERC, the administrative head of the agency. FERC is a bipartisan body; no more than three commissioners may be of the same political party. To carry out its authorities, the Commission has approximately 1,500 staff members that are organized into 13 offices. Commission staff is located primarily in the Washington, D.C. region, with several field offices across the country.

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<sup>1</sup> 42 U.S. Code § 7171 (b)(1) "A Commissioner may continue to serve after the expiration of his term until his successor is appointed and has been confirmed and taken the oath of Office, except that such Commissioner shall not serve beyond the end of the session of the Congress in which such term expires."

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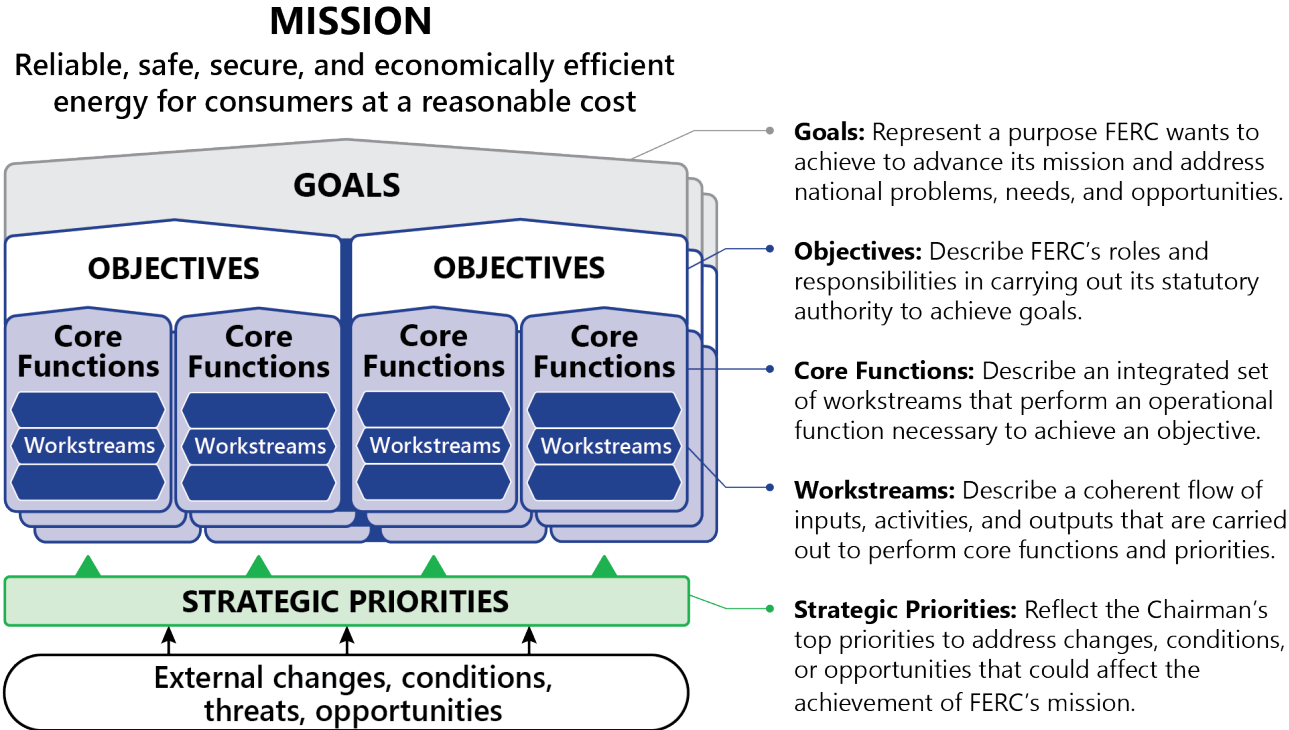
# About this Document

## Document Purpose

FERC’s Congressional Justification consolidates the Annual Performance Plan and Annual Performance Report with the Performance Budget Request for the purpose of:

- Communicating FERC’s results from the prior fiscal year,
- Establishing FERC’s planned results in the current and following fiscal years, and
- Supporting FERC’s resource request for the following year to pursue its mission.

To provide information on FERC’s progress achieving goals, objectives, and strategic priorities, the Congressional Justification is organized by the framework established in the Strategic Plan for fiscal years (FYs) 2022 - 2026, depicted below, and results are reported at the workstream level.



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## How to Navigate this Document

In addition to the navigation links at the bottom of each page, headings throughout the Congressional Justification are hyperlinked to allow the reader to move among sections quickly and easily.

### ● FERC Strategic Priorities

Strategic Priorities are addressed by one or more Core Functions and Workstreams within an Objective. An overview of each Strategic Priority, including the performance goal and indicator, is presented at the beginning of the relevant objective. An **Action Index Table**, including hyperlinks, summarizes the Commission’s actions and the Core Function and Workstream with which the action aligns. Results associated with each Priority can be easily identified by looking for this blue icon: ●

You can use the links below to jump directly to the Action Index Table for the Priority.

- [Modernizing Electricity Market Design](#) (Objective 1.1)
- [Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix](#) (Objective 1.1)
- [Promoting a Strong and Robust Enforcement Program](#) (Objective 1.2)
- [Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects](#) (Objective 2.1)
- [Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security](#) (Objective 2.2)
- [Improving Accessibility and Participation in Proceedings](#) (Objective 3.2)

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# Strategic Framework

## Mission

Reliable, Safe, Secure, and Economically Efficient Energy for Consumers at a Reasonable Cost

Assist consumers in obtaining reliable, safe, secure, and economically efficient energy services at a reasonable cost through appropriate regulatory and market means, and collaborative efforts.

## Goal 1: Ensure Just and Reasonable Rates, Terms, and Conditions

**OBJECTIVE 1.1:** Establish and apply FERC rules and policies that will result in just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of jurisdictional service.

▪ **STRATEGIC PRIORITY:** Modernizing Electric Market Design

▪ **STRATEGIC PRIORITY:** Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix

**CORE FUNCTION 1.1.1:** Determine whether FERC rules and policies need to be added or changed.

**Workstream:** Evaluate Policies and Pursue Changes to Regulations Where Necessary

**Workstream:** Conduct Outreach and Information Sharing

**CORE FUNCTION 1.1.2:** Analyze and act on filings in a fair, clear, and timely manner.

**Workstream:** Analyze and Act on Filings

**Workstream:** Conduct Settlement Judge Procedures

**Workstream:** Conduct Hearing Procedures

**OBJECTIVE 1.2:** Promote compliance with FERC rules, including by detecting and deterring market manipulation.

▪ **STRATEGIC PRIORITY:** Promoting a Strong and Robust Enforcement Program

**CORE FUNCTION 1.2.1:** Assess compliance and financial filings of regulated entities.

**Workstream:** Conduct Compliance, Operational, Financial, and Other Audits

**Workstream:** Establish Accounting Policies and Analyze Financial Filings

**Workstream:** Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms

**CORE FUNCTION 1.2.2:** Monitor market activity and explore potential violations.

**Workstream:** Conduct Surveillance of Natural Gas and Electric Markets

**Workstream:** Conduct Investigations

**Workstream:** Conduct Enforcement Proceedings

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## Goal 2: Ensure Safe, Reliable, and Secure Infrastructure Consistent with the Public Interest

**OBJECTIVE 2.1:** Facilitate benefits to the nation through the review of energy infrastructure proposals, including natural gas and hydropower.

▪ **STRATEGIC PRIORITY:** Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects

**CORE FUNCTION 2.1.1:** Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.

**Workstream:** Review Applications for Interstate Natural Gas Pipeline, Storage, and LNG Projects

**Workstream:** Review Applications for Hydropower Projects

**CORE FUNCTION 2.1.2:** Assess compliance with environmental mitigation conditions in FERC orders during construction and operation of natural gas and hydropower infrastructure.

**Workstream:** Conduct Natural Gas Pipeline, Storage, and LNG Project Inspections/Reviews

**Workstream:** Conduct Hydropower Project Inspections/Reviews

**OBJECTIVE 2.2:** Minimize risks to the public associated with FERC-jurisdictional energy infrastructure.

▪ **STRATEGIC PRIORITY:** Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

**CORE FUNCTION 2.2.1:** Conduct comprehensive and timely inspections of hydropower and LNG facilities to ensure compliance.

**Workstream:** Conduct LNG Facility Inspections

**Workstream:** Conduct Hydropower Facility Inspections

**CORE FUNCTION 2.2.2:** Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.

**Workstream:** Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards

**Workstream:** Review and Approve Proposed Reliability Standards

**Workstream:** Oversee the ERO and the Enforcement of Reliability Standards

**CORE FUNCTION 2.2.3:** Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.

**Workstream:** Collaborate with the Critical Infrastructure Community to Inform and Address Infrastructure Security

**Workstream:** Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure

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### Goal 3: Provide Mission Support through Organizational Excellence

**OBJECTIVE 3.1:** Manage resources effectively through an engaged workforce.

**CORE FUNCTION 3.1.1:** Maintain processes and provide compliant services that enable FERC offices to manage resources effectively and efficiently.

**Workstream:** Design and Implement Effective Internal Control and Accountability Systems

**Workstream:** Manage FERC’s Finance, Accounting, and Acquisition Requirements

**Workstream:** Design and Implement Human Capital Strategies to Attract a Diverse and Effective Workforce

**Workstream:** Maintain a Secure and Reliable IT Infrastructure

**Workstream:** Maintain the Safety, Security, and Resilience of FERC Operations

**CORE FUNCTION 3.1.2:** Provide tools and services that enable employees to perform their jobs effectively and drive FERC’s success.

**Workstream:** Protect Employees and Provide a Safe Workplace

**Workstream:** Provide Technical Support to Employees

**Workstream:** Develop and Engage Employees

**OBJECTIVE 3.2:** Facilitate trust and understanding of FERC activities by promoting transparency and equity, open communication, and a high standard of ethics.

▪ **STRATEGIC PRIORITY:** Improving Accessibility and Participation in Proceedings

**CORE FUNCTION 3.2.1:** Maintain legal and other processes in accordance with the principles of due process, fairness, and integrity.

**Workstream:** Provide Ethical and Legal Support and Analysis Regarding FERC’s Operational Functions

**Workstream:** Provide Legal Guidance and Representation to FERC on Rehearing and Appeal of Commission Issuances

**Workstream:** Provide Guidance to the Commission on Matters Involving Environmental Justice and Equity

**CORE FUNCTION 3.2.2:** Promote understanding, participation, and engagement.

**Workstream:** Educate, Inform, and Engage

**Workstream:** Provide Outreach and Assistance on Individual Proceedings

**Workstream:** Maintain and Provide Public Information Systems and Services to Facilitate Public Engagement

**Workstream:** Explore Intervenor Funding

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# The Commission’s Funding

## Proposed Appropriation Language

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses not to exceed \$3,000, \$532,000,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed \$532,000,000 of revenues from fees and annual charges, and other services and collections in fiscal year 2025 shall be retained and used for necessary expenses in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the general fund shall be reduced as revenues are received during the fiscal year 2025 so as to result in a final fiscal year 2025 appropriation from the general fund estimated not more than \$0.

## Full Cost Recovery

The Federal Energy Regulatory Commission recovers the full cost of its operations through annual charges and filing fees assessed on the industries it regulates as authorized by the FPA and the Omnibus Budget Reconciliation Act of 1986. The Commission deposits this revenue into the Treasury as a direct offset to its appropriation, resulting in a net appropriation of zero.

	<b>FY 2023 ENACTED</b>	<b>FY 2024 ANNUALIZED CR</b>	<b>FY 2025 REQUEST</b>	<b>DIFFERENCE FY23 ENACTED TO FY25</b>
Appropriation	\$508,400,000	\$508,400,000	\$532,000,000	23,600,000
Offsetting Collections	(\$508,400,000)	(\$508,400,000)	(\$532,000,000)	(23,600,000)
<b>Net Appropriation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). Numbers may not add up due to rounding.*

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## FY 2025 Request Summary

The Federal Energy Regulatory Commission requests an appropriation of \$532,000,000 and 1,576 full-time equivalents (FTEs) to execute its mission in FY 2025. This funding request is an increase of \$23,600,000 or about 4.6 percent, above the FY 2023 enacted level. The Commission’s full funding requirement to meet base FY 2025 operating requirements is \$565,400,000. The Commission will continue to exercise fiscal discipline by applying \$33,400,000 in prior year unobligated balances to meet its request level and support its full operating requirements in FY 2025.

The Commission’s highly engaged and dedicated workforce applies its diverse expertise toward achieving its regulatory mission to ensure economically efficient, safe, reliable, and secure energy for consumers. The Commission’s FY 2025 budget requests an increase of 68 FTEs above the FY 2023 enacted level based on an independent workload analysis that identified recommendations to balance workload and enhance mission effectiveness meeting statutory requirements, executing on Chairman’s priorities, dynamic resource allocations based on FERC’s changing organizational priorities and responsibilities, and strategically addressing talent management needs. These additional FTEs will specifically address a gap in resources to effectively meet priority requirements of the Chairman and resources to execute in core functional areas. Furthermore, FERC intends to continue use of Inflation Reduction Act (IRA) funds in FY 2025 to augment and support its permitting efforts to conduct effective and timely environmental reviews and permitting of infrastructure projects. To continue to improve the way the Commission implements its statutory responsibilities over infrastructure permitting, the Commission will use IRA funds to support 44 FTE in FY 2025 and provide additional training and development for current staff.

The Commission allocates 62 percent of its budget to directly cover personnel compensation costs of its employees on an annual basis. The Commission’s request reflects a personnel compensation increase of \$39.6 million, or 12.8 percent, above the FY 2023 enacted level to support an increase of 68 FTEs and accounts for an estimated 2.0 percent pay raise in January 2025.

The request provides continued funding for program contracts associated with statutorily required workload with hydropower and natural gas infrastructure, including environmental reviews, public outreach, stakeholder engagement, construction oversight, and expert witness contractor assistance in the Commission’s enforcement program. In addition, FERC’s permitting activities, particularly environmental reviews required under National Environmental Policy Act (NEPA), present opportunities for public input and engagement, including environmental justice communities. To that end, FERC will use IRA funds during FY 2025 to bolster and support its public engagement efforts by continuing to utilize contractor assistance for outreach activities within communities with environmental justice concerns located in project areas.

Additionally, the Commission’s request includes \$152.5 million in FY 2025 to support information technology (IT) investments. This is an increase of \$36.9 million, or 31.9 percent, over the FY 2023 enacted level. This increase provides additional funding to support IT investments for mission delivery and IT infrastructure, cybersecurity, data analytics capabilities, and management. In addition, in FY 2025 the Commission aims to conduct a series of proof of concepts to harness the generative potential of Artificial Intelligence (AI) in operations. The utilization of AI promises to enhance efficiencies across various FERC program offices, ultimately leading to substantial benefits in the execution of the Commission’s mission.

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In FY 2025, the Commission’s request continues to invest in the Commission’s Application Layer Modernization initiative, which is a five-year effort that will modernize mission critical systems. At the conclusion of the modernization effort, the Commission anticipates cost avoidance in legacy operations and maintenance costs through the reduction of highly specialized resources needed to currently support those critical systems.

In FY 2025, the Commission will continue its goal of providing a best-in-class IT environment for its stakeholders while proceeding to execute federal mandates for IPv6 requirements and zero-trust cybersecurity principles. FERC is implementing the IPv6 mandates, as outlined in the Office of Management and Budget (OMB) Memorandum M-21-07, while minimizing impact to current activities and resources. Further, as federal agencies continue to encounter sophisticated cybersecurity attacks, FERC proceeds to carry out the requirements of OMB Memorandum M-22-09. FERC has requested resources in FY 2025 to ensure that the proposed zero-trust architecture is executed according to each outlined phase of its implementation plan, and that it is in line with our technical approach. FERC requests funding and resources to support the plan to include identity, device, network, application, and data. In addition, FERC continues to invest in cybersecurity monitoring capabilities that ensure proactive identification of threats and vulnerabilities impacting mission systems. These include Encrypted DNS technology, Static and Dynamic Application Security Testing, control test automation, and application security engineers. In addition, FERC will initiate an assessment for migrating eLibrary from an on prem platform to the cloud. Also in FY 2025, the Commission plans to migrate its Electric Quarterly Reporting (EQR) as well as other required filing forms, pending final rule approval. These efforts will improve the ability for analysts to examine data in support of FERC’s regulatory mission and make submissions more consistent by using a common framework and an electronic portal.

Moreover, pursuant to the requirements of the Evidence Act and Federal Data Strategy Action Plans, this increase in funding allows FERC to continue maturing and growing its data infrastructure, evolving its data analytics capabilities with best-in-class data science tools. This supports data driven decision making and offers a public facing data infrastructure in response to Open Data requirements. FERC will continue to mature its delivery of the Enterprise Data Inventory requirements and connection to data.gov and to implement its plan for Data Support Services, Data Governance and Stewardship Services.

To support these digital transformation efforts, the Commission continues to leverage its multi-year contracting vehicles. These vehicles continue to bring leading edge support services that perform routine refreshes of end user devices, such as Windows 11 upgrade, execute daily IT operations, modernize all core mission applications to cloud-based platforms, and provide services to deliver an enterprise data program and a cloud-based data analytics platform. In addition, the Commission will migrate its IT Change Management system to the ServiceNow cloud-based solution. These investments will ensure the Commission continues to drive innovation for effective delivery of IT for its stakeholders, provide for highly secure and resilient applications, make timely data-driven decisions to support mission needs, and provide capabilities across the data value chain to meet the increasing scale and complexity of data analytics challenges.

In addition, FERC will modernize WAN services for better support of regional office network connectivity to mission critical systems. The Commission anticipates expanding access to enterprise resources through secure mobility options for all employees with our cloud-based enterprise mobility management service

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allowing the Commission to manage apps, devices, and data as well as actively scan and analyze threat information. Also in FY 2025, FERC will continue automation for the archiving of FERC records from eLibrary. Funding will also be used for data cleanup, automation where feasible, for records outside of the eLibrary system.

Additionally, FERC will continue investment in expanding the enterprise program management capability to prioritize IT initiatives and resources, ensure alignment of initiatives to the FERC and IT Strategic Plans, and proactively monitor and report on IT initiatives. FERC requests funding to implement an enterprise self-service portal for its employees to facilitate access to all administrative support services. This portal will centralize all services across multiple organizations, implement better automation to increase service delivery, and integrate disparate systems for better visibility and reporting.

The Commission’s FY 2025 request realizes a reduction in rental costs of \$8.9 million. As a result of a multi-year building modernization and space reduction effort, the Commission consolidated all National Capital Region lease locations into the headquarters building and reduced its real estate footprint by approximately 156,193 square feet. The Commission will surrender approximately 126,000 rentable square feet (109,565 usable square feet) in the headquarters building, 30,193 rentable square feet (25,477 usable square feet) at 1100 1st Street, post renovation. The Commission will begin realizing this rent savings in 2Q FY 2024. This space reduction is approximately 66,200 rentable square feet more than originally planned. In addition, the Commission’s San Francisco Regional Office lease is expiring in FY 2026, and this request includes resources necessary to procure a new lease, build out and furnish the new space in FY 2025 so that it is available at the end of the current lease term.

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## Funding Tables

### Resources by Strategic Goals and Objectives

Strategic Goals & Objectives (Dollars in thousands)		FY 2023 ENACTED	FY 2023 ACTUAL	FY 2024 ANNUALIZED CR	FY 2025 REQUEST	PERCENT CHANGE FY23 ENACTED TO FY25
<b>GOAL 1</b>	<b>Funding</b>	<b>\$226,921</b>	<b>\$219,932</b>	<b>\$241,467</b>	<b>\$250,458</b>	<b>10.4%</b>
	<b>FTE</b>	<b>679</b>	<b>683</b>	<b>704</b>	<b>705</b>	<b>3.8%</b>
<b>Objective 1.1</b>		175,287	169,324	185,591	192,512	9.8%
		532	532	552	549	3.2%
<b>Objective 1.2</b>		51,634	50,608	55,876	57,946	12.2%
		147	151	152	156	6.1%
<b>GOAL 2</b>	<b>Funding</b>	<b>\$172,762</b>	<b>\$166,020</b>	<b>\$181,976</b>	<b>\$191,928</b>	<b>11.1%</b>
	<b>FTE</b>	<b>498</b>	<b>493</b>	<b>512</b>	<b>516</b>	<b>3.6%</b>
<b>Objective 2.1</b>		86,613	84,453	92,238	99,209	14.5%
		248	247	259	264	6.5%
<b>Objective 2.2</b>		86,149	81,567	89,738	92,719	7.6%
		251	246	254	253	0.8%
<b>GOAL 3</b>	<b>Funding</b>	<b>\$108,717</b>	<b>\$105,600</b>	<b>\$117,557</b>	<b>\$123,014</b>	<b>13.2%</b>
	<b>FTE</b>	<b>331</b>	<b>334</b>	<b>350</b>	<b>355</b>	<b>7.3%</b>
<b>Objective 3.1</b>		75,413	77,710	79,949	89,522	18.7%
		229	244	239	256	11.8%
<b>Objective 3.2</b>		33,304	27,890	37,608	33,492	0.6%
		102	91	111	99	-2.9%
<b>TOTAL</b>	<b>Funding</b>	<b>\$508,400</b>	<b>\$491,552</b>	<b>\$541,000</b>	<b>\$565,400</b>	<b>11.2%</b>
	<b>FTE</b>	<b>1,508</b>	<b>1,510</b>	<b>1,566</b>	<b>1,576</b>	<b>4.5%</b>
Application of Prior Year (PY) Budget Authority		-	-	(32,600)	(33,400)	
<b>TOTAL</b>	<b>Funding</b>	<b>\$508,400</b>	<b>\$491,552</b>	<b>\$508,400</b>	<b>\$532,000</b>	<b>4.6%</b>
	<b>FTE</b>	<b>1,508</b>	<b>1,510</b>	<b>1,566</b>	<b>1,576</b>	<b>4.5%</b>

Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).  
Numbers may not add up due to rounding.

INTRO	GOAL 1		GOAL 2			GOAL 3		APPENDICES	
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

### Resources by Regulated Industry

Regulated Industry (Dollars in thousands)		FY 2023 ENACTED	FY 2023 ACTUAL	FY 2024 ANNUALIZED CR	FY 2025 REQUEST	PERCENT CHANGE FY23 ENACTED TO FY25
Electric	Funding	\$283,530	\$278,599	\$299,016	\$319,801	12.80%
	FTE	841	860	866	895	6.4%
Hydro	Funding	\$115,948	\$107,635	\$122,413	\$124,851	7.7%
	FTE	342	328	353	345	0.9%
Natural Gas	Funding	\$93,095	\$93,243	\$104,728	\$106,926	14.9%
	FTE	276	284	303	296	7.2%
Oil	Funding	\$15,826	\$12,075	\$14,843	\$13,822	-12.7%
	FTE	48	38	44	40	-16.7%
Subtotal	Funding	\$508,400	\$491,552	\$541,000	\$565,400	11.2%
Application of PY Budget Authority		-	-	(32,600)	(33,400)	
<b>Total</b>	<b>Funding</b>	<b>\$508,400</b>	<b>\$491,522</b>	<b>\$508,400</b>	<b>\$532,000</b>	<b>4.6%</b>
	<b>FTE</b>	<b>1,508</b>	<b>1,510</b>	<b>1,566</b>	<b>1,576</b>	<b>4.5%</b>

Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).  
Numbers may not add up due to rounding.

### Comparison of FYs 2023 and 2025 by Major Category

Major Categories (Dollars in thousands)	FY 2023 ENACTED	FY 2024 ANNUALIZED CR	FY 2025 REQUEST	DIFFERENCE FY23 ENACTED TO FY25	PERCENT CHANGE FY23 ENACTED TO FY25
FTE	1,508	1,566	1,576	68	4.5%
Salaries & Benefits	310,832	338,538	350,477	39,645	12.8%
Rent	32,559	33,285	23,778	(8,781)	-27.0%
Program Support Contracts	11,249	12,815	10,460	(789)	-7.0%
Information Technology	115,592	129,685	152,502	36,910	31.9%
Administrative (including Training and Travel)	30,035	26,677	28,184	(1,851)	-6.2%
Building Modernization	8,133	-	-	(8,133)	-100.0%
<b>Subtotal</b>	<b>\$508,400</b>	<b>\$541,000</b>	<b>\$565,400</b>	<b>\$57,000</b>	<b>11.2%</b>
Application of PY Budget Authority	-	(32,600)	(33,400)	(33,400)	
<b>Total</b>	<b>\$508,400</b>	<b>\$508,400</b>	<b>\$532,000</b>	<b>\$23,600</b>	<b>4.6%</b>

Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).  
Numbers may not add up due to rounding.

INTRO	GOAL 1		GOAL 2			GOAL 3		APPENDICES	
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2



### Object Class Summary

Object Class <i>(Dollars in thousands)</i>	<b>FY 2023 ENACTED</b>	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ANNUALIZED CR</b>	<b>FY 2025 REQUEST</b>
11.9 Personnel Compensation	\$228,347	\$224,250	\$247,759	\$255,699
12.1 Benefits	82,485	81,154	90,779	94,778
13.0 Benefits for Former Personnel	-	-	-	-
<i>Sub Total, Personnel Compensation &amp; Benefits</i>	\$310,832	\$305,404	\$338,538	\$350,477
21.0 Travel and Transportation of Persons	4,075	3,378	4,567	4,864
22.0 Transportation of Things	1	1	1	1
23.1 Rental Payments to General Services Administration	32,559	32,668	33,285	23,777
23.2 Rental Payments to Others	1,067	1,287	1,747	1,136
23.3 Communications, Utilities & Misc. Charges	4,613	3,886	3,376	3,421
24.0 Printing and Reproduction	1,597	1,154	1,387	1,313
25.1 Advisory and Assistance	24,798	21,908	21,777	31,584
25.2 Non-Federal	19,490	20,575	22,260	21,683
25.3 Federal	2,002	2,031	2,062	2,220
25.4 Operation & Maintenance of Facilities	2,216	2,299	2,297	2,437
25.7 Operation & Maintenance of Equipment	58,228	60,386	66,676	80,923
26.0 Supplies and Materials	5,402	5,411	6,196	6,271
31.0 Equipment	34,398	29,564	36,701	35,065
32.0 Leasehold Improvements	7,122	1,558	130	228
42.0 Insurance Claims and Indemnities	-	43	-	-
<b>TOTAL, OBLIGATIONS</b>	<b>\$508,400</b>	<b>\$491,552</b>	<b>\$541,000</b>	<b>\$565,400</b>
Application of PY Budget Authority	-	-	(32,600)	(33,400)
<b>GROSS BUDGET AUTHORITY</b>	<b>\$508,400</b>	<b>\$491,552</b>	<b>\$508,400</b>	<b>\$532,000</b>
Offsetting Receipts	(508,400)	(491,552)	(508,400)	(532,000)
<b>NET BUDGET AUTHORITY</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>

*Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). Numbers may not add up due to rounding.*

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1
				CF 2.2.2
			Obj 3.1 >	CF 3.1.1
			Obj 3.2 >	CF 3.2.1
				CF 3.1.2
				CF 3.2.2

# Goal 1

## Overview and Funding Summary

### GOAL 1: Ensure Just and Reasonable Rates, Terms, and Conditions

**OBJECTIVE 1.1:** Establish and apply FERC rules and policies that will result in just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of jurisdictional service.

**OBJECTIVE 1.2:** Promote compliance with FERC rules, including by detecting and deterring market manipulation.

Strategic Goal and Objectives (Dollars in thousands)		FY 2023 ENACTED	FY 2023 ACTUAL	FY 2024 ANNUALIZED CR	FY 2025 REQUEST	PERCENT CHANGE FY23 ENACTED TO FY25
<b>Objective 1.1</b>	<b>FTE</b>	532	532	552	549	3.2%
	<b>Funding</b>	\$175,287	\$169,324	\$185,591	\$192,512	9.8%
Program		111,740	108,691	121,088	123,835	10.8%
Support		63,547	60,633	64,503	68,677	8.1%
<b>Objective 1.2</b>	<b>FTE</b>	147	151	152	156	6.1%
	<b>Funding</b>	\$51,634	\$50,608	\$55,876	\$57,946	12.2%
Program		34,094	33,445	38,165	38,503	12.9%
Support		17,541	17,163	17,711	19,443	10.8%
<b>GOAL 1</b>	<b>FTE</b>	<b>679</b>	<b>683</b>	<b>704</b>	<b>705</b>	<b>3.8%</b>
<b>SUBTOTAL</b>	<b>Funding</b>	<b>\$226,921</b>	<b>\$219,932</b>	<b>\$241,467</b>	<b>\$250,458</b>	<b>10.4%</b>
<b>Application of PY Budget Authority</b>		-	-	(14,551)	(14,795)	
<b>GOAL 1 TOTAL</b>	<b>Funding</b>	<b>\$226,921</b>	<b>\$219,932</b>	<b>\$226,916</b>	<b>\$235,663</b>	<b>3.9%</b>

Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).  
Numbers may not add up due to rounding.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

# Goal 1 > Objective 1.1

## Overview and Priorities

**OBJECTIVE 1.1:** Establish and apply FERC rules and policies that will result in just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of jurisdictional service.

**CORE FUNCTION 1.1.1:** Determine whether FERC rules and policies need to be added or changed.

**CORE FUNCTION 1.1.2:** Analyze and act on filings in a fair, clear, and timely manner.

## ● Modernizing Electricity Market Design

### Priority Overview

This priority concerns ensuring that wholesale electric markets maintain their ability to serve wholesale electric customers efficiently and reliably. Current market designs may not procure and compensate resources for providing the levels of operational flexibility needed to address changing system needs that are being driven by an evolving resource mix and changing load profiles. The Commission will work with stakeholders to explore the gaps in current electricity and capacity market designs and identify potential reforms to modernize them.

The Commission’s actions and expected results are described more fully in the following section.

### Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
1.1.1: Determine whether FERC rules and policies need to be added or changed.	Evaluate policies and pursue changes to regulations where necessary: Wholesale sales	1. Explore gaps in the current electricity market design and identify potential reforms to appropriately modernize market design.	<u>22</u>

**Performance Goal:** *Develop necessary reforms to ensure that electricity markets continue to provide efficient and reliable service to customers amid the emerging transformation of the electricity sector.*

Performance Indicator: Milestones achieved within established timeframe		FY 2022	FY 2023	FY 2024	FY 2025
		<b>Target:</b>	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	<b>Actual:</b>	Target Met	Target Met	To be determined	To be determined

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	<a href="#">Obj 1.1 &gt;</a> <a href="#">CF 1.1.1</a> <a href="#">CF 1.1.2</a>	<a href="#">Obj 2.1 &gt;</a> <a href="#">CF 2.1.1</a> <a href="#">CF 2.1.2</a>	<a href="#">Obj 3.1 &gt;</a> <a href="#">CF 3.1.1</a> <a href="#">CF 3.1.2</a>	
	<a href="#">Obj 1.2 &gt;</a> <a href="#">CF 1.2.1</a> <a href="#">CF 1.2.2</a>	<a href="#">Obj 2.2 &gt;</a> <a href="#">CF 2.2.1</a> <a href="#">CF 2.2.2</a> <a href="#">CF 2.2.3</a>	<a href="#">Obj 3.2 &gt;</a> <a href="#">CF 3.2.1</a> <a href="#">CF 3.2.2</a>	

# ● Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix

## Priority Overview

This priority concerns the challenges associated with connecting new and diverse energy resources to the electric grid. A large amount of additional electric transmission infrastructure is needed to address these challenges and facilitate the participation of new resources in wholesale electricity markets efficiently, while maintaining the reliability of the electric grid. A more efficient, cost-effective, and reliable electric grid benefits all, including underserved communities that currently shoulder disparate energy burdens, which the transforming electric grid can help to relieve. The Commission will work with stakeholders to identify, assess, and implement a series of reforms that will facilitate the development of new electric transmission infrastructure needed to address the changing resource mix.

The Commission’s actions and expected results are described more fully in the following section.

## Action Index Table

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
1.1.1: Determine whether FERC rules and policies need to be added or changed.	Evaluate policies and pursue changes to regulations where necessary: Transmission and Transportation	1. Identify, assess, and implement a series of reforms that will facilitate the development of new electric transmission infrastructure needed to address the changing resource mix.	<u>23</u>

**Performance Goal:** *Develop necessary reforms to enable the electric grid to accommodate the evolution of the resource mix in an efficient and reliable manner while maintaining just, reasonable, and not unduly discriminatory or preferential rates, terms, and conditions of service.*

		FY 2022	FY 2023	FY 2024	FY 2025
Performance Indicator: Milestones achieved within established timeframe	<b>Target:</b>	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	<b>Actual:</b>	Target Met	Target Met	To be determined	To be determined

INTRO	GOAL 1		GOAL 2			GOAL 3		APPENDICES
<a href="#">Obj 1.1 &gt;</a>	<a href="#">CF 1.1.1</a>	<a href="#">CF 1.1.2</a>	<a href="#">Obj 2.1 &gt;</a>	<a href="#">CF 2.1.1</a>	<a href="#">CF 2.1.2</a>	<a href="#">Obj 3.1 &gt;</a>	<a href="#">CF 3.1.1</a>	<a href="#">CF 3.1.2</a>
<a href="#">Obj 1.2 &gt;</a>	<a href="#">CF 1.2.1</a>	<a href="#">CF 1.2.2</a>	<a href="#">Obj 2.2 &gt;</a>	<a href="#">CF 2.2.1</a>	<a href="#">CF 2.2.2</a>	<a href="#">Obj 3.2 &gt;</a>	<a href="#">CF 3.2.1</a>	<a href="#">CF 3.2.2</a>

**GOAL 1 > OBJECTIVE 1.1 > CORE FUNCTION 1.1.1**

Determine whether FERC rules and policies need to be added or changed.

**PURPOSE OF THE CORE FUNCTION**

To adapt to emerging issues and changing circumstances.

Ensure that **consumers/stakeholders**:



- Have reasonable access to needed jurisdictional services.
- Have confidence that FERC takes accountability for, and is effective at, adjusting its rules and regulations and ensuring that they continue to serve the public interest.
- Have confidence in the quality and impartiality of the Commission’s analyses.
- Have the opportunity to comment and participate in Commission proceedings.

Ensure that **jurisdictional entities**:

- Are appropriately compensated for responding to system needs in a rapidly changing marketplace.
- Can be confident that the Commission is aware of changes impacting energy industry stakeholders and will respond to changing market conditions and trends.
- Have the opportunity to comment and participate in Commission proceedings.
- Understand how Commission rules and policies are established, why they were established, and the relevance they have to the entity’s business and operations.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p><b>Evaluate Policies and Pursue Changes to Regulations Where Necessary*</b></p> 	<ul style="list-style-type: none"> <li>▪ Enable the Commission to better understand the potential impacts of changing external conditions.</li> <li>▪ Develop responsive rules and policies that effectively balance the needs of jurisdictional entities and energy consumers.</li> </ul>
<p><b>Conduct Outreach and Information Sharing</b></p> 	<ul style="list-style-type: none"> <li>▪ Allow the Commission to maintain a connection with stakeholders.</li> <li>▪ Allow staff to learn from, educate, and exchange information with different groups regarding trends and recurring and emerging issues.</li> </ul>

\* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	<b>Obj 1.1 &gt; CF 1.1.1</b>			
	CF 1.1.2	Obj 2.1 > CF 2.1.1	Obj 3.1 > CF 3.1.1	CF 3.1.2
	Obj 1.2 > CF 1.2.1	CF 1.2.2	Obj 3.2 > CF 3.2.1	CF 3.2.2
		Obj 2.2 > CF 2.2.1		
		CF 2.2.2		
		CF 2.2.3		

# Past and Planned Results



## Evaluate Policies and Pursue Changes to Regulations Where Necessary

### Wholesale Sales

#### ELECTRIC MARKET-BASED RATES AND COST-BASED RATES

**FY 2023 RESULTS.**

With regard to electric market-based rates, the Commission continued to refine the market-based rate relational database established in Order No. 860. In Order No. 860, the Commission revised its regulations in order to collect certain information previously filed in the electric market-based rate program in a consolidated and streamlined manner through a relational database. In FY 2023, the Commission continued to evaluate the effectiveness of the market-based rate relational database and made changes, where appropriate, to help facilitate and support access to the data. The Commission continued to work with industry stakeholders to ensure proper compliance, and undertook procedures to revoke market-based rate authority for sellers that continued to fail to comply. Additionally, the Commission continued to evaluate the impact of the database on the market-based rate program, as well as industry and the public.

In FY 2023, the Commission evaluated the comments that it received in response to its actions on credit practices in Regional Transmission Organization (RTO)/Independent System Operator (ISO) regions. In June 2023, the Commission issued a final rule, Order No. 895, designed to improve credit risk management in organized wholesale electric power markets. The final rule will allow electric power market operators to share credit-related information among themselves so that they can better assess market participants’ credit risks. In September 2023, the Commission took further action in response to the July 2022 order to show cause regarding whether the existing tariffs of four market operators may be unjust and unreasonable because they lack certain credit risk management practices for their Financial Transmission Rights markets.

In FY 2023, the Commission continued to evaluate the record on the December 2021 Notice of Inquiry (NOI) related to the rate recovery, reporting, and accounting treatment of industry association dues and certain civic, political, and related expenses.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to help facilitate and support access to the data from the market-based rate relational database and ensure compliance by performing ongoing outreach and education with stakeholders. Additionally, in FYS 2024 and 2025, the Commission will continue to evaluate the impact of the new database on the market-based rate program, as well as industry and the public.

In FYS 2024 and 2025, the Commission will evaluate the RTO/ISO compliance filings that it receives in response to Order No. 895 on credit practices. The Commission will also continue to evaluate the credit risk management practices for certain of market operators’ Financial Transmission Rights markets.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	<u>Obj 1.1 &gt; CF 1.1.1</u>	<u>Obj 2.1 &gt; CF 2.1.1</u>	<u>Obj 3.1 &gt; CF 3.1.1</u>	
	Obj 1.2 > CF 1.2.1	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	CF 2.2.1	CF 3.2.1	
		CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

In FYs 2024 and 2025, the Commission will consider whether further action is necessary in light of the record developed through the NOI related to rate recovery, reporting, and accounting treatment of industry association dues and certain civic, political, and related expenses.

**ENERGY MARKETS, CAPACITY MARKETS, AND ANCILLARY SERVICES**

**FY 2023 RESULTS.**

In FY 2023, the Commission continued to evaluate the compliance filings that each of the six Commission-jurisdictional RTOs/ISOs submitted to comply with Order No. 2222, a final rule issued in 2020 that aims to remove barriers to the participation of distributed energy resource aggregations in the capacity, energy, and ancillary service markets operated by RTOs/ISOs. Specifically, the Commission issued orders on compliance and rehearing related to the compliance filings of several of the market operators.

In FY 2023, following on actions first taken in FYs 2021 and 2022, the Commission continued to monitor and evaluate developments pertaining to resource adequacy in the Western Interconnection. Relatedly, the Commission evaluated and issued an order accepting the proposed Western Resource Adequacy Program, which sets forth the framework for a new voluntary resource adequacy planning and compliance program in the Western Interconnection.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission will continue its evaluation of the participation of distributed energy resource aggregations in RTO/ISO markets. This will include further evaluation of the RTO/ISO Order No. 2222 compliance filings.

In FYs 2024 and 2025, the Commission will continue its monitoring and evaluation of resource adequacy in the Western Interconnection, including the implementation of the new Western Resource Adequacy Program. The Commission will also continue its monitoring and evaluation of evolving market mechanisms in the Western Interconnection.

In FYs 2024 and 2025, the Commission will continue its evaluation of reactive power compensation, including analysis of the comments filed in response to the November 2021 NOI, and decide whether further action is warranted.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	<u>Obj 1.1 &gt; CF 1.1.1</u>	<u>Obj 2.1 &gt; CF 2.1.1</u>	<u>Obj 3.1 &gt; CF 3.1.1</u>	
	Obj 1.2 > CF 1.2.1	Obj 2.2 > CF 2.2.1	Obj 3.2 > CF 3.2.1	
	CF 1.1.2	CF 2.1.2	CF 3.1.2	
	CF 1.2.2	CF 2.2.2	CF 3.2.2	
		CF 2.2.3		

**● Priority Results: Modernizing Electricity Market Design**

[Overview](#) | **Action 1**

**FY 2023 RESULTS.**

In FY 2023, the Commission followed up on steps taken in FY 2022 to understand the challenges and changes in RTO/ISO system needs that are associated with the evolving resource mix and load profiles, and to identify reforms, if any, necessary to modernize these markets.

Based in part on September and October 2021 technical conferences and the post-technical conference comments, in April 2022, the Commission directed each jurisdictional RTO/ISO to submit information to the Commission related to their wholesale markets, describing: (1) current RTO/ISO system needs given changing resource mixes and load profiles; (2) how each RTO/ISO expects its system needs to change over the next five years and over the next 10 years; (3) whether and how each RTO/ISO plans to reform its energy and ancillary services markets to meet expected system needs over the next five years and over the next 10 years; and (4) information about any other reforms, including capacity market reforms and any other resource adequacy reforms, that would help each RTO/ISO meet changes in system needs. The RTO/ISO reports were filed in October 2022, and comments on those reports were filed in January 2023.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission anticipates continuing its activities related to modernization of jurisdictional markets to manage the challenges posed by the resource and load transition.

**Transmission and Transportation**

**ELECTRIC TRANSMISSION RATES**

**FY 2023 RESULTS.**

The Commission took significant steps during FY 2023 with respect to electric transmission rates. For example, the Commission took steps to incentivize cybersecurity investments, working to ensure the reliability of the electric transmission system. In FY 2022, the Infrastructure Investment and Jobs Act required the Commission to establish, by rule, incentive-based (including performance-based) rate treatments for the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce by public utilities for the purpose of benefitting consumers by encouraging: (1) investments by public utilities in advanced cybersecurity technology; and (2) participation by public utilities in cybersecurity threat information sharing programs. Following a September 2022 Notice of Proposed Rulemaking (NOPR) (which superseded a December 2020 NOPR on the same topic), in April 2023 the Commission issued Order No. 893, a final rule establishing incentive-based rate treatment for utilities making certain voluntary cybersecurity investments. An order clarifying Order No. 893 was issued in July 2023.

The Commission took additional steps in FY 2023 to address electric transmission rates. For example, the Commission evaluated the compliance filings that it received in July 2022 in response to Order No. 881, its December 2021 final rule on managing transmission line ratings. During FY 2023, the Commission issued initial orders on all 40 compliance filings. In addition, the Commission evaluated the comments that it received in response to its February 2022 NOI considering the use of dynamic line ratings.

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In July 2022, the Commission issued a NOPR proposing updates to the Commission’s Uniform System of Accounts intended to address many current technological and economic developments, such as the growth in non-hydro renewable generating facilities and renewable energy credits. The Commission issued a final rule in this proceeding in June 2023, and regulated entities must implement its requirements by January 1, 2025.

In FY 2023, the Commission continued to evaluate the second round of compliance filings made in response to Order No. 864, relating to public utility transmission rate changes to address Accumulated Deferred Income Taxes.

In FY 2023, the Commission also continued its ongoing review of transmission formula rates. For example, the Commission issued orders accepting revisions to the transmission formula rate protocols of several utilities. The utilities filed these revisions in response to investigations that the Commission instituted in 2022 to examine the scope of participation, transparency of information exchange, and the ability of customers to challenge the implementation of the formula rates under the utilities’ respective transmission formula rate protocols.

In October 2023, the Commission issued a proposed policy statement proposing to clarify how the Commission will treat the use of project-area wage standards in calculating the labor cost component of jurisdictional cost-of-service rates. This proposed policy statement would apply to natural gas and oil transportation rates, in addition to the electric transmission rates.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will consider filings for cybersecurity incentives submitted pursuant to Order No. 893.

In FYS 2024 and 2025, the Commission will continue to evaluate how public utility transmission providers manage transmission line ratings based on the requirements of Order No. 881.

In FYS 2024 and 2025, the Commission will continue to consider the record on the NOI related to use of dynamic line ratings and determine whether to take further action.

Also in FYS 2024 and 2025, the Commission will continue its ongoing review of transmission formula rates and transmission formula rate protocols. The Commission will also continue to address base return on equity issues in individual cases.

In FY 2024, the Commission will consider the record developed in response to its proposed policy statement on the use of project-area wage standards in calculating the labor cost component of jurisdictional cost-of-service rates and determine next steps.

**● Priority Results: Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix**

[Overview](#) | [Action 1](#)

**FY 2023 RESULTS.**

In FY 2023, the Commission continued its efforts to facilitate the development of electricity infrastructure needed for the changing resource mix. In April 2022, the Commission issued a NOPR proposing reforms to regional transmission planning and cost allocation.

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The April 2022 NOPR addressed a range of issues relating to electric transmission infrastructure. The Commission proposed to require, among other things, that public utility transmission providers: (1) conduct long-term regional transmission planning on a sufficiently forward-looking basis to meet transmission needs driven by changes in the resource mix and demand; and (2) seek the agreement of relevant state entities within the transmission planning region regarding the cost allocation method or methods that will apply to transmission facilities selected in the regional transmission plan for purposes of cost allocation through long-term regional transmission planning. The Commission also proposed to require public utility transmission providers to more fully consider in regional transmission planning and cost allocation processes transmission facilities that incorporate two specific technologies as a more efficient or cost-effective alternative to other regional transmission facilities: dynamic line ratings and advanced power flow control devices. Initial comments to the NOPR were due in August 2022; reply comments to the NOPR were due in September 2022. In FY 2023, the Commission continued to consider and analyze the voluminous record from this NOPR.

The Commission also took further actions related to interconnection reforms. In June 2022, the Commission issued a NOPR on Improvements to Generator Interconnection Procedures and Agreements. Comments on the NOPR were due in October 2022; reply comments were due in December 2022. In July 2023, the Commission issued Order No. 2023, a final rule adopting reforms to its *pro forma* Large Generator Interconnection Procedures, *pro forma* Small Generator Interconnection Procedures, *pro forma* Large Generator Interconnection Agreement, and *pro forma* Small Generator Interconnection Agreement to address interconnection queue backlogs and provide greater regulatory certainty.

The Commission took additional steps in FY 2023 to facilitate the development of needed transmission infrastructure. For example, in FY 2023, the Commission continued to organize joint federal-state task force meetings on electric transmission, including meetings in November 2022, February 2023, and July 2023. After each meeting, the Commission invited public comment on the discussion.

Further, in October 2022, the Commission held a technical conference on transmission planning and cost management. A notice requesting post-technical conference comments was issued in December 2022, with comments due in March 2023. In December 2022, the Commission held a two-day workshop on establishing interregional transfer capability transmission planning and cost allocation requirements. A notice requesting post-workshop comments was issued in February 2023, with initial comments due in May 2023 and reply comments due in June 2023. In FY 2023, the Commission continued to consider and analyze the records developed after the workshops.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to monitor and evaluate these significant issues. The Commission will evaluate comments to the NOPRs issued in and the technical conference and workshop held in FYS 2022 and 2023, continue public outreach regarding the development of new electric transmission infrastructure, and determine whether further action is warranted. The Commission will also consider requests for rehearing of Order No. 2023 and evaluate Order No. 2023 compliance filings with respect to changes to transmission providers’ generator interconnection procedures and agreements.

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		CF 2.2.3		

In FYs 2024 and 2025, the Commission will continue its efforts related to the task force meetings on electric transmission issues with its state partners. The Commission will continue to evaluate the feedback from the public related to these matters to help inform whether further Commission action is appropriate.

**GAS TRANSPORTATION/STORAGE RATES**

**FY 2023 RESULTS.**

In FY 2023, the Commission conducted its annual review of the justness and reasonableness of interstate natural gas pipeline rates by analyzing cost and revenue information included in the pipelines’ FERC Form No. 2 annual reports. In November 2022, following a May 2022 NOPR, the Commission issued Order No. 884, which changed how NGA section 4 rate case filings (requests to change rates) submitted by interstate natural gas pipelines are filed. Specifically, the final rule updated the Commission’s policies to require natural gas pipelines to submit all supporting statements, schedules, and workpapers in a “native format,” (e.g., Excel) with all links and formulas intact.

In April 2022, the Commission issued a revised policy statement to encourage more market participants to report their transactions to price index developers, to provide greater transparency into the natural gas price formation process, and to increase confidence in the accuracy and reliability of wholesale natural gas prices. In July 2023, the Commission issued orders reapproving certain price index developers based on the April 2022 revised policy statement.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission will continue its annual review of the justness and reasonableness of interstate natural gas pipeline rates by analyzing cost and revenue information included in the pipelines’ FERC Form No. 2 annual reports.

In FYs 2024 and 2025, the Commission will monitor compliance with the new filing requirements established in Order No. 884.

In FYs 2024 and 2025, the Commission will consider further action as to the formation of physical natural gas price indices, including evaluating reapproval requests filed by price index developers in response to the April 2022 revised policy statement.

**OIL TRANSPORTATION RATES**

**FY 2023 RESULTS.**

In December 2020, the Commission issued an order on the five-year review of the oil pipeline index to determine the methodology to be used for the calculation of the annual oil pipeline index for 2021–2025. The Commission subsequently issued orders on rehearing in January 2022 and May 2022 further revising the annual oil pipeline index for 2021–2025. In FY 2023, the Commission processed the compliance filings associated with the new index.

In February 2022, the Commission issued an NOI related to ongoing issues involving allocation of oil pipeline capacity during anomalous circumstances, including the effects of COVID-19 on airlines’ access to pipelines that use historical prorating. During FY 2023, the Commission evaluated the comments submitted in response to the NOI.

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In October 2022, the Commission issued a policy statement regarding the standard applied to complaints against oil pipeline index changes, an evaluation that was initiated in FY 2020.

In December 2022, the Commission issued a proposed policy statement on oil pipeline affiliation. Initial comments were filed in February 2023; reply comments were filed in March 2023.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission will continue to evaluate these issues in FYs 2024 and 2025 to determine whether further action is warranted.

The Commission will also continue to address the base return on equity, income tax allowance issues, and other rate issues for oil pipelines presented in pending proceedings.

**Electric Merger and Other Corporate Transactions**

**FY 2023 RESULTS.**

In FY 2023, the Commission continued to monitor developments and trends in electric merger and other corporate transactions.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission will continue to monitor developments and trends in this area to determine if changes to Commission policy or practices should be further evaluated.



**Conduct Outreach and Information Sharing**

**FY 2023 RESULTS.**

In January 2023, the Commission issued a notice and request for information on performance metrics for RTOs/ISOs and utilities in non-RTO/ISO regions for the years 2019-2022. Also in FY 2023, the Commission staff issued an annual report on the Assessment of Demand Response and Advanced Metering. Commission staff also held an industry software conference. In addition, Commission staff produced public reports, including the Annual State of the Market Report on market performance and long-term market trends, and the Summer and Winter Seasonal Energy Market and Reliability Assessments on short-term outlooks, providing meaningful insight to the public on energy markets and electric reliability. Commission staff also presented the Summer and Winter Seasonal Energy Market and Reliability Assessments to state and federal agency staff.

The Commission held a Commissioner-led forum in June 2023 to examine the PJM Interconnection, L.L.C. (PJM) capacity market. The forum included RTO/ISO representatives, market participants, state regulators, and other stakeholders. The Commission issued a notice of request for comments, with comments due in August 2023. In June 2023, the Commission convened a second Commissioner-led forum to discuss solutions to the electric and gas challenges facing the New England region. The Commission issued a notice inviting post-forum comments, with comments due in August 2023.

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Commission staff also continued its regular outreach to RTO/ISOs and the independent market monitors for RTOs/ISOs to review the impact of approved market rule changes or other market events. Commission staff continued to hold international information exchanges in FY 2023, including meetings with officials from the European Union Agency for the Cooperation of Energy Regulators and the European Commission’s Director-General for Energy. In addition, FERC staff participated in a U.S. Department of Energy (DOE)-India Energy Storage Alliance webinar series.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to evaluate the data that it received in response to its request for information to determine potential next steps for the Common Metrics Report. Commission staff expects to issue an annual report on the Assessment of Demand Response and Advanced Metering in FYS 2024 and 2025. Commission staff also expects to hold industry software conferences in both FYS 2024 and 2025. In FYS 2024 and 2025, Commission staff will continue to produce public reports such as the Annual State of the Market Report on market performance and long-term trends, as well as Seasonal Energy Market and Reliability Assessments on short-term outlooks, to provide meaningful insight to the public on energy markets and electric reliability. Commission staff also plans to present the Summer and Winter Seasonal Energy Market and Reliability Assessments to state and federal agency staff.

Commission staff will continue to conduct regular outreach to RTOs/ISOs and independent market monitors for RTOs/ISOs to review the impact of approved market rule changes or other market events. Finally, Commission staff also plan to continue international information exchanges in FYS 2024 and 2025.

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**GOAL 1 > OBJECTIVE 1.1 > CORE FUNCTION 1.1.2**

Analyze and act on filings in a fair, clear, and timely manner.

**PURPOSE OF THE CORE FUNCTION**

To take appropriate action on filings made to the Commission.

Ensure that **consumers/stakeholders**:




- Have access to energy and related jurisdictional services at a reasonable rate.
- Are able to voice their concerns and challenge filings.
- Receive due process.

Ensure that **jurisdictional entities**:

- Have an opportunity to recover their costs, earn a reasonable return on their investments, and react to changing market and industry conditions.
- Understand FERC’s decisions and the basis on which they were made.
- Implement FERC’s orders and regulations.
- Receive due process.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
 <b>Analyze and Act on Filings</b>	<ul style="list-style-type: none"> <li>▪ Allow the Commission to act in a timely, informed, and transparent manner on the filings it receives.</li> </ul>
 <b>Conduct Settlement Judge Procedures</b>	<ul style="list-style-type: none"> <li>▪ Limit the time, expense, and resources the Commission and outside parties devote to litigation.</li> <li>▪ Reduce the likelihood of Commission decisions being appealed to the courts.</li> <li>▪ Increase business certainty, which facilitates investment in needed energy infrastructure.</li> <li>▪ Provide ratepayers with just and reasonable rates and terms and conditions of service in a timely manner.</li> </ul>
 <b>Conduct Hearing Procedures</b>	<ul style="list-style-type: none"> <li>▪ Provide parties with due process and fair representation.</li> <li>▪ Ensure that Commission decisions are based on full, complete, and transparent information.</li> <li>▪ Provide ratepayers with just and reasonable rates and terms, and conditions of service, in a timely manner.</li> </ul>

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## Past and Planned Results



### Analyze and Act on Filings

#### RATE FILINGS

	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 ESTIMATE
Electric	5,738	6,279	7,073	7,150	7,200
Gas	1,363	1,509	1,376	1,500	1,500
Oil	837	1,109	761	900	900

#### FY 2023 RESULTS.

Included in the electric filings shown in the table above, in FY 2023, the Commission processed approximately 3,972 (as of September 30, 2023) filings regarding electric market-based rate authority, and approximately 3,075 (as of September 30, 2023) proposals for electric cost-based rates; electricity market rule changes; and rates, terms and conditions of jurisdictional electric service.

As reflected in the table above, the Commission also processes rate filings submitted by natural gas pipeline companies, including applications for approval of cost-based rates; negotiated rates; market-based rates; and rates, terms, and conditions of service. The natural gas and oil filings reflected above also include a variety of other types of rate-related filings made by natural gas and oil pipeline companies, such as complaints, waiver requests, and oil-related petitions for declaratory order, which address rate structures for significant and new capacity pipeline projects.

#### FYS 2024 AND 2025 PLANNED RESULTS.

The table above also shows the estimated number of rate filings for FYs 2024 and 2025. The Commission does not have control over the number of filings from industry or third parties. Moreover, the number of yearly filings is a function of multiple factors that make it difficult to predict how many filings the Commission will receive in future years. Accordingly, the Commission plans to maintain sufficient resources in FYs 2024 and 2025 to process a similar number of filings as in prior years, adjusted based on best estimates. The Commission will continue to dedicate significant resources to the analysis of rate and tariff filings, including those made pursuant to FPA section 205, NGA section 4, and ICA section 6, consistent with its statutory authority.



### Conduct Settlement Judge Procedures

#### FY 2023 RESULTS.

In FY 2023, the Commission’s administrative law judges, sitting in a settlement judge capacity, convened 281 settlement conferences and certified or reported 82 full or partial settlements to the Commission for final review and approval. Those settlements represented approximately 92 percent of the proceedings that were set for hearing and/or settlement judge procedures. With

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participation ranging from two to 250 or more parties, negotiations took an average of six to nine months to complete and primarily involved rates, terms and conditions of service, and market rules applications. The settlement judges mediated these negotiations, relying on years of specialized mediation experience, training, and their firsthand experience adjudicating similar disputes that went to hearing.

Commission Trial Staff used its expertise on legal matters and in engineering, finance, depreciation, market power, cost-of-service, and rate-design matters in negotiations with regulated entities and intervenors to reach settlement agreements. Trial Staff also conducted informal discovery, developed settlement positions and proposals, and convened numerous informal meetings and conference calls with the parties to proceedings to further facilitate settlement negotiations and help resolve legal and factual disputes. Commission Trial Staff also filed 69 initial comments and 12 reply comments on settlements submitted to the Commission. Through these comments, Commission Trial Staff assessed settlements—including whether the rates and terms and conditions of service provided by the settlement were appropriate and consistent with Commission policy and precedent—and provided recommendations on whether they should be approved by the Commission.

In FY 2023, the Dispute Resolution Service staff successfully resolved 45 disputes. The Dispute Resolution Service staff specialize in complex and highly contentious disputes or those which do not fit neatly within the Commission’s regulatory process. In FY 2023, a sampling of those disputes involved distressed landowners, wind developers interconnecting to the grid, and disputes between hydro licensees and various state and federal resource agencies.

**FYS 2024 AND 2025 PLANNED RESULTS.**

While the Commission determines the cases that are set for hearing and settlement judge procedures, these decisions are functions of the filings, requests, and issues put before it. Thus, the Commission does not plan for a particular number of cases to be set for hearing and settlement judge procedures. Similarly, although the Commission may encourage settlements, it is up to the parties, with mediation from a settlement judge and participation by Commission Trial Staff, to reach an agreement. Accordingly, in FYS 2024 and 2025, the Commission will monitor its workload to ensure sufficient resources are available.



**Conduct Hearing Procedures**

**FY 2023 RESULTS.**

In FY 2023, the Commission’s administrative law judges, with support from law clerks, attorney advisors, paralegals, system support specialists, energy industry analysts, and other administrative law judge staff, convened three hearings and compiled 1,938 exhibits and 17,779 transcript pages in the process. In so doing, the administrative law judges ensured due process and a forum for fair representation of all parties. They leveraged their specialized knowledge and expertise, as well as that of their support staff, to develop comprehensive evidentiary records. And based on these records, they issued three initial decisions with aim to provide reasoned, supported, and lawful bases for final Commission decision.

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In FY 2023, Commission Trial Staff actively participated through direct and cross-examination of numerous witnesses and argument on motions in four hearings. Commission Trial Staff also conducted pre-hearing discovery, and—relying on the expertise and knowledge of its technical experts—filed direct, answering, and cross-answering testimony and exhibits addressing numerous issues directly impacting the rates and terms and conditions of service paid by residential, business and industrial energy users across the country. Altogether, in FY 2023, Commission Trial Staff filed 31 pieces of expert testimony and 14 pre- and post-hearing briefs. Of these briefs, 6 were briefs on or opposing exceptions reflecting Commission Trial Staff’s assessment of the legal and factual findings reached in initial decisions and recommendations for Commission action.

**FYS 2024 AND 2025 PLANNED RESULTS.**

While the Commission determines the cases that are set for hearing and settlement judge procedures, these decisions are a function of the filings, requests, and issues put before it. Thus, the Commission does not plan for a particular number of cases to be set for hearing and settlement judge procedures. Similarly, although the Commission may encourage settlements, it is up to the parties, with guidance from a settlement judge and participation by Commission Trial Staff, to reach an agreement. Accordingly, in FYs 2024 and 2025 the Commission will monitor its workload to ensure sufficient resources are available.

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# Goal 1 > Objective 1.2

## Overview and Priority

**OBJECTIVE 1.2:** Promote compliance with FERC rules, including by detecting and deterring market manipulation.

**CORE FUNCTION 1.2.1:** Assess compliance and financial filings of regulated entities.

**CORE FUNCTION 1.2.2:** Monitor market activity and explore potential violations.

## ● Promoting a Strong and Robust Enforcement Program

### Priority Overview

This priority concerns the need for a rigorous and robust enforcement program to meet new compliance challenges resulting from the increasing complexity in energy markets. Vigilant monitoring and strong oversight, combined with timely actions against manipulative activity, are necessary to stay ahead of the new compliance challenges and effectively detect and deter market manipulation and anticompetitive conduct that threatens the integrity of energy markets. The Commission will address this priority through an integrated set of initiatives designed to develop stronger enforcement tools and resources that enable FERC to detect, deter, and pursue violations more effectively.

The Commission’s actions and expected results are described more fully in the following sections.

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**Action Index Table**

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
1.2.1: Assess compliance and financial filings of regulated entities.	Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms	1. Gain access to additional information necessary for analytical work.	<u>37</u>
	Conduct Surveillance of Natural Gas and Electric Markets	2. Prioritize the use of new technology to enhance surveillance work.	<u>40</u>
1.2.2: Monitor market activity and explore potential violations.	Conduct Investigations	3. Undertake an initiative to impose a Duty of Candor requirement on all entities participating in Commission-jurisdictional markets and activities.	<u>42</u>
	Conduct Enforcement Proceedings	4. Explore ways to improve the Commission’s penalty determination process by making the penalty guidelines applicable to a wider range of violations, including violations related to natural gas certificates.	<u>45</u>

**Performance Goal:** *Ensure oversight and enforcement requirements are up to date and data is accessible.*

		FY 2022	FY 2023	FY 2024	FY 2025
Performance Indicator: Milestones achieved within established timeframe	<b>Target:</b>	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	<b>Actual:</b>	Target Met	Target Met	To be determined	To be determined

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**GOAL 1 > OBJECTIVE 1.2 > CORE FUNCTION 1.2.1**

Assess compliance and financial filings of regulated entities.

**PURPOSE OF THE CORE FUNCTION**

To maximize compliance of jurisdictional entities with FERC orders, policies, and regulations.

Ensure that **consumers/stakeholders** have increased confidence in:




- The market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.
- FERC’s ability to ensure compliance with its orders and policies.

Ensure that **jurisdictional entities**:

- Are aware of existing and emerging compliance issues/factors and understand how to achieve compliance.
- Are maintaining compliance and addressing compliance issues on an ongoing basis.
- Have increased confidence in the market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.

**Overview**

This core function includes the following workstreams and related impacts.

<b>Workstream</b>	▪ Impacts
<b>Conduct Compliance, Operational, Financial, and Other Audits</b> 	<ul style="list-style-type: none"> <li>▪ Increase compliance by informing regulated entities of areas of noncompliance and providing encouragement, guidance, and specific recommendations for steps to take to move back into compliance.</li> </ul>
<b>Establish Accounting Policies and Analyze Financial Filings</b> 	<ul style="list-style-type: none"> <li>▪ Inform market rule changes or other Commission actions.</li> <li>▪ Ensure that market rules are effective and practicable for those who must follow them.</li> </ul>
<b>Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms*</b> 	<ul style="list-style-type: none"> <li>▪ Ensure that jurisdictional entities comply with requirements to file electric quarterly reports (EQRs) and other forms by alerting companies of incomplete, erroneous, or absent filings and providing general guidance regarding filing requirements.</li> <li>▪ Provide necessary information to the Commission to exercise its market oversight responsibilities.</li> </ul>

\* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1</b> CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

## Past and Planned Results



### Conduct Compliance, Operational, Financial, and Other Audits

**FY 2023 RESULTS.**

In FY 2023, the Commission completed 9 audits of public utility, natural gas, and oil companies covering a wide array of topics. These audits resulted in 68 findings of noncompliance and 332 recommendations for corrective action, 99 percent of which were implemented within six months of the audit report issuance. The audits also directed approximately \$33.3 million in refunds and other recoveries, including \$19.8 million to be refunded to jurisdictional customers and \$13.5 million that was prevented from being potentially collected through future customer rates. These refunds and other recoveries addressed findings concerning, among other subjects, the improper application of merger-related costs; lobbying, charitable donation, membership dues, and employment discrimination settlement costs; improper labor overhead capitalization rates; accounting for production-related or distribution-related expenses as general or transmission-related expenses; pending income tax refunds being treated as prepayments; and compliance with the Commission’s Allowance for Funds Used During Construction regulations.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The major topic areas of the Commission audits anticipated for FYs 2024 and 2025 include energy market operations, transmission formula rates and FERC Form No. 1 reporting, market-based rates, reliability, affiliate transactions, mergers and acquisitions, fuel adjustment clauses, open access transmission tariffs, open access same-time information systems, natural gas tariffs and FERC Form No. 2 reporting, oil pipeline tariffs and FERC Form No. 6 reporting, and other accounting and financial reporting matters.

In FY 2024, the Commission expects to conclude a significant number of the audits that were open as of September 30, 2023. In addition, the Commission expects to commence 12 audits. The Commission expects to commence a similar number of audits in FY 2025, consistent with its historical range of audit commencements.

Finally, the Commission will continue to work with entities to facilitate the prompt and effective understanding and implementation of audit recommendations. As such, the Commission expects to see a high success rate of implemented corrective actions continue into FYs 2024 and 2025.



### Establish Accounting Policies and Analyze Financial Filings

**FY 2023 RESULTS.**

The Commission acted on 266 proceedings, including 162 accounting filings requesting approval of a proposed accounting treatment or financial reporting matter and 218 rate, pipeline certificate, merger and acquisition, and debt and security issuance proceedings before the Commission. These proceedings had cost-of-service rate implications, such as accounting for mergers and divestitures, asset transactions, early plant retirements, Allowance for Funds Used During

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES					
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

Construction, pensions and other post-retirement benefits, and income taxes. In addition, the Commission staff responded to 191 accounting inquiries.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission expects to complete a similar number of accounting and inquiry responses. The Commission also expects to issue accounting guidance on emerging topics, which may result in rulemaking proceedings to amend the Commission’s accounting regulations and financial reporting requirements. However, the number of accounting projects in a given year can vary, depending on the number of industry requests for Commission action. The Commission expects FYS 2024 and 2025 to be similar to FY 2023, with no external impediments to Commission work.



**Assess, Analyze, and Administer Electric, Natural Gas, and Oil Forms**

**FY 2023 RESULTS.**

In FY 2023, the Commission received EQR submittals from over 3,000 entities each quarter. In addition to ensuring the timely submission of these reports, the Commission employed an automated validation process to help assess the data’s accuracy and reliability. The Commission also ensured the timely submission of FERC Form Nos. 1, 1-F, 2, 2-A, 3-Q (gas and electric), 6, 6-Q, 60, and FERC-61, totaling approximately 2,500 individual submittals.

The Commission utilizes EQR submittals to conduct ex post analytical reviews of wholesale electric market-based rate transactions to detect the potential exercise of market power. Staff conducted several inquiries into individual companies flagged by ex post market power indicators and analyzed significant market trends and events. In addition, coordination among Commission offices resulted in the use of ex post analysis to support several docketed proceedings. The Commission improved the data and tools it uses to identify market power issues and analyze specific sellers or concerns as part of these ex post reviews. For example, staff continued to improve estimated cost metrics used in several market power indicators and developed new measures to track bilateral markets against liquid indices. Staff also continued to improve and expand dashboards to analyze and visually display relevant data dynamically and improved outlier detection methods to identify potential EQR data quality issues. Lastly, staff continued to improve access to and analysis of transmission data to identify periods and locations of significant congestion.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission will continue its compliance efforts to ensure the timely submission of EQRs and FERC forms while also promoting the accuracy of the data. The Commission anticipates a similar number of EQR filings, FERC form filings, and ex post inquiries in both FYS 2024 and 2025.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

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**FY 2023 RESULTS.**

Through the Commission’s efforts, staff will gain access to additional information that supports its analytical work. In FY 2023, the Commission continued to support filers with the transition to a new format for filing FERC forms based on eXtensible Business Reporting Language (XBRL). The use of XBRL is designed to provide filers and the Commission with a more easily accessible data system, while also increasing data accuracy through a robust set of rules and validations.

In addition, Commission staff continued to work on formulating possible revisions to the current EQR data collection based, in part, on industry feedback at previous technical conferences.

**FYS 2024 AND 2025 PLANNED RESULTS.**

During FYs 2024 and 2025, staff will continue working on the multi-year EQR reassessment effort. In FY 2024, staff will finalize a proposal to revise and modernize the fields in the EQR data collection. In FY 2025, staff expect to begin implementing revisions adopted by the Commission to the data collection and developing the new filing platform if appropriate, as well as develop a new XBRL-CSV (Comma Separated Value) based EQR filing platform. The goals of this reassessment effort include modernizing and streamlining the filing process for both filers and the Commission, and increasing the quality of the EQR data, which will enhance the Commission’s market monitoring and surveillance capabilities.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1</b> CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**GOAL 1 > OBJECTIVE 1.2 > CORE FUNCTION 1.2.2**

Monitor market activity and explore potential violations.

**PURPOSE OF THE CORE FUNCTION**

To promote fair and competitive markets for energy market participants and consumers.

Ensure that **consumers/stakeholders**:




- Have increased confidence in the market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.
- Experience minimal financial burden due to fraud, market manipulation, and other anti-competitive conduct.

Ensure that **jurisdictional entities**:

- Are deterred from engaging in market manipulation or anti-competitive conduct.
- Are able to operate on a level playing field and experience fair competition.
- Have increased confidence in the market and the ability of FERC’s orders and policies to ensure just and reasonable rates, terms, and conditions.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
 <p><b>Conduct Surveillance of Natural Gas and Electric Markets*</b></p>	<ul style="list-style-type: none"> <li>▪ Deter market manipulation across the FERC-jurisdictional energy markets.</li> </ul>
 <p><b>Conduct Investigations*</b></p>	<ul style="list-style-type: none"> <li>▪ Produce a fair resolution of each investigation, including closure of that investigation, a settlement, or a move to an enforcement proceeding.</li> </ul>
 <p><b>Conduct Enforcement Proceedings*</b></p>	<ul style="list-style-type: none"> <li>▪ Ensure entities or individuals who violate rules are held accountable.</li> <li>▪ Act as a deterrent to fraud, market manipulation, and other violations.</li> </ul>

\* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1 CF 1.2.2</b>	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



## Past and Planned Results



### Conduct Surveillance of Natural Gas and Electric Markets

**FY 2023 RESULTS.**

In FY 2023, the Commission reviewed approximately 23,769 screen trips produced by its natural gas surveillance screens, along with other observed anomalous market outcomes of potential concern and was able to dismiss most of the screen trips as consistent with concurrent market conditions. The Commission then conducted a more thorough review on the remaining screen trips and classified specific screen trips and market activity as 1,584 documented “surveillance alerts” that ranged in severity from low to high concern. When concerns persisted, the Commission conducted a surveillance inquiry, which in some cases involved contacting market participants for additional information or to discuss the conduct at issue. In FY 2023, the Commission closed the two inquiries that were still pending at the end of FY 2022 with no referral and conducted 27 new natural gas surveillance inquiries. Of these 27 inquiries, three matters were referred for investigation, 19 were closed, and 5 remain open with Commission staff continuing its analytic work.

In FY 2023, the Commission also ran and reviewed, on a monthly basis, 107 electric surveillance screens; monthly, hourly, and intra-hour sub-screens; and reports for over 41,000 hub and pricing nodes within the six ISOs/RTOs. Additionally, the Commission screened non-ISO/RTO markets and cross-ISO/RTO portfolio trades for potential manipulation. In FY 2023, after reviewing these electric screen trips, the Commission conducted 43 electric surveillance inquiries. Of these 43 inquiries, six were referred for investigation, 25 were closed with no referral, and 12 remain open with Commission staff continuing its analytic work.

In addition to its routine surveillance efforts, the Commission also closely follows market conditions so that when there are disruptive events, such as periods of unusually high prices in the wholesale natural gas or electricity markets or dramatic weather events that impact those markets, it is prepared to conduct enhanced surveillance surrounding the events. This enhanced surveillance may involve the Commission: (1) seeking additional data from the Intercontinental Exchange and/or market participants to augment its normal data feeds; (2) conducting outreach to market participants, other federal agencies, or state regulators; and/or (3) developing new screening methods that utilize additional data or account for the changes in the markets caused by the ongoing event. Depending on the events under review, this enhanced surveillance may involve coordinated efforts by both the natural gas and electric surveillance teams. In FY 2023, the Commission pursued two enhanced surveillance matters, one related to Winter Storm Elliot and one related to a period of high energy prices in the west during the winter of 2022-2023. As of the end of FY 2023, three matters were referred for investigation as a result of these enhanced surveillance efforts and the Commission continues to analyze the information gathered to determine if other referrals are necessary.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The number of surveillance alerts received is partially dependent on external market factors and may vary due to market or weather events. Higher numbers of alerts should not typically lead to

INTRO	GOAL 1		GOAL 2			GOAL 3			APPENDICES	
	Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
	<b>Obj 1.2 &gt;</b>	CF 1.2.1	<b>CF 1.2.2</b>	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

higher numbers of inquiries because the Commission eliminates false alarms through analysis. However, events that create additional alarms can slightly decrease capacity due to the time needed to check statistics and review reports. In FYs 2024 and 2025, the Commission does not anticipate any changes to the volume of work based on known factors and will be prepared and able to respond effectively to alerts and inquiries.

The Commission often reaches out to market participants as part of its surveillance inquiries to discuss trading activities and to obtain additional non-public data. This frequent interaction between Commission staff and market participants has been positive and productive, often eliminating the need for an investigation. This reduces the burden on industry and the Commission. As these interactions continue, market participants will become more familiar with the inquiry process and better prepared to respond effectively to the Commission’s requests. Market participants’ continued awareness of Commission surveillance activities also should help deter manipulation and other violations of Commission rules. These factors should lead to further efficiency in FY 2025.

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**FY 2023 RESULTS.**

Commission staff prioritizes the use of new technology to enhance its surveillance work. The Commission’s data governance organization is actively building out FERC’s data analytics platform in a cloud environment to orchestrate shared data services, data technologies, and dashboards across the Commission. In FY 2023, the Commission made final preparations for the transition to the cloud, which included completing an inventory of the Commission’s Enforcement data assets and production dashboards. In addition, as key analytics tools became available in the cloud, the Commission began migrating several on-premises gas surveillance workloads into the cloud. The Commission also continued to rebuild power surveillance data marts to be more compatible with cloud-native technologies. Finally, the Commission obtained contractor support to augment staff cloud migration efforts, including creating and implementing a migration plan, providing training on cloud technologies, and developing data marts to drive analytics.

**FYS 2024 AND 2025 PLANNED RESULTS.**

As more of the Commission’s data assets become available in the cloud in FYs 2024 and 2025, the Commission will continue to migrate surveillance screening and analysis from on-premises analytics platforms to cloud-based analytics platforms. In this migration effort, staff will also refactor existing surveillance screening and analysis codebases to take advantage of the cloud-based analytics platforms, thereby improving the implementation of the analyses while preserving functionality. Staff anticipates focusing on surveillance screen and analysis migration efforts in FY 2024. Throughout this time, Commission staff will evaluate, deploy, and test other cloud-based technologies that would improve how the Commission receives, processes, and utilizes the data required for surveillance of the natural gas and electricity markets.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1 CF 1.2.2</b>	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



**Conduct Investigations**

**FY 2023 RESULTS.**

In FY 2023, the Commission had the following five investigation and enforcement priorities: (1) fraud and market manipulation; (2) serious violations of reliability standards; (3) anticompetitive conduct; (4) threats to the nation’s energy infrastructure and associated impacts on the environment and surrounding communities; and (5) conduct that threatens the transparency of regulated markets.

In FY 2023, Commission staff opened 19 new investigations and closed nine investigations without action. As a comparison, Commission staff opened 21 new investigations and closed seven without action in FY 2022. In FY 2023, the Commission approved 12 settlement agreements to resolve pending enforcement matters, including eight investigations, one federal district court matter, one matter on remand to the Commission following an appeal to a federal circuit court, and one Order to Show Cause proceeding. The settlements totaled approximately \$26,874,316 in civil penalties and disgorgements of approximately \$21,918,054. As a comparison, the Commission approved nine settlements in FY 2022, totaling more than \$23,593,372 in civil penalties and disgorgements of \$33,923,290.

The Commission received 241 Enforcement Hotline inquiries in FY 2023, compared to the 240 inquiries in FY 2022. Nearly all inquiries resulted in prompt, informal resolution. The Commission received 148 self-reports in FY 2023, as compared to the 124 self-reports received in FY 2022. Commission staff has closed the vast majority of these self-reports without enforcement action. The Commission received 23 referrals from market monitors in FY 2023, as compared to the 18 it received in FY 2022.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission expects its investigation and enforcement priorities to remain the same. However, the priorities may change if there is a regulatory change or a major violation of existing rules and regulations that reveals new areas of concern.

The Commission expects Enforcement Hotline inquiries and self-reports to remain steady. The Commission may receive more referrals in FYS 2024 and 2025 from market monitors than in previous years, as coordination continues to improve. This results in a pattern of increased and higher-quality referrals that may lead to more investigations being opened.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1 CF 1.2.2</b>	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

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**FY 2023 RESULTS.**

In FY 2023, the Commission continued to detect, deter, and pursue sanctions for violations of the Commission’s Duty of Candor rule, 18 C.F.R. § 35.41(b). Included in the 22 new investigations noted above, ten of those investigations included potential misrepresentations prohibited by the Duty of Candor rule. This represented roughly 30 percent of investigations opened in FY 2023. Included in the 12 settlements approved by the Commission in FY 2023, three involved violations of the Duty of Candor rule.

In addition, during FY 2023 the Commission received comments in response to a NOPR it had issued in FY 2022 that proposes to strengthen and broaden its Duty of Candor Rule to require that all entities communicating with the Commission or other specified organizations related to a matter subject to the jurisdiction of the Commission submit accurate and factual information and not submit false or misleading information or omit material information. The proposed regulation aims to strengthen the Commission’s ability to require accurate and truthful communications with the Commission, Commission staff, and other organizations that the Commission relies on to assist in carrying out its regulatory responsibilities. The Commission is considering the comments so that it can determine whether to make adjustments in any final rule, if necessary.

**FYS 2024 AND 2025 PLANNED RESULTS.**

During FYs 2024 and 2025, the Commission plans to investigate and pursue enforcement actions, as necessary, to further this priority. The Commission also will analyze the comments received in response to the NOPR it issued in FY 2022 on its Duty of Candor rule and review options as it considers whether to issue a final rule.



**Conduct Enforcement Proceedings**

**FY 2023 RESULTS.**

In FY 2023, Enforcement staff continued litigating four matters in United States district courts to enforce the Commission’s penalty assessments under the FPA. Those district court litigation matters were:

- *FERC v. Powhatan Energy Fund LLC et al.* (E.D. Va.): In 2015, the Commission filed this action to enforce its penalty assessment after determining that the Defendants had violated the Commission’s Anti-Manipulation Rule by engaging in fraudulent Up-To Congestion trades in the PJM market during the summer of 2010. After engaging in discovery during FY 2021, the Commission reached a settlement early in FY 2022 with three of the defendants for \$600,000 in disgorgement. The remaining defendant, Powhatan Energy Fund, filed for bankruptcy in the United States Bankruptcy Court for the District of Delaware during FY 2022 and, shortly thereafter, the district court stayed the litigation pending the bankruptcy proceeding. In FY 2023, with the agreement of the trustee and the approval of the court in the Bankruptcy proceeding, the Commission sought a default judgment in the district court action. In

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1 CF 1.2.2</b>	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

response to the Commission’s request, the district court lifted the stay and, ultimately, entered a default judgment against Powhatan, awarding \$3.5 million in disgorgement and \$16.8 million in civil penalties. The Commission is coordinating with the Department of Justice to determine whether any funds in the bankruptcy estate will be available to satisfy the default judgment.

- *FERC v. Coaltrain Energy L.P. et al.* (S.D. Ohio): In 2016, the Commission filed this action to enforce its penalty assessment after determining that the Defendants violated the Commission’s Anti-Manipulation Rule by engaging in fraudulent Up-To Congestion trades in the PJM market during the summer of 2010. In FY 2022, after the Court set the case for trial, the parties participated in a mediation that resulted in a signed settlement agreement, which was pending before the Commission when FY 2022 ended. Early in FY 2023, the Commission issued an order approving the settlement. Under this settlement, Coaltrain agreed to pay \$4 million in disgorgement.
- *FERC v. Vitol Inc et al.* (E.D. Cal.): In 2020, the Commission filed this action to enforce its penalty assessment after determining that the Defendants violated the Commission’s Anti-Manipulation Rule and section 222 of the FPA by selling physical power at a loss in October and November 2013 in the California Independent System Operator day-ahead market for the purpose of eliminating congestion costs that they expected to cause losses on Vitol’s Congestion Revenue Rights positions. During FY 2022, the Court denied Vitol’s motion to dismiss, rejecting arguments that (1) the case is barred by the statute of limitations, and (2) the Commission failed to state a claim under the Anti-Manipulation Rule. Defendants then filed an appeal in the U.S. Court of Appeals for the Ninth Circuit on the statute of limitations ruling. During FY 2023, oral arguments were heard in the Ninth Circuit appeal. The court issued an opinion in which it agreed with the Commission that the statute of limitation did not prevent the Commission from proceeding with its claim. Meanwhile, the parties engaged in discovery in the district court matter.
- *FERC v. GreenHat et al.* (E.D. Pa.): During FY 2022, the Commission filed this action to enforce its penalty assessment after determining that the Defendants violated the Commission’s Anti-Manipulation Rule and the PJM tariff in PJM’s Financial Transmission Rights market. In August, 2022, the Commission approved two settlements resolving the Commission’s claims against all Defendants in this matter, specifically, GreenHat and its owners, John Bartholomew, Kevin Ziegenhorn, and Andrew Kittell (represented by his Estate). Under the terms of the two agreements, the Defendants collectively agreed to pay PJM \$1.375 million in restitution. These amounts were based on their inability to pay a larger amount. The settlement with the Kittell estate was subject to approval by the probate court, which scheduled a hearing on the matter in FY 2023. GreenHat agreed to a \$179 million consent judgment in favor of PJM in a related lawsuit in Texas state court. In addition, the individual Defendants, Bartholomew and Ziegenhorn, are barred from trading in PJM markets for life, and from trading in any other FERC-jurisdictional market for 10 years. In FY 2023, the probate court approved the settlement with the Kittell estate and the parties dismissed the proceeding before the district court.

INTRO	GOAL 1		GOAL 2			GOAL 3			APPENDICES	
	Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
	<b>Obj 1.2 &gt;</b>	CF 1.2.1	<b>CF 1.2.2</b>	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

Enforcement staff also litigated a matter before an administrative law judge (ALJ) regarding alleged violations of the NGA before the matter was stayed toward the end of FY 2023. Another ALJ hearing that had been stayed during FY 2022 continued to be stayed throughout FY 2023. These matters are:

- *Total Gas & Power North America, Inc., Total, S.A., Total Gas & Power, Ltd., Aaron Hall, and Therese Tran f/k/a/ Nguyen*, Docket No. IN12-17: Following the Commission’s issuance of an Order to Show Cause in FY 2016, and subsequent briefing, in FY 2021 the Commission ordered a hearing before a FERC ALJ to determine whether Respondents are liable for manipulating the price of natural gas at four locations between June 2009 and June 2012. The hearing order also directed the ALJ to determine facts relevant to applying the Commission’s Penalty Guidelines. In FY 2022, the parties pre-filed written expert testimony and exhibits, and conducted discovery. In FY2023, the proceeding was stayed pursuant to two separate orders, one issued by the Commission and the other issued by the United States District Court for the Southern District of Texas, pending the outcome of other federal court proceedings that could have an impact on the case.
- *Rover Pipeline, LLC*, Docket No. IN19-4-000: In FY 2022, the Commission ordered a hearing before an ALJ to determine whether Respondents violated Commission regulations by misleading the Commission about a historic farmstead in its Application for a Certificate of Public Convenience and Necessity and attendant filings. The hearing was stayed pending the outcome of certain federal court proceedings that could have an impact on this case. In FY 2023, the case is still stayed.

In addition to these district court and ALJ proceedings, two other Order to Show Cause proceedings remained pending at the Commission during FY 2023. These proceedings were:

- *Rover Pipeline, LLC*, Docket No. IN17-4-000: In FY 2022, the Commission issued an Order to Show Cause directing Respondents to explain why they should not pay a penalty of \$40 million for violating the NGA, Commission regulations, and a Commission order by (1) intentionally including diesel fuel, other toxic substances, and unapproved additives in the drilling mud during its drilling operations under the Tuscarawas River in Stark County, Ohio, (2) failing to adequately monitor the right-of-way at the site of the Tuscarawas River drilling operation, and (3) improperly disposing of inadvertently released drilling mud that was contaminated with diesel fuel and hydraulic oil. In FY 2023, the matter is still before the Commission.
- *Ampersand Cranberry Lake Hydro LLC*, Docket No. P-9685-036: During FY 2022, the Commission issued an Order to Show Cause and then, after briefing, assessed a civil penalty of \$600,000 against Respondent for violating its project license by failing to retain the possession of all project property covered by the license. The project has a high hazard dam, meaning that a failure of the project works would result in a probable loss of human life. Commission staff had repeatedly ordered Respondent to make certain repairs to address dam safety issues before it lost possession of the project property. In FY 2023, the owner filed with the Commission an application to surrender its license. As of the end of the fiscal year, that application was still pending.

INTRO	GOAL 1		GOAL 2			GOAL 3			APPENDICES	
	Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
	<b>Obj 1.2 &gt;</b>	CF 1.2.1	<b>CF 1.2.2</b>	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2

**FYS 2024 AND 2025 PLANNED RESULTS.**

Of the four district court proceedings described above, all but Vitol are fully resolved. Vitol is expected to continue into FY 2024 and possibly longer. There are several investigations that could result in Commission issuance of an Order to Show Cause, if they do not settle. In that event, the level of activity in FYs 2024 and 2025 could increase as the matters pending before the Commission lead to court proceedings, and in the Vitol case, possibly reach trial.

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**FY 2023 RESULTS.**

In FY 2023, the Commission continued to pursue appropriate penalties in its enforcement proceedings through consideration of (1) factors required by statute (seriousness of violations and the efforts to remedy them in a timely manner); (2) the Commission’s Penalty Guidelines; and (3) factors listed in the Commission’s Revised Policy Statement on Enforcement.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission continues to consider how to ensure that appropriate penalties are assessed for all types of violations under the Commission’s jurisdiction. The intent is to make the penalty process more efficient and functional by providing more methods to tailor penalties to specific types of cases. In FY 2024, the Commission may consider options for improving its penalty determination process for all types of violations. In FY 2025, the Commission will take appropriate actions in furtherance of this priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	<b>Obj 1.2 &gt; CF 1.2.1 CF 1.2.2</b>	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

# Goal 2

## Overview and Funding Summary

**GOAL 2:** Ensure Safe, Reliable, and Secure Infrastructure Consistent With the Public Interest

**OBJECTIVE 2.1:** Facilitate benefits to the nation through the review of energy infrastructure proposals, including natural gas and hydropower.

**OBJECTIVE 2.2:** Minimize risks to the public associated with FERC-jurisdictional energy infrastructure.

Strategic Goal and Objectives <i>(Dollars in thousands)</i>		FY 2023 ENACTED	FY 2023 ACTUAL	FY 2024 ANNUALIZED CR	FY 2025 REQUEST	PERCENT CHANGE FY23 ENACTED TO FY25
<b>Objective 2.1</b>	<b>FTE</b>	248	247	259	264	6.5%
	<b>Funding</b>	\$86,613	\$84,453	\$92,238	\$99,209	14.5%
Program		57,027	56,311	62,008	66,228	16.1%
Support		29,585	28,142	30,231	32,981	11.5%
<b>Objective 2.2</b>	<b>FTE</b>	251	246	254	253	0.8%
	<b>Funding</b>	\$86,149	\$81,568	\$89,738	\$92,719	7.6%
Program		56,202	53,577	60,109	61,147	8.8%
Support		29,947	27,991	29,630	31,572	5.4%
<b>GOAL 2</b>	<b>FTE</b>	498	493	512	516	3.6%
<b>SUBTOTAL</b>	<b>Funding</b>	\$172,762	\$166,021	\$181,977	\$191,929	11.1%
<b>Application of PY Budget Authority</b>		-	-	(10,966)	(11,338)	
<b>GOAL 2 TOTAL</b>	<b>Funding</b>	\$172,762	\$166,021	\$171,011	\$180,591	4.5%

*Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). Numbers may not add up due to rounding.*

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2		
Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2		



# Goal 2 > Objective 2.1

## Overview and Priority

**OBJECTIVE 2.1:** Facilitate benefits to the nation through the review of energy infrastructure proposals, including natural gas and hydropower.

**CORE FUNCTION 2.1.1:** Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.

**CORE FUNCTION 2.1.2:** Assess compliance with environmental mitigation conditions in FERC orders during construction and operation of natural gas and hydropower infrastructure.

## ● Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects

### Priority Overview

This priority speaks to the increasing threats to the nation’s energy infrastructure due to climate change as well as growing concerns of adverse impacts to environmental justice communities. It also responds to recent Executive Orders that have conveyed a renewed federal commitment to considering the greenhouse gas emission impacts of federal permitting decisions and to addressing equity and environmental justice implications of agency actions related to underserved communities. The Commission will address this priority through an integrated set of initiatives designed to balance economic, environmental, and equity factors. Additionally, this priority addresses the Commission’s commitment to ensure that licensees of hydropower projects maintain compliance with the terms of their license authorizations, including dam safety obligations; therefore, in consultation with the hydroelectric industry and stakeholders, the Commission will consider incorporating financial assurance requirements for licensees and other hydroelectric authorizations.

The Commission’s actions and expected results are described more fully in the following sections.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	<b>Obj 2.1 &gt;</b> CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**Action Index Table**

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
2.1.1: Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.	Review Applications for Interstate Natural Gas Pipeline, Storage, and LNG Projects: Application Review	1. Issue a revised certificate policy statement for natural gas infrastructure.	<u>51</u>
		2. Undertake an initiative to address Greenhouse Gas (GHG) emissions from Commission-approved projects.	<u>51</u>
		3. Undertake an initiative to address environmental justice for disadvantaged communities.	<u>51</u>
	Review Applications for Hydropower Projects: Application Review	4. Undertake an initiative to consider financial assurance requirements for hydropower licensees.	<u>54</u>

**Performance Goal:** *Develop necessary reforms to ensure that economic, environmental, and equity considerations are appropriately balanced in Commission decisions.*

	FY 2022	FY 2023	FY 2024	FY 2025
<b>Performance Indicator:</b> Milestones achieved within established timeframe	<b>Target:</b> Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	<b>Actual:</b> Target Not Met. 73% of FY22 Milestones Achieved	Target Not Met. 20% of FY23 Milestones Achieved	To be determined	To be determined

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2		
Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2		

**GOAL 2 > OBJECTIVE 2.1 > CORE FUNCTION 2.1.1**

Conduct thorough and timely technical review of applications to construct, operate, or modify natural gas and hydropower infrastructure.

**PURPOSE OF THE CORE FUNCTION**

To respond to energy infrastructure applications from private sector project sponsors with well-reasoned decisions, reached within a review period suitable to the complexity of the proposal.

Ensure that **stakeholders:**



- Are given a voice in the Commission’s infrastructure review process.
- Are aware of how to actively participate in the Commission’s review process.
- Understand FERC’s decisions and the basis on which they were reached.

Ensure that **applicants:**

- Recognize the environmental issues that may influence their project design and planning.
- Understand the types of studies and field surveys they will need to conduct as part of the FERC review process.
- Understand how to adhere to the compliance requirements contained in any Commission authorization for a project.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p><b>Review Applications for Natural Gas Pipeline, Storage, and LNG Projects*</b></p> 	<ul style="list-style-type: none"> <li>▪ Provide transparency for stakeholders regarding the potential environmental impacts and required mitigation measures for natural gas pipeline, storage, and LNG projects.</li> <li>▪ Ensure that applicants and other stakeholders have up-to-date information regarding the Commission’s policies and regulations.</li> <li>▪ Provide a clear understanding of the Commission’s environmental review process and compliance program for natural gas pipeline, storage, and LNG projects.</li> </ul>
<p><b>Review Applications for Hydropower Projects*</b></p> 	<ul style="list-style-type: none"> <li>▪ Provide transparency for stakeholders regarding the potential environmental impacts and required mitigation measures for hydropower projects.</li> <li>▪ Ensure that applicants and other stakeholders have up-to-date information regarding the Commission’s policies and regulations.</li> <li>▪ Inform stakeholders of licensing processes, Commission policy, and other issues regarding hydropower construction projects.</li> </ul>

\* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

## Past and Planned Results



### Review Applications for Natural Gas Pipeline, Storage, and LNG Projects

The Commission’s work in this area involves a pre-filing process and an application process. The Commission also engages in outreach efforts.

#### Pre-Filing Process

**FY 2023 RESULTS.**

In FY 2023, Commission staff initiated the pre-filing process for one LNG project. Commission staff continued its work on six pre-filing reviews pending from prior years. In FY 2023, four projects completed the pre-filing process and filed formal applications with the Commission. Historically, the Commission receives an average of three pre-filing requests for LNG projects and eight pre-filing requests for gas pipeline projects each fiscal year. The number of pre-filing reviews initiated in FY 2023 is below average for LNG and gas pipeline projects. The Commission does not have control over the number of pre-filing reviews submitted by the industry or the overall timeline of the pre-filing review process. A company’s decision regarding the construction and modification of a facility is influenced by multiple, complex external factors outside of the Commission’s control.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission estimates that between three to seven natural gas pipeline projects will be in the pre-filing stage each year in FYs 2024 and 2025. In addition, the Commission expects one to three LNG projects will initiate the pre-filing review process each year in FYs 2024 and 2025.

#### Application Review

**FY 2023 RESULTS.**

In FY 2023, the Commission received 152 applications and project notifications for natural gas pipeline, storage, and LNG proposals and continued its work on 59 proceedings pending from prior years. Commission staff completed the environmental and engineering review of 144 natural gas pipeline, storage, and LNG proposals in FY 2023. This level of work represented a typical year for the Commission. In 2023 the Commission also authorized the approval of approximately 4 billion cubic feet per day of LNG export capacity, 11.52 billion cubic feet per day of pipeline capacity, over 288 miles of new pipelines, and 309,827 horsepower of mainline compression.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission estimates it will receive 145 applications and project notifications for natural gas pipeline, storage, and LNG proposals in each FYs 2024 and 2025. This would be a similar number of filings to those received in FY 2023.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**● Priority Results: Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects**

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**FY 2023 RESULTS.**

In FY 2023, the Commission considered over 150 stakeholder comments solicited through a draft Updated Certificate Policy Statement, which described how the Commission may evaluate all factors bearing on the public interest in determining whether a new interstate natural gas transmission project is required by the public convenience and necessity. Specifically, the draft Updated Certificate Policy Statement sought comment on how the Commission may consider four major interests that may be adversely affected by the construction and operation of proposed projects: (1) the interests of the applicant’s existing customers; (2) the interests of existing pipelines and their captive customers; (3) environmental interests; and (4) the interests of landowners and surrounding communities, including environmental justice communities. The Commission will review the comments on the draft Updated Certificate Policy Statement in order to evaluate whether changes to the draft policy statement should be made before issuing a final policy statement.

In FY 2023, the Commission considered over 164 stakeholder comments solicited through a draft GHG Policy Statement, which outlined the process for quantifying a proposed project’s GHG emissions under the NEPA to determine whether a project’s emissions are significant. The draft policy statement sought comment on the type of information that would assist the Commission in developing the best estimate of a project’s GHG emissions, whether the upstream or downstream GHG emissions are reasonably foreseeable project impacts, and whether project sponsors should propose measures to mitigate the direct GHG emissions of their proposed projects to the extent these emissions have a significant adverse environmental impact. The Commission will review the comments on the draft GHG Policy Statement in order to create a more robust record for the Commission’s evaluation of GHG emissions for proposed natural gas infrastructure projects, which the Commission will consider before issuing a final policy statement.

Identifying and addressing impacts to communities with environmental justice concerns associated with natural gas pipeline and hydroelectric infrastructure siting and certification/licensing were two focus areas highlighted by the Commission’s 2022 Equity Action Plan. In FY 2023, the Commission considered potential impacts to environmental justice communities related to energy infrastructure projects as a component of its standard NEPA review process and identified and analyzed such impacts in individual environmental review documents and relevant authorization orders. In March 2023, the Commission held a Commissioner-led Roundtable to consider how best to integrate environmental justice principles and meaningful engagement with communities with environmental justice concerns into its permitting proceedings for both natural gas infrastructure and hydropower projects.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FY 2024, the Commission plans to continue its consideration of stakeholder comments on the Commission’s draft Updated Certificate Policy Statement to develop a final Updated Certificate Policy Statement. The final policy statement would discuss the factors that the Commission considers during its review of natural gas infrastructure applications, including evidence of market need and a consideration of economic and environmental impacts.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

Also in FY 2024, the Commission plans to continue its consideration of stakeholder comments on the Commission’s draft GHG Policy Statement to develop a final GHG Policy Statement. The final GHG Policy Statement would focus on how the Commission will evaluate and potentially mitigate GHG emissions from proposed natural gas infrastructure projects.

Finally, in FYs 2024 and 2025, the Commission plans to continue its efforts to more fully address environmental justice and equity in its practices, processes, and orders. Using input received from the March 2023 Environmental Justice Infrastructure Permitting Roundtable, the Commission will develop additional internal and external guidance to better address impacts from energy infrastructure projects on communities with environmental justice concerns.

**Outreach Efforts**

**FY 2023 RESULTS.**

In FY 2023, Commission staff conducted three natural gas environmental training seminars to provide information on the filing requirements for environmental reports, reporting requirements for blanket certificate projects, and an overview of the Commission’s environmental compliance requirements. The seminars were attended by approximately 150 stakeholders including state, local, and federal agency officials, natural gas company representatives, construction contractors, and consulting firm staff. Commission staff also conducted webinars for various federal, state, and local agencies to provide an overview of the Commission’s environmental review process to assist the agencies in their review of FERC-jurisdictional gas projects. Additionally, Commission staff spoke at three natural gas industry trade group conferences about the Commission’s review process and participated in the American Petroleum Institute’s Recommended Practice 1185 (Pipeline Public Engagement) working group. In FY 2023, Commission staff prepared and sent 164 Tribal letters, seeking input for 11 proceedings, to various Indian Tribes.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission plans to conduct three natural gas environmental training seminars each year. The Commission also plans to conduct webinars for natural gas companies and other permitting agencies to learn about the environmental review process and attend trade conferences as appropriate to educate stakeholders about the FERC review process.

It is expected that the seminars and webinars will continue to provide value to potential applicants as they prepare project proposals. In collaboration with the Commission-wide effort to enhance Tribal engagement, staff also plans to conduct a similar amount of Tribal outreach efforts in FYs 2024 and 2025, as compared to FY 2023.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



**Review Applications for Hydropower Projects**

The Commission’s work in this area involves a pre-filing process and an application process. The Commission also engages in outreach efforts.

**Pre-Filing Process**

**FY 2023 RESULTS.**

During FY 2023, Commission staff received 21 notices of intent/pre-application documents to initiate the pre-filing licensing process. Of the 21 notices of intent/pre-application documents that were filed, nine were for the Commission’s Integrated Licensing Process and the remaining 12 were for the Traditional Licensing Process. In addition to beginning nine Integrated Licensing Process pre-filing processes, Commission staff continued its work on 26 Integrated Licensing Process pre-filing processes that had commenced in prior years. In the course of these Integrated Licensing Process proceedings, the Commission staff conducted 10 scoping meeting, issued eight initial study plan determinations, and issued nine study plan modifications. Twenty-one pre-filings were concluded in FY 2023 as a result of the filing of a license application, and two pre-filings were concluded in FY 2023 as a result of the withdrawal of notices of intent. Six of the 23 license applications filed were prepared using the Integrated Licensing Process, 15 using the Traditional Licensing Process, none using the Alternative Licensing Process, and two with pre-filing completely or substantially waived. The level of pre-filing work is in line with staff expectations. Of the 21 notices of intent to prepare and file a license application, 11 were for projects with licenses expiring in FY 2028, and three were for projects with licenses expiring in FY 2029. The remaining seven notices of intent were for original licenses, which falls within the range of one to eight per year received over the past several years.

**FYS 2024 AND 2025 PLANNED RESULTS.**

Based on previous results and other known factors, the Commission anticipates that there will be 27 active Integrated Licensing Process pre-filing processes in FY 2024, and 29 active Integrated Licensing Process pre-filing processes in FY 2025. In the course of these processes, the Commission expects its staff to conduct approximately 14 scoping meetings in FY 2024 and 10 scoping meetings in FY 2025. The Commission also expects to issue approximately 7 study plan determinations in FY 2024, and 5 study plan determinations in FY 2025.

**Application Review**

**FY 2023 RESULTS.**

In FY 2023, the Commission received 23 license applications, five of which were for original projects and 18 of which were for projects with expiring licenses. This workload was in addition to its continuing work on 144 applications pending from prior years. In FY 2023, the Commission acted on 13 license applications, representing a total capacity of 178 megawatts. An additional two license applications were dismissed or withdrawn. During this same period, Commission staff issued 15 final environmental assessments on license applications, with an average processing time of 14 months. During FY 2023, the Commission did not receive any small hydropower exemption applications, and continued work on two small hydropower exemptions filed in prior years. During this period, Commission staff issued two final environmental documents for small hydropower exemption applications.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

In FY 2023, Commission staff also issued nine qualifying conduit exemptions. Commission staff completed approximately 3,500 amendment-related filings. Commission staff issued 12 environmental assessments on amendment applications. In FY 2023, the Commission acted on 16 license and exemption surrender applications, which terminated Commission jurisdiction for each of these nine projects, representing a total capacity loss of 193.2 megawatts. In FY 2023, the Commission made jurisdictional determinations in six cases. In FY 2023, the Commission acted on 11 transfers of license or exemption applications. The Commission also received 36 preliminary permit applications during FY 2023, which added to 88 pending permit applications that were filed in prior years. The Commission acted on 41 permit applications during FY 2023, and 4 permit applications were withdrawn by the applicants.

**FYS 2024 AND 2025 PLANNED RESULTS.**

By statute, a relicense application must be filed no later than two years prior to current license expiration. In FYs 2024 and 2025, the Commission expects to receive 36 and 27 relicense applications, respectively, for projects with expiring licenses in FYs 2026 and 2027, respectively. Based on the number of original license and small hydropower exemption applications filed in FY 2023, the Commission expects five original license applications and one small hydropower exemption application to be filed in both FYs 2024 and 2025. In FYs 2024 and 2025, the Commission expects to complete a similar number of amendment-related filings as in FY 2023, and to issue six environmental assessments on proposed amendments each year and 30 final environmental assessments each year for license and small hydropower exemption applications. The expected final environmental assessments in FYs 2024 and 2025 for license and small hydropower exemption applications are expected to double the number issued in FY 2023.

**● Priority Results: Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects**

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**FY 2023 RESULTS.**

In FY 2023, the Commission considered industry and stakeholder comments solicited in response to a Commission-held technical conference to determine whether the Commission should require additional financial assurance mechanisms in licenses and other hydroelectric project authorizations to ensure that licensees can safely maintain their projects and carry out the Commission’s license requirements.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FY 2024, the Commission plans to continue this initiative.

**Outreach Efforts**

**FY 2023 RESULTS.**

During FY 2023, Commission staff conducted 7 licensing workshops, the purposes of which were to educate stakeholders new to licensing on the Commission’s licensing processes. These workshops were well received, equipping participants with valuable information and a chance for open dialogue with Commission staff. In FY 2023, Commission staff hosted seven transition meetings with licensees to explain the license terms of recently-issued licenses and expectations for maintaining compliance. In FY 2023, Commission staff also participated in a shoreline management workshop hosted by Entergy Arkansas in September 2023 in Hot Springs, Arkansas.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



Finally, in FY 2023 Commission staff sent 84 consultation letters to Indian Tribes seeking input on appropriate cases.

**FYS 2024 AND 2025 PLANNED RESULTS.**

Commission staff expects to host seven transition meetings per year for FY 2024 and 2025. Commission staff anticipates participating in annual recreation and shoreline management workshops to assist licensees in FYs 2024 and 2025. The Commission also expects to conduct additional workshops in FYs 2024 and 2025 to prepare licensing stakeholders for the increased relicensing workload and other hydropower-related topics. In collaboration with the Commission-wide effort to enhance Tribal engagement, staff will continue to consult with Indian Tribes as appropriate.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 3.1.2
		Obj 2.2 >	CF 2.2.1	CF 3.2.2
			CF 2.2.2	
			CF 2.2.3	

**GOAL 2 > OBJECTIVE 2.1 > CORE FUNCTION 2.1.2**

Assess compliance with environmental mitigation conditions in FERC orders during construction and operation of natural gas and hydropower infrastructure.

**PURPOSE OF THE CORE FUNCTION**

To verify that project operators are meeting, as appropriate, the environmental protection obligations, engineering design requirements, and public use commitments contained in Commission authorizations.

Provide assurance to **stakeholders** that:



- Projects have oversight for meeting the responsibilities required under the Natural Gas Act and Federal Power Act.

Ensure that **applicants**:

- Understand the compliance requirements contained in any Commission authorization for a project.
- Take action to achieve and maintain compliance with the Commission’s requirements.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p><b>Conduct Natural Gas Pipeline, Storage, and LNG Project Inspections/Reviews</b></p> 	<ul style="list-style-type: none"> <li>Ensure that natural gas pipeline, storage, and LNG facility operators understand and adhere to the engineering and environmental requirements of the Commission’s authorization.</li> </ul>
<p><b>Conduct Hydropower Project Inspections/Reviews</b></p> 	<ul style="list-style-type: none"> <li>Ensure that hydropower facility owners/operators understand license/exemption requirements, are aware of any violations or areas of non-compliance, and understand the corrective actions that must be taken to achieve compliance with the Commission’s authorization.</li> </ul>

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.1 > CF 2.1.1 <b>CF 2.1.2</b>	Obj 3.1 > CF 3.1.1 CF 3.1.2	
		Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

## Past and Planned Results



### Conduct Natural Gas Pipeline, Storage, and LNG Project Inspections/Reviews

**FY 2023 RESULTS.**

In FY 2023, 260 natural gas facility compliance inspections were completed for projects. Staff also reviewed all annual reports filed by regulated companies to ensure compliance with the Commission’s requirements for construction, mitigation, and successful restoration. In FY 2023, regulated companies filed 169 annual reports under 18 C.F.R. 157.207, 158 annual reports under 18 C.F.R. 2.55, and 67 annual reports under 18 C.F.R. 284.11, for a total of 394 annual reports which were reviewed by staff. The FY 2023 results are typical of average levels.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission expects the total number of pipeline, storage, and LNG facility construction inspections to be similar to FY 2023. Commission staff expects to receive and review a similar number of annual reports filed under 18 C.F.R. 157.207, 18 C.F.R. 2.55, and 18 C.F.R. 284.11 in each of FYS 2024 and 2025.



### Conduct Hydropower Project Inspections/Reviews

**FY 2023 RESULTS.**

In FY 2023, Commission staff completed the review and analysis of 128 engineering amendments for construction and maintenance activities at Commission-licensed projects. Commission staff completed 626 compliance investigations of deviations from project operations in FY 2023. In most cases, the licensees and exemptees were not found to be in violation of their requirements. In many cases, the cause for the deviation was attributed to extreme weather conditions and mechanical malfunctions. This represents a typical workload.

Also in FY 2023, the Commission conducted 52 in-person environmental inspections. It also granted extensions of time for the commencement of construction of project works related to 22 hydroelectric projects.

**FYS 2024 AND 2025 PLANNED RESULTS.**

For FYS 2024 and 2025, it is projected that the Commission will conduct approximately 120 environmental inspections. The Commission also expects to complete 125 engineering reviews of construction and maintenance activities in each year. The Commission anticipates completing approximately 800 investigations regarding deviations each year in FYS 2024 and 2025. The Commission will continue to monitor project commencement activities and expects the number of extensions to continue to increase through FYS 2024 and 2025 due to residual construction delays as a result of supply chain issues.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 2.1.2
		Obj 2.2 >	CF 2.2.1	CF 2.2.2
			CF 2.2.3	CF 3.1.2
			CF 3.2.1	CF 3.2.2

## Goal 2 > Objective 2.2

### Overview and Priority

**OBJECTIVE 2.2:** Minimize risks to the public associated with FERC-jurisdictional energy infrastructure.

**CORE FUNCTION 2.2.1:** Conduct comprehensive and timely inspections of hydropower and LNG facilities to ensure compliance.

**CORE FUNCTION 2.2.2:** Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.

**CORE FUNCTION 2.2.3:** Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.

## ● Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

### Priority Overview

This priority concerns the emerging threats to electric infrastructure from extreme weather events, climate change, and cyberattacks. The Commission will address this priority through an integrated set of targeted actions designed to mitigate or avoid the adverse effects of widespread and extended power outages caused by these threats.

The Commission’s actions and expected results are described more fully in the following sections.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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**Action Index Table**

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
2.2.2: Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.	Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards	1. Prepare recommendations to the North American Electric Reliability Corporation (NERC) and the Commission regarding extreme weather and its impact on reliability through analysis, including a report on the results of an inquiry into the 2022 Winter Storm Elliott event and an analysis of the reports and comments submitted in the Extreme Weather - Reports proceeding (RM22-16).	<u>64</u>
		2. Conduct a review of Critical Infrastructure Protection (CIP) standards currently in effect to identify gaps and vulnerabilities.	<u>64</u>
	Review and Approve Proposed Reliability Standards	3. Direct NERC or Analyze NERC's modified/new reliability standards to address extreme weather, climate change, and other reliability issues.	<u>67</u>
	Oversee the ERO and the Enforcement of Reliability Standards	4. Conduct FERC-led audits of compliance with CIP standards and identify lessons learned.	<u>69</u>
2.2.3: Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.	Collaborate With the Critical Infrastructure Community to Inform and Address Infrastructure Security	5. Develop and disseminate publications and presentations regarding energy infrastructure security to assist federal and non-federal partners with identifying and addressing emerging and ongoing cybersecurity and physical security threats, vulnerabilities, and mitigation strategies.	<u>72</u>
	Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure	6. Conduct security assessment activities, including a focus on cybersecurity, to identify vulnerabilities and mitigation strategies.	<u>74</u>

**Performance Goal:** *Approve reliability standards and share best practices to mitigate risks related to electric grid reliability due to extreme weather and cybersecurity attacks.*

Performance Indicator: Milestones achieved within established timeframe		FY 2022	FY 2023	FY 2024	FY 2025
		<b>Target:</b>	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
<b>Actual:</b>		Target Met	Target Met	To be determined	To be determined

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**GOAL 2 > OBJECTIVE 2.2 > CORE FUNCTION 2.2.1**

Conduct comprehensive and timely inspections of hydropower and LNG facilities to ensure compliance.

**PURPOSE OF THE CORE FUNCTION**

To verify that project operators are meeting, as appropriate, the environmental protection obligations, engineering design requirements, and public use commitments contained in Commission authorizations.

Provide assurance to **stakeholders** that:



- Projects have oversight for meeting the responsibilities required under the Natural Gas Act and Federal Power Act.

Ensure that **applicants**:

- Understand the compliance requirements contained in any Commission authorization for a project.
- Take action to achieve and maintain compliance with the Commission’s requirements during facility operation.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p><b>Conduct LNG Facility Inspections</b></p> 	<ul style="list-style-type: none"> <li>Alert facility owners/operators to areas of non-compliance and identify corrective actions.</li> <li>Ensure the safety of the public, as well as the continued operation of natural gas infrastructure facilities that have been determined to be in the public interest.</li> </ul>
<p><b>Conduct Hydropower Facility Inspections</b></p> 	<ul style="list-style-type: none"> <li>Alert facility owners/operators to areas of non-compliance and identify corrective actions.</li> <li>Ensure the safety of the public, as well as the continued operation of hydropower infrastructure facilities that have been determined to be in the public interest.</li> </ul>

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## Past and Planned Results



### Conduct LNG Facility Inspections

**FY 2023 RESULTS.**

In FY 2023, Commission staff conducted LNG inspections in-person and remotely: 66 construction inspections were conducted for three terminal expansions, four new LNG terminals, and one peak-shaving facility under construction. This is higher than the previous year and also higher than average over the past five years. In addition, 17 operational inspections/technical reviews were conducted in-person for six peak-shaving facilities and 11 LNG terminals. The number of operations inspection/technical reviews was the same as the average over the previous five years.

**FYS 2024 AND 2025 PLANNED RESULTS.**

Between 35 and 55 construction and pre-operational inspections are anticipated for FY 2024, at between seven and 11 LNG terminals. The ultimate number of inspections will depend on the commencement of facilities’ construction and commencement of facilities’ in-service. In FY 2025, the number of LNG facility construction and pre-operational inspections may increase above FY 2024, depending on the market conditions and final investment decisions at the other 10 approved LNG export terminal projects not yet under construction or projected to be under construction in FY 2024, the six currently proposed LNG terminal projects, and three current pre-filing LNG terminal projects before the Commission. The number of operational inspections is expected to be 18 in FY 2024 and 19 in FY 2025.



### Conduct Hydropower Facility Inspections

**FY 2023 RESULTS.**

In FY 2023, Commission staff conducted 1,863 inspections. Inspections included incident response, critical construction or foundation inspections, and the inspection of critical high or significant hazard potential dams as well as low hazard dams. Of the total number of inspections conducted during FY 2023, about six percent were construction inspections to ensure the new construction and remedial construction projects were being completed properly. Approximately three percent were special inspections meant to either assess a project after a flood event or to investigate an issue of concern noted by the licensee or exemptee. The remainder of the inspections were dam safety inspections.

Commission staff also conducted 67 in-person physical security inspections and 6 hybrid (remote with in-person component) cybersecurity audits at prioritized dams. Commission staff focused on reviewing the Annual Security Compliance Certifications and ensuring data fidelity and hosted two webinars related to physical and cybersecurity matters. Commission staff also reviewed 109 independent consultant reports to make certain the structural integrity of jurisdictional dams was maintained and met established dam safety criteria. A high quality, robust Owner’s Dam Safety Program (ODSP) is considered one of the best ways to ensure the safety of jurisdictional dams. The Commission continues to stress the importance of the ODSP by improving the guidance and expectations of the required five-year independent audits of the ODSPs.

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In FY 2022, the Commission amended its regulations governing safety inspections by independent consultants through its rulemaking in Order No. 880. This final rule incorporated two tiers of project safety inspections by independent consultants; codified existing guidance requiring certain licensees to develop owners’ dam safety programs and public safety plans; and updated existing regulations related to public safety incident reporting. Commission staff developed an implementation plan and schedule to phase in the application of the new Part 12, Subpart D requirements on jurisdictional projects. The full Part 12D independent consultant schedule covering FY 2024 to FY 2038 was completed in FY 2023. The Commission developed and presented a series of internal and external training courses designed to summarize and provide clarity on the revised contents of 18 CFR Part 12 and the four new chapters of the Commission’s Engineering Guidelines. Courses presented included “An Overview of Revisions to Part 12 Program” (May 2023), The “FERC Level 2 Risk Assessment (L2RA) Process Guidelines” (July 2023), and “Hydrologic Hazard Analysis for L2RA” (September 2023).

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission expects to conduct approximately 1,800 inspections annually. As a result of the new Part 12 regulations, 18 CFR Part 12, that became effective in FY 2022, Part 12D inspections will be transitioning to either Periodic Inspections or Comprehensive Assessments. It is anticipated that the level of effort to attend the Comprehensive Inspections Potential Failure Mode Analyses and Level 2 Risk Assessments and to process the subsequent reports will substantially increase the workload of the Commission. To offset some of the increase, the Periodic Inspections are not expected to demand similar review time or effort. In FYS 2024 and 2025, it is anticipated that approximately 20 percent of the Part 12 D inspections and reports submitted will be Comprehensive Assessments. In regard to security focused inspections, the Commission anticipates eight cybersecurity audits and 90 physical security inspections annually. The Commission also expects the number of independent consultant inspection report reviews to remain steady through FY 2025.

The Commission expects to continue to assess the physical and cybersecurity compliance for all high-risk jurisdictional dams. Assessments include security document review, focused field inspection of on-site assets, and remote cybersecurity audits focused on the protection of remotely operated assets.

In FYS 2024 and 2025, the Commission will continue implementation of risk-informed decision making through the first Part 12D Comprehensive Assessments and completion of several pilot projects. Additionally, the Commission will continue to train staff, dam owners, and consultants in risk-assessment procedures, methodologies, and tools. The Commission will continue to develop its cybersecurity program and associated guidelines, based on recent successful attacks on critical infrastructure through ongoing stakeholder engagement and collaboration with partner regulatory agencies.

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**GOAL 2 > OBJECTIVE 2.2 > CORE FUNCTION 2.2.2**

Protect and improve the reliable and secure operation of the Bulk-Power System through mandatory and enforceable reliability standards.

**PURPOSE OF THE CORE FUNCTION**

To promote the reliability and security of the Bulk-Power System that delivers essential services to end users every moment of every day.

Provide assurance to **consumers/stakeholders** that:




- Blackouts and major Bulk-Power System disruptions are investigated, and results are used to prevent future blackouts and disruptions.
- Bulk-Power System planning and operation oversight leads to mandatory standards that evolve with the changing resource mix to continue to support reliable and safe operation.

Provide assurance to **users/owners/operators** that:

- Reliability and security standard development oversight leads to standards that efficiently and effectively support reliable and secure operation.
- ERO audits, investigations, and other compliance monitoring processes are fair and consistent and their outcomes, including penalties, are appropriate and reasonable.
- They have a voice and can provide input regarding trends affecting Bulk-Power System reliability and the range of possible actions to take to maintain and improve reliable and secure Bulk-Power System operations.

**Overview**

This core function includes the following workstreams and related impacts.

<b>Workstream</b>	<ul style="list-style-type: none"> <li>▪ Impacts</li> </ul>
<b>Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards*</b> 	<ul style="list-style-type: none"> <li>▪ Ensure that FERC is up to date on the performance of the Bulk-Power System and the implications of any trends on continued reliability and security of the Bulk-Power System.</li> <li>▪ Ensure that enforceable reliability standards are sufficient to maintain the reliability and security of the Bulk-Power System given the changes facing the electric industry.</li> <li>▪ Apply lessons from previous blackouts and other grid-related cybersecurity events to prevent the reoccurrence of similar events.</li> </ul>
<b>Review and Approve Proposed Reliability Standards*</b> 	<ul style="list-style-type: none"> <li>▪ Ensure that approved mandatory standards support reliable and secure grid planning and operations.</li> <li>▪ Provide reasonable notice and opportunity for public comment prior to Commission action.</li> </ul>
<b>Oversee the ERO and the Enforcement of Reliability Standards*</b> 	<ul style="list-style-type: none"> <li>▪ Ensure the ERO's enforcement efforts result in effective reliability and security practices.</li> <li>▪ Improve entities' compliance with reliability standards.</li> <li>▪ Improve the overall security posture of industry.</li> </ul>

\* Workstream contributes towards Strategic Priority.

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## Past and Planned Results



### Monitor Bulk-Power System Performance and Assess the Need for Modified/New Reliability Standards

#### FY 2023 RESULTS.

Throughout FY 2023, the Commission maintained its Bulk-Power System monitoring center that includes real-time updates on system conditions. Further, Commission staff provided 24/7 coverage of extreme events, including Winter Storm Elliott.

In FY 2023, the Commission issued an order directing NERC to conduct a study evaluating the effectiveness of the Physical Security Reliability Standard CIP-014-3, including the adequacy of the applicability criteria set forth in the standard, the required risk assessment set forth in the standard, and whether a minimum level of physical security protections should be required for all Bulk-Power System transmission stations and substations and primary control centers. Following receipt of NERC’s report, in August 2023, the Commission convened a joint technical conference with NERC to explore solutions to mitigate related risks including the need for changes to the reliability standards related to physical security to ensure reliable and secure planning and operations of the Bulk-Power System.

Further, the Commission convened its annual Reliability Technical Conference to discuss policy issues related to the reliability and security of the Bulk-Power System.

#### FYS 2024 AND 2025 PLANNED RESULTS

In FY 2024, the Commission will convene its Annual Reliability Technical Conference as a forum to discuss the state of grid reliability and emerging issues that affect reliable operation of the Bulk-Power System.

During FYs 2024 and 2025, Commission staff will analyze the record developed in active proceedings to identify opportunities for possible further Commission action. Additionally, in FYs 2024 and 2025, Commission staff will participate in the NERC and industry emerging technologies working groups and follow the research and development of the DOE and the National Laboratories closely. This will enable the Commission to remain informed of new technology and industry efforts as they relate to the reliability and security of the grid.

### ● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security

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#### FY 2023 RESULTS.

In December 2022, the Commission, NERC and NERC’s Regional Entities initiated a joint inquiry into the operations of the Bulk-Power System during the extreme winter weather conditions that occurred during Winter Storm Elliott, which contributed to power outages and rolling blackouts affecting millions of electricity customers across the country. The joint inquiry team worked with other federal agencies, states, and utilities to identify problems with the performance of the Bulk-Power System and, where appropriate, recommended solutions for addressing those issues.

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In June 2023, the Commission conducted a public, Commissioner-led forum to discuss possible solutions to address electricity and natural gas challenges facing the New England Region. The forum included RTO/ISO representatives, market participants, state regulators, and other stakeholders.

In June 2023, the Commission issued two final rules addressing extreme weather stemming from the Commission’s technical conference on climate change and extreme weather events held in June 2021 and based on the NOPRs issued in June 2022. The first final rule directs NERC to develop and submit for Commission approval modifications to Reliability Standard TPL-001-5.1 (Transmission System Planning Performance Requirements) to address transmission system planning for extreme heat and cold weather events that impact the reliable operation of the Bulk-Power System. The revised standard must (1) define benchmark events based on prior extreme heat and cold weather events and/or future meteorological projections; (2) require planning entities to develop planning cases for extreme heat and cold weather events using steady state and transient stability analyses that cover a range of extreme weather scenarios, including the expected resource mix’s availability during extreme weather conditions and the wide-area impacts of extreme weather; and (3) to the extent these planning studies discover specified instances when performance requirements during extreme heat and cold weather events are not met, the proposed Standard must require planners to develop corrective action plans to allow the performance requirements to be met. The second final rule, Order No. 897, requires transmission providers to submit one-time informational reports describing their current or planned policies and processes for conducting extreme weather vulnerability assessments, including how they identify vulnerabilities and determine risk exposure to extreme weather hazards, estimate the costs of impacts, and develop mitigation measures to address extreme weather risks and mitigating identified extreme weather risks. Such reports will provide a better understanding of how utilities prepare for and mitigate the risks posed by extreme weather and climate change.

In November 2022, the Commission in two proceedings addressed how NERC may address observed and likely future impacts of adding an anticipated 860 gigawatts of inverter-based resources over the next decade on the reliable operation of the Bulk-Power System. Because the Bulk-Power System generation fleet was historically composed almost exclusively of synchronous generating resources, such as hydropower, nuclear, coal, or natural gas fired resources, the Commission-approved reliability standards were developed with synchronous generation in mind. Because inverter-based resources are increasingly incorporated into the Bulk-Power System and distribution grids, the Commission first directed NERC to submit, and later approved, a work plan describing how NERC plans to identify and register owners and operators of Bulk-Power System-connected inverter-based resources that are not currently required to register with NERC but that in the aggregate have a material impact on the reliable operation of the Bulk-Power System. The newly registered inverter-based resources would be required to comply with mandatory reliability standards. Second, the Commission issued a notice of proposed rulemaking that would direct NERC to develop reliability standards for inverter-based resources that cover data sharing, model validation, planning and operational studies, and performance requirements.

In January 2023, the Commission issued a final rule directing NERC to develop new or modified Critical Infrastructure Protection (CIP) Reliability Standards that require internal network security monitoring for all high impact Bulk-Power Systems, Bulk Electric System Cyber Systems, and medium impact Bulk Electric System Cyber Systems with external routable connectivity, as defined

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in the Reliability Standards. The final rule also directs NERC to conduct a study to guide future implementation of internal network security monitoring or other mitigation strategies for systems that would not otherwise be protected by the directives in the final rule.

Also in FY 2023, the Commission hosted a joint technical conference with the DOE to discuss supply chain security challenges related to the Bulk-Power System, ongoing supply chain-related activities, and potential measures to secure the supply chain for the grid’s hardware, software, computer, and networking equipment. Following the joint technical conference, the Commission continues activities to improve the electric industry’s posture to address supply chain security challenges.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FY 2024, the Commission will consider whether to issue a final rule directing NERC to develop reliability standards for inverter-based resources that cover data sharing, model validation, planning and operational studies, and performance requirements.

In FY 2024, the Commission plans to consider next steps regarding the two extreme weather rulemakings. Pursuant to Order No. 897, transmission providers must file the informational reports describing their current or planned policies and processes for conducting extreme weather vulnerability assessments in October 2023; comments were due in December 2023.

The Commission will continue to work with industry to discuss concerns about how increasing frequency, intensity, geographic expanse, and duration of extreme weather events may increase the number and severity of weather-induced events in the electric power industry. The Commission is considering other actions to account for the changing resource mix, such as potential changes to the reliability standards.

In FY 2024, the Commission anticipates completing the joint inquiry into Winter Storm Elliott. The Commission also anticipates completing the joint FERC-NERC-Regional Entity study of black start unit availability in the ERCOT footprint during cold weather conditions pursuant to Recommendation 26 of the 2021 Winter Storm Uri inquiry report.

Also, in FYs 2024 and 2025, in response to Commission direction, NERC will conduct and submit to the Commission a study to guide future implementation of internal network security monitoring or other mitigation strategies for systems that would not otherwise be protected by the directives in the final rule. The Commission will review the results of the study and take action as appropriate.

Commission staff will also pursue cybersecurity priorities in supply chain risk management, cloud and emerging technologies, low impact assets, cyber security incident response, as well as improvements and efficiencies for the CIP reliability standards. Staff will continue to track global cyber activity, new and emerging cybersecurity threats, and advancements in mitigation. Based on knowledge and insight gained from these activities, staff will conduct a review of CIP standards currently in effect to identify any gaps or vulnerabilities. In FYs 2024 and 2025, Commission staff will continue to examine these issues, and will engage NERC and industry as appropriate.

In FYs 2024 and 2025, the Commission plans to determine whether to direct NERC to revise: (1) Physical Security Reliability Standard CIP-014-3 and (2) the Supply Chain Risk Management

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Reliability Standard CIP-013-2, and act on any modifications proposed by NERC based on the record developed in the FY 2023 joint technical conferences.



**Review and Approve Proposed Reliability Standards**

**FY 2023 RESULTS.**

There are 14 categories of mandatory reliability standards representing the various functions that make up the electric grid. For purposes of analysis and review, the Commission focuses on a basic division of the reliability standards as either (1) operations and planning standards that pertain to the basic engineering underpinning of the electric grid and (2) CIP standards that relate to the physical and cyber security of the electric grid. In FY 2023, the Commission approved five operations and planning reliability standards, including FAC-001-4 (Facility Interconnection Requirements), FAC-002-4 (Facility Interconnection Studies), EOP-011-3 (Emergency Operations), EOP-012-1 (Extreme Cold Weather Preparedness and Operation), and PRC-002-4 (Disturbance Monitoring and Reporting Requirements).

In FY 2023, the Commission approved reliability standard CIP-003-9 (Cyber Security - Security Management Controls) to become effective in FY 2026. Also in FY 2023, three previously approved cybersecurity reliability standards became effective: CIP-005-7 (Cyber Security – Electronic Security Perimeter(s)), CIP-010-4 (Cyber Security – Configuration Change Management and Vulnerability Assessments), and CIP 013-2 (Cyber Security – Supply Chain Risk Management).

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission anticipates reviewing and taking appropriate action on NERC’s submission of revisions to modeling reliability standards (MOD-001-1a, MOD-004-1, MOD-008-1, MOD-028-2, MOD-029-2a, MOD-030-3, and MOD-020-0), IRO-010-5 (Reliability Coordinator Data and Information Specification and Collection) and TOP-003-6.1 (Transmission Operator and Balancing Authority Data and Information Specification and Collection), and FAC-501-WECC (Transmission Maintenance) among other filings NERC may make.

Additionally, the Commission anticipates reviewing and taking appropriate action on NERC’s expected filing of revised reliability standards addressing the criteria used to determine the criticality of electric grid facilities, cyber security incident response, the risk of a coordinated cyber-attack on low impact Bulk Electric System facilities, and virtualization and cloud computing, for which NERC has active standard development efforts.

**● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security**

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**FY 2023 RESULTS.**

In February 2023, the Commission approved two new extreme cold weather reliability standards, EOP-011-3 (Emergency Operations) and EOP-012-1 (Extreme Cold Weather Preparedness and Operations) aimed at implementing key recommendations from the joint Commission-NERC

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inquiry into 2021’s Winter Storm Uri with the goal of preventing a recurrence of the unprecedented power outages affecting millions of people in Texas and the South Central U.S during February 2021. The reliability standards contain new and revised requirements to advance reliability of the grid during extreme cold weather temperatures including implementation of generator freeze protection measures, enhanced cold weather preparedness plans, identification of freeze-sensitive equipment in generators, corrective actions for when equipment freezes, annual training for generator maintenance and operations personnel, and procedures to improve the coordination of load reduction measures during a grid emergency. The Commission also directed NERC to (1) modify the extreme cold weather preparedness and operations reliability standard to address concerns related to applicability, ambiguity in requirements, a lack of objective measures and deadlines, and prolonged, indefinite compliance periods; and (2) collect and assess data over time to monitor and assess entities’ implementation of the new requirements.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FY 2024, the Commission anticipates reviewing and taking appropriate action on NERC’s submission of revised cold weather reliability standards related to extreme cold weather grid operations, preparedness, and coordination (TOP-002 – Operations Planning, EOP-011-3 – Emergency Operations, and EOP-012-2 – Extreme Cold Weather Preparedness and Operation), stemming from recommendations in the November 2021 cold weather inquiry report and in response to the directives in the February 2023 order approving the extreme cold weather standards.

In FY 2025, the Commission also anticipates considering and acting on proposed transmission system planning reliability standards addressing the impacts of extreme heat and cold weather events on the reliability of the nation’s Bulk-Power System.

In FYS 2024 and 2025, the Commission anticipates receiving and acting on NERC’s proposal to modify its registration processes and identify all owners and operators of Bulk-Power System-connected inverter-based resources that in the aggregate affect the reliable operation of the Bulk-Power System. The Commission also expects to determine whether to issue a final rule directing NERC to develop reliability standards for inverter-based resources. The Commission also anticipates receiving and taking appropriate action on a number of revised reliability standards pertaining to inverter-based resources.



**Oversee the ERO and the Enforcement of Reliability Standards**

**FY 2023 RESULTS.**

The Commission observed five operations and planning audits and 10 cybersecurity audits conducted by NERC Regional Entities. The Commission also reviewed 18 notices of penalty filed by NERC citing reliability standard violations to ensure that the proposed penalties were appropriate. In addition, the Commission reviewed hundreds of other NERC enforcement actions and compliance exceptions.

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The Commission completed its observation of NERC’s required audits of its six Regional Entities, including receiving and acting on NERC’s filed audit report, proposed remedial actions, and future audit plans.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will focus on compliance with critical operations and planning reliability standards, including those related to transmission owner facility ratings which have been the subject of increased compliance activity in recent years, and cold weather reliability standards, which have been recently approved in the wake of repeated extreme cold weather events.

In FYS 2024 and 2025, the Commission plans to observe up to 12 operations and planning audits and up to 20 cybersecurity audits conducted by NERC Regional Entities and will continue to review and act upon NERC-proposed penalties.

Also in FYS 2024 and 2025, the Commission anticipates receiving and acting on NERC’s five-year performance assessment, in which NERC must describe how it continues to meet the statutory criteria as the Commission-certified electric reliability organization as well as the need for any improvements to the electric reliability organization’s activities and processes.

**● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security**

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**FY 2023 RESULTS.**

In FY 2023, the Commission continued to conduct its own audits of compliance with the cybersecurity reliability standards, completing four total audits and commencing four new audits. The Commission identified 20 instances of potential noncompliance of CIP reliability standards that it has referred to NERC for processing and 20 other risks identified, the mitigation of which it will track internally. The Commission used information gained while conducting cybersecurity reliability standards audits as a basis for the Commission to make recommendations to audited utilities regarding cybersecurity best practices. These recommendations were shared with the industry in the annual lessons learned staff report issued in FY 2023.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission plans to conduct four FERC-led audits each year that will focus on compliance with cybersecurity reliability standards. Based on these audits, the Commission will prepare an annual public lessons-learned report for industry. The Commission will use the lessons learned report to identify potential areas for improvement with the cybersecurity reliability standards. Further, the Commission will continue to monitor the implementation of the audit recommendations from completed audits.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	<b>Obj 2.2 &gt; CF 2.2.1 CF 2.2.2</b> CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**GOAL 2 > OBJECTIVE 2.2 > CORE FUNCTION 2.2.3**

Protect FERC-jurisdictional energy infrastructure through collaboration and sharing best practices.

**PURPOSE OF THE CORE FUNCTION**

To identify, communicate, assess, and address cyber and physical security threats to FERC-jurisdictional infrastructure through voluntary collaboration.

Provide assurance to **consumers/stakeholders** that:



- Operators of critical energy infrastructure facilities have access to the information and tools needed to secure their cyber and physical facilities.

Provide **energy facility owners/operators and stakeholders** with:

- Accurate and helpful alerts about the latest cyber and physical threats.
- Methods to address threats against their facilities.
- Access to classified information tailored to their needs from other federal agencies.
- Clear best practices and tools for enhancing and maintaining cyber and physical security.
- Coordination with other sectors of critical infrastructure.

**Overview**

This core function includes the following workstreams and related impacts.

<b>Workstream</b>	<ul style="list-style-type: none"> <li>Impacts</li> </ul>
<p><b>Collaborate with the Critical Infrastructure Community to Inform and Address Infrastructure Security*</b></p> 	<ul style="list-style-type: none"> <li>Ensure that other government agencies have information about the security posture of jurisdictional entities.</li> <li>Assist the critical infrastructure community to identify cyber and physical security priorities to inform best practices and mitigation strategies that protect against threats and vulnerabilities.</li> </ul>
<p><b>Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure*</b></p> 	<ul style="list-style-type: none"> <li>Enable FERC to enhance and maintain cyber and physical security among critical infrastructure energy facilities.</li> <li>Allow FERC to analyze and understand broader infrastructure issues and provide a basis for identifying common vulnerabilities and developing best practices to mitigate them.</li> <li>Obtain feedback and insight about the efficacy of the advice, recommendations, and guidance it provides to owners of jurisdictional infrastructure.</li> </ul>

\* Workstream contributes towards Strategic Priority.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 <b>CF 2.2.3</b>	Obj 3.2 > CF 3.2.1 CF 3.2.2	



## Past and Planned Results



### Collaborate with the Critical Infrastructure Community to Inform and Address Infrastructure Security

**FY 2023 RESULTS.**

In FY 2023, the Commission maintained its partnerships with key federal agencies such as the Department of Homeland Security (DHS), DOE, Department of Defense, Transportation Security Administration, Office of the Director of National Intelligence, and others. Commission staff also supported several working groups, councils, and committees on critical infrastructure security matters such as supply chain security, pipeline security, and incident response. These included the: Electricity Subsector Coordinating Council, Critical Infrastructure Partnership Advisory Council, Federal Senior Leadership Council, Homeland and Critical Infrastructure Resilience Interagency Policy Committee, Information and Communications Technology Supply Chain Risk Management Task Force, Interagency Policy Committee on Counter-Ransomware Efforts, and Cyber Response Group, among others.

In addition, Commission staff partnered with the White House Office of Science and Technology Policy, the National Science and Technology Council (including its Hazards Subcommittee and its Space Weather Operations Research and Mitigation Working Group), the National Security Council, and DHS’s Cybersecurity and Infrastructure Agency. During FY 2023, Commission staff shared the results of a joint research project with the DOE and the Sandia National Laboratory with select stakeholders. The project brought awareness of power transformer vulnerabilities due to geomagnetic disturbances and electromagnetic pulses. Staff also supported DHS’s Cybersecurity and Infrastructure Agency as part of the Magnetotelluric Overlay of Electric Grid Critical Nodes initiative. Commission staff is currently coordinating with U.S. Geological Survey to complete 3D modeling of the impacts of geomagnetic disturbances on the Bulk-Power System.

Commission staff partnered with NERC to conduct a joint Physical Security Technical Conference. The Conference discussed physical security of the Bulk-Power System, including the adequacy of existing physical security controls, challenges, and best practices.

Commission staff assisted the North American Transmission Forum to conduct an annual review of the Energy Sector Supply Chain Risk Management Questionnaire and Criteria documents. The North American Transmission Forum designed the questionnaire to provide utilities with a tool to evaluate the security posture of a supplier or vendor. The questionnaire complements the North American Transmission Forum criteria document, which was developed in alignment with industry frameworks, guidelines, and standards.

In FY 2023, the Commission nominated seven individuals to receive a security clearance through the DHS Private Sector Clearance Program for Critical Infrastructure. The program, established in 2006, helps critical infrastructure private sector owners, operators, and industry representatives in positions responsible for protection, security, and resilience of their assets get processed for appropriate security clearances.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 <b>CF 2.2.3</b>	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will maintain its current contacts and partnerships within the critical infrastructure community and will seek to develop new contacts and partnerships as appropriate. Commission staff will also continue to draw on the knowledge and insight gained from these partnerships to develop best practices that regulated entities can adopt to address threats and vulnerabilities. The Commission will continue to use multiple avenues to share this guidance and encourage its use among critical infrastructure partners. In addition, Commission staff was invited to, and will participate in, a series of physical security regional workshops, which will discuss recent physical security incidents, emerging threats, and best practices.

**● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security**

[Overview](#) | [Action 1](#) | [Action 2](#) | [Action 3](#) | [Action 4](#) | **[Action 5](#)** | [Action 6](#)

**FY 2023 RESULTS.**

During FY 2023, Commission staff continued to provide information at a wide variety of venues to industry, states and Federal partners on cyber and physical security best practices, new and significant vulnerabilities and threats to critical infrastructure, and response measures through presentations, speeches, resource materials, alerts and classified analytic exchanges. Notably, Commission staff facilitated an analytic exchange for RTOs and ISOs, in partnership with the Office of the Director of National Intelligence, to provide awareness of energy infrastructure threats. The exchange included a classified briefing followed by a working session to discuss possible mitigation strategies.

In FY 2023, Commission staff also continued to assist the Transportation Security Administration in its efforts to better protect gas infrastructure. For example, Commission staff provided input for the proposed rule on enhancing surface cyber risk management.

Commission staff, also continued to coordinate with NERC and its Electricity Information Sharing and Analysis Center, to initiate, develop, and review NERC Alerts. In FY 2023, NERC issued three alerts in total; there was one Level I Alert, one Level II Alert, and one level III Alert. The first alert was issued in February 2023 and notified the industry of several cold weather standards that would become effective on April 1, 2023. Subsequently, in March 2023, NERC issued a Level II Alert titled "Inverter-Based Resource Performance Issues," in response to multiple large-scale disturbances on the Bulk-Power System. Finally, in May 2023, NERC issued a Level III alert titled "Essential Actions for Cold Weather Preparations for Extreme Weather Events." The Alert specified eight Essential Actions that certain segments of owners, operators, or users of the Bulk-Power System should undertake to ensure the Reliable Operation of the Bulk-Power System during extreme weather events.

Staff continued to update and distribute an incident response checklist to stakeholders; this checklist was designed to support a public utility commission, with oversight of utilities within a state, in response to a cyber incident. Staff also updated and distributed to stakeholders a checklist related to security evaluations at utilities. State Commissions can use these checklists to help them evaluate the strength of a regulated public utility's cybersecurity program, for both informational and operational technology systems.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 <b>CF 2.2.3</b>	Obj 3.2 > CF 3.2.1 CF 3.2.2	

Commission staff participated in the Information and Communications Technology Supply Chain Risk Management Task Force, established by DHS to develop consensus strategies that enhance supply chain security. More specifically, in FY 2023, Commission staff supported the development of a supply chain risk management resource guide for small and medium businesses. The objective is to ensure the availability, integrity, and confidentiality of Information and Communications Technology products, services, and components throughout the supply chain while minimizing disruptions and vulnerabilities.

In FY 2023, pursuant to the request from DOE’s Office of Cybersecurity, Energy Security, and Emergency Response, Commission staff provided technical assistance to the Rural Municipal Utility Cooperative Grant Program managers by developing and sharing with them a list of cybersecurity best practices for municipals and cooperatives that could be potentially considered for grant awards.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission will continue to collaborate with the critical infrastructure community to inform and address infrastructure security. Through this collaboration, Commission staff will continue to develop best practices and mitigation strategies, which it will subsequently share with industry partners, as appropriate.



**Identify and Assess Threats and Vulnerabilities in Critical Energy Infrastructure**

**FY 2023 RESULTS.**

The Commission staff also conducts voluntary and collaborative on-site physical security reviews with owners of FERC-jurisdictional entities. At the request of the owners, Commission staff, along with staff from other agencies, with staff from the requesting entity, perform on-site physical security reviews related to detection and protection methods employed at the facility.

In addition, Commission staff actively participated in exercises and tabletops to assess cyber and physical security readiness, including Cyber Yankee, the Grid Ex security staff exercise and Executive Tabletop Drill, and the Reliability First Electromagnetic Pulse Cold Weather Tabletop Drill, among others.

**FYS 2024 AND 2025 PLANNED RESULTS.**

Commission staff will continue to participate in physical security reviews and infrastructure security exercises to understand broader infrastructure issues and provide a basis for identifying common vulnerabilities and best practices to mitigate them.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 <b>CF 2.2.3</b>	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**● Priority Results: Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security**

[Overview](#) | [Action 1](#) | [Action 2](#) | [Action 3](#) | [Action 4](#) | [Action 5](#) | **Action 6**

**FY 2023 RESULTS.**

Commission staff conducts voluntary and collaborative on-site security assessments with owners of FERC-jurisdictional entities, including a focus on cybersecurity. These assessments leverage Commission knowledge of the energy sector threat landscape, focusing on vulnerabilities that impact operational control systems – particularly at interfaces between generation, transmission, and distribution. The assessments allow greater insight into the gap between industry cybersecurity practices and the adoption of recommended practices. In FY 2023, Commission staff resumed onsite assessments, conducting two onsite assessments of jurisdictional entities’ IT and operating technology infrastructure.

**FYS 2024 AND 2025 PLANNED RESULTS.**

To address the cybersecurity aspect of this priority, Commission staff plans to continue to conduct voluntary architectural assessments in both FYs 2024 and 2025 that include a focus on cybersecurity. The assessments will encompass infrastructure of FERC-jurisdictional energy utilities, which may include the owners and operators of electric utility assets, natural gas pipelines, liquified natural gas terminals, and hydropower facilities.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
<a href="#">Obj 1.1 &gt;</a>	<a href="#">CF 1.1.1</a>	<a href="#">CF 1.1.2</a>	<a href="#">Obj 3.1 &gt;</a>	<a href="#">CF 3.1.1</a>
<a href="#">Obj 1.2 &gt;</a>	<a href="#">CF 1.2.1</a>	<a href="#">CF 1.2.2</a>	<a href="#">Obj 3.2 &gt;</a>	<a href="#">CF 3.2.1</a>
		<a href="#">Obj 2.1 &gt;</a>	<a href="#">CF 2.1.1</a>	<a href="#">CF 3.1.2</a>
		<a href="#">CF 2.1.2</a>	<a href="#">CF 2.2.1</a>	<a href="#">CF 3.2.2</a>
		<a href="#">Obj 2.2 &gt;</a>	<a href="#">CF 2.2.2</a>	<b><a href="#">CF 2.2.3</a></b>

# Goal 3

## Overview and Funding Summary

### GOAL 3: Provide Mission Support Through Organizational Excellence

**OBJECTIVE 3.1:** Manage resources effectively through an engaged workforce.

**OBJECTIVE 3.2:** Facilitate trust and understanding of FERC activities by promoting transparency and equity, open communication, and a high standard of ethics.

Strategic Goal and Objectives (Dollars in thousands)		FY 2023 ENACTED	FY 2023 ACTUAL	FY 2024 ANNUALIZED CR	FY 2025 REQUEST	PERCENT CHANGE FY23 ENACTED TO FY25
<b>Objective 3.1</b>	<b>FTE</b>	229	244	239	256	11.8%
	<b>Funding</b>	\$75,413	\$77,710	\$79,949	\$89,522	18.7%
Program		48,085	49,944	52,042	57,535	19.7%
Support		27,328	27,766	27,907	31,987	17.0%
<b>Objective 3.2</b>	<b>FTE</b>	102	91	111	99	-2.9%
	<b>Funding</b>	\$33,304	\$27,890	\$37,608	\$33,492	0.6%
Program		21,058	17,571	24,621	21,116	0.3%
Support		12,246	10,318	12,986	12,375	1.1%
<b>GOAL 3</b>	<b>FTE</b>	<b>331</b>	<b>334</b>	<b>350</b>	<b>355</b>	<b>7.3%</b>
<b>SUBTOTAL</b>	<b>Funding</b>	<b>\$108,717</b>	<b>\$105,600</b>	<b>\$117,557</b>	<b>\$123,014</b>	<b>13.2%</b>
Application of PY Budget Authority		-	-	(7,084)	(7,267)	
<b>GOAL 3 TOTAL</b>	<b>Funding</b>	<b>\$108,717</b>	<b>\$105,600</b>	<b>\$110,473</b>	<b>\$115,746</b>	<b>6.5%</b>

Notes: The amounts included for 2024 reflect the annualized continuing resolution (CR) level provided by the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). Numbers may not add up due to rounding.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	Obj 3.2 > CF 3.2.1 CF 3.2.2	
Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3			

# Goal 3 > Objective 3.1

## Overview

**OBJECTIVE 3.1:** Manage resources effectively through an engaged workforce.

**CORE FUNCTION 3.1.1:** Maintain processes and provide compliant services that enable FERC offices to manage resources effectively and efficiently.

**CORE FUNCTION 3.1.2:** Provide tools and services that enable employees to perform their jobs effectively and drive FERC’s success.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	<b>Obj 3.1 &gt;</b> CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**GOAL 3 > OBJECTIVE 3.1 > CORE FUNCTION 3.1.1**

Maintain processes and provide compliant services that enable FERC offices to manage resources effectively and efficiently.

**PURPOSE OF THE CORE FUNCTION**

To enable leadership to prioritize resource allocations and make prudent investments that yield returns that directly benefit FERC’s mission while complying with federal requirements.

Provide assurance to **external stakeholders** that:






- FERC is a good steward of the financial and human resources entrusted to it.
- FERC maintains the assets, resources, and capabilities to carry out its legislative mandate and achieve its mission.
- FERC operates in full compliance with regulations and laws and is fully accountable to its varied stakeholders.

Ensure **FERC offices**:

- Have the resources they need to carry out operations.
- Are compliant with applicable laws and regulations.
- Have the support and guidance to achieve operational excellence and efficiency.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<b>Design and Implement Effective Internal Control and Accountability Systems</b> 	<ul style="list-style-type: none"> <li>▪ Ensure FERC’s operations are carried out according to deliberate and purposeful plans and that risks are effectively managed.</li> <li>▪ Provide FERC the ability to assess and provide reasonable assurance of achieving effectiveness and efficiency of operations, compliance with requirements, and reliability of reporting.</li> </ul>
<b>Manage FERC’s Finance, Accounting, and Acquisition Requirements</b> 	<ul style="list-style-type: none"> <li>▪ Ensure the effective, efficient, and transparent use of FERC’s financial resources.</li> <li>▪ Document and demonstrate FERC’s financial stewardship, integrity, and accountability to external audiences.</li> </ul>
<b>Design and Implement Human Capital Strategies to Attract a Diverse and Effective Workforce</b> 	<ul style="list-style-type: none"> <li>▪ Ensure FERC can recruit the best candidates from across the country.</li> <li>▪ Maintain a workforce with the right skills and competencies needed to achieve its mission.</li> <li>▪ Ensure FERC supports and maintains a diverse, healthy, and robust workforce.</li> </ul>
<b>Maintain a Secure and Reliable IT Infrastructure</b> 	<ul style="list-style-type: none"> <li>▪ Ensure that IT serves as a resource-multiplying asset to provide better quality information and faster service for FERC’s internal and external customers.</li> </ul>
<b>Maintain the Safety, Security, and Resilience of FERC Operations</b> 	<ul style="list-style-type: none"> <li>▪ Ensure the safety, security, and resilience of FERC operations and locations.</li> <li>▪ Ensure that FERC has access to sensitive information and data from the intelligence community to monitor threats to energy infrastructure and to inform threat mitigation strategies.</li> </ul>

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES					
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 2.1 >	CF 2.1.1	CF 2.1.2	Obj 3.1 >	CF 3.1.1	CF 3.1.2	
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2



**Design and Implement Effective Internal Control and Accountability Systems**

**FY 2023 RESULTS.**

In FY 2023, the Commission continued its efforts to coordinate and integrate a comprehensive and effective enterprise risk management capability. The enterprise risk management program is combined with a strong and effective internal control program which continues to support effective and efficient mission delivery and data-driven decision-making processes. This capability is also integrated with the strategic planning and performance management process established by the Government Performance and Results Act Modernization Act, and the internal control processes required by the Federal Managers’ Financial Integrity Act. In FY 2023, the Commission established a risk liaison community of practice and an enterprise risk management resource library to expand risk management practices.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to operationalize and mature its enterprise risk management governance structure which is a critical function supporting the identification of major risks arising from mission and mission support operations. Through analysis, the Commission will be able to assess how those risk will impact the achievement of its strategic objectives. When the enterprise risk management function is fully implemented and operationalized, enterprise risk management will provide an enterprise wide, strategically aligned portfolio view of organizational challenges and opportunities which supports an improved insight to prioritize and manage risks to mission delivery more effectively.



**Manage FERC’s Finance, Accounting, and Acquisition Requirements**

**FY 2023 RESULTS.**

In FY 2023, the Commission received an unmodified audit opinion on its FY 2023 financial statements without any findings, which means the Commission’s financial data is properly presented without any material misstatements. The Commission is near completion of a multi-phase project of enhancing its financial management systems by implementing a software solution designed to increase efficiencies in workload and costs. These enhancements will streamline demand, leverage and support customer demand for effective advanced planning, and systematically advance execution and produce tailored reports that support financial data-driven decision-making.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to properly record, report, and present its financial data resulting in unmodified audit opinions on its FY 2024 and FY 2025 financial statements. The Commission will complete the final phases of enhancing its financial management software systems and technologies. The software solutions will automate and integrate a significant number of manual processes, increase transparency and reporting, and improve financial awareness of Commission staff. This will ultimately improve financial system user satisfaction and yield cost savings and productivity gains. Utilizing the software solution, the Commission will also implement advanced acquisition planning to build more effective strategies

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



for acquiring goods and services in support of the Commission’s mission. This will improve the budget planning and execution process, make the acquisition of goods and services more efficient, and enhancing our financial recording and processing capabilities, thus ensuring these resources are available in a timely manner for efficient and effective Commission operations. The Commission will also enhance its financial management reporting capabilities by providing Commission staff with timely and essential information necessary to make critical decisions regarding execution activities.



**Design and Implement Human Capital Strategies to Attract a Diverse and Effective Workforce**

**FY 2023 RESULTS.**

In FY 2023, the Commission continued its multi-year human capital operating plan initiative to address gaps and vulnerabilities by conducting and completing a comprehensive workforce analysis study. The workforce analysis helped Commission managers identify staffing, critical needs, and competency needs. This study enabled the Commission to develop plans and hiring strategies to meet the required resource levels needed to accomplish its mission.

The Commission’s hiring strategy maximized its authorized FTE level by finishing the year with a 100 percent execution rate. The Commission averaged a 53-day time to hire.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue the multi-year human capital operating plan objectives and initiatives to recruit and retain a world class workforce required to support the Commission’s mission and will refine the workforce analysis by integrating new staffing plans, data analytics and dashboard visualizations. The data-driven decision-making will support workforce modeling and forecasting to support data-driven human capital management decision-making.

Further, the Commission will continue to use direct hire authorities to reach a targeted 99 percent FTE execution rate and monitor the impacts to workforce planning. Over the next three years, and despite aggressive hiring efforts, the limited talent pool in the identified mission-critical occupational series could negatively impact the Commission’s efforts to hire highly skilled staff ahead of double-digit attrition rates. Further, compensation constraints prevent the Commission from being competitive in the job market, which significantly impacts its ability to attract and retain employees with the necessary skill sets. The Commission anticipates these factors will continue to increase and be relevant over the next several years and will continue to take them into account while implementing its hiring strategies. Recruitment efforts will continue to be a priority due to the significance and impact on future mission and program performance.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



**Maintain a Secure and Reliable IT Infrastructure**

**FY 2023 RESULTS.**

In FY 2023, the Commission continued to increase resources within the IT Support Services Contracts to support capital planning, agile delivery, data analytics, and enterprise program management capabilities for the chief information officer organization. All IT Federal staff and contractors completed a pilot program ensuring the understanding, adoption and implementation of Agile methodologies are consistent across the enterprise. Further, the Commission continued to invest in growing to an Agile enterprise through piloting and coaching teams, implementing an Agile certification program to certify Agile practitioners, and developing a governance framework for intake of initiatives and establishment of metrics to measure value. As the Commission continued to implement Agile methodologies, there were 88 releases in FY 2023 across business applications that provided enhanced capabilities as well as maintained application security. A portion of those releases were attributed to completion of the migration of the remaining 20 percent of the Commissions’ sites and data to SharePoint Online in the cloud. A significant portion of the releases enhanced the Commission systems to provide incremental improvements and enhanced productivity for FERC employees tied to the workload management, document management and other mission systems. A portion of the releases improved usability of public facing systems, such as eFiling and eComment, reducing the burden to filers. Additionally, FERC configured a records management tool associated with the primary record/document repository, eLibrary, which will enable FERC to transfer a portion of electronic records to the National Archives Record Administration (NARA) to address the NARA Mandate M-19-21. The project is being implemented in phases. FERC has completed the first two phases: configuring/implementing the software and executing the records declaration in eLibrary.

The Commission continued its implementation efforts for its Application Layer Modernization (ALM) initiative, which supports modernization of its mission-critical business applications. Wave 1, delivered in August 2023, replaced the legacy Virtual Agenda capabilities. Also, in FY 2023, Wave 2 commenced to re-platform and modernize the hydropower legacy systems eliminating redundancy, integrating siloed workflows for key business processes, and improving the efficiencies of the Hydropower and Dam Safety programs. In support of the Commission’s Strategic Priority of “Improving Accessibility and Participation in Proceedings,” the Commission began implementation of a Customer Relationship Management capability to support enterprise needs for various contact hotlines including; FERC general information, Landowner, Alternative Dispute Resolution, Enforcement and Electronic Quarterly Report as well as events management to better enable FERC staff to track and respond to external inquiries, provide content relative to FERC constituents, coordinate communications, and events with targeted content for FERC customers.

The Commission deployed additional services to enhance the cybersecurity posture against evolving and persistent threats. These cloud-based services include; authentication and entity behavior analytics to determine fraudulent identity activities, email links and attachment security to prevent clicking malicious links or downloading malicious documents, native cloud based security information event management to provide analytics and automation of alerting and responding to activities within the FERC environment, distributed denial of service protection to protect FERC against an uptick of attacks against the federal government, and Cyber Asset Attack

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

Surface Management to validate visibility into the FERC environment and automatically capture gaps in endpoint and system security. The Commission achieved over a 25 percent increase in cloud adoption by implementing planned cloud initiatives for FY 2023.

The Commission continues to refresh IT employee endpoint devices and core infrastructure components. Also, in FY 2023, the Commission began consolidating its telecommunication services contracts to the General Services Administration’s (GSA) Enterprise Information Services (EIS) contract by awarding call orders for Wide Area Network (WAN) modernization and Managed Trusted internet Protocol Service. With these new contracts, FERC’s internet capacity grew to 5Gbps with the ability to scale to 20Gbps in FY 2023. Along with expanded Denial of Services mitigation capacities and a planned implementation of a cloud based Virtual Private Network, Commission employees can securely and effectively access resources in a hybrid working environment. Also, in FY 2023, the Commission completed an assessment of its critical mission support business functions to better automate and streamline tasks across different groups. This assessment provided for a roadmap to utilize a cloud-based enterprise platform to support a holistic approach to provide services to our employees. The Commission also replaced its legacy enterprise helpdesk application with an industry leading cloud-based solution offering self-service capabilities as well as workflow management ensuring requests for help are resolved in an efficient and timely manner. In FY 2023, the Commission kicked off a large project to implement Configuration Management Database capabilities to address major pain points related to discovery of IT assets and traceability of configuration items in the environment.

The Commission continued the maturity and growth of its data governance program by expanding the data analytics platform, integrating new data sources through automated data pipelines, and continuing to inventory data assets and data sets into FERC’s Comprehensive Data Inventory. New data technologies such as SAS Viya and ArcGIS were integrated into the Commission’s cloud-based data analytics platform to deliver a more comprehensive analytic capacity to Commission staff to support market surveillance, detect fraudulent behavior, inspect energy infrastructure, and perform economic and geographic impact analyses of energy policies and regulations. Due to the success of the Data Science Training Program, the Commission launched a second round of Data Science training. In addition, the Commission continues to expand its enterprise analytics capability, delivering dashboards and reports to meet mission requirements and support reporting requirements for application modernization activities. Additionally, to ensure the Commission has access to expert data support services for the Cloud-Hosted Data Science Platform, the Commission awarded two new Call Orders in FY 2023 under its multi-year/multi-vendor Blanket Purchase Agreement (BPA). The first of these recently awarded Call Orders on the Data Support Services BPA supports the change management activities of cloud adoption and cloud workload migration for enforcement analytics. The second recently awarded call order (call order 4 on the Data Support Services BPA) supports FERC’s Open Data requirements to make its public data more easily accessible and machine readable through modern technologies on a public facing data platform. The Data Support Services BPA enables the Commission to proactively engage the expert technical data resources necessary for enhancing and building out functions of the Commission’s data program and platform.

In FY 2023 enhancing cybersecurity and maintaining a secure environment continued to be a priority for FERC. The Commission had no audit findings for its unclassified cybersecurity program. FERC completed all Authorities to Operate on time and received a favorable rating for its unclassified cybersecurity program. Additionally, the Commission successfully deployed over 95 percent of required server and

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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workstation vulnerability patches to prevent cybersecurity breaches. In accordance with OMB M-21-07, the Commission continued to execute the detailed technical plan for IPv6. The Commission will dual-stack the devices in anticipation of the final cutover to IPv6. As required by OMB M-22-09 the Commission began executing the Zero Trust Architecture (ZTA) Implementation Strategy and Plan. Implementation of Zero Trust initiatives including Multi-Factor Authentication for applications, access request and provisioning, endpoint detection and response, migration from HTTP to HTTPS for encryption in transit, log retention and compliance with OMB M-21-31, implementation of software composition analysis for application security, manual and automated penetration testing, implementation of a content delivery network to protect FERC against Distributed Denial of Service attacks, and data classification and tagging.

In FY 2023 the Commission continued to formally track, manage, and mitigate risks across IT investments and initiatives, along with ensuring coordination, collaboration, and visibility of risks across the enterprise. The program has led to the identification and tracking of programmatic risks and, through a risk management framework, continues to review, assess, and remediate. These risks are monitored by the IT Enterprise Risk Management Committee on a quarterly basis.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission will continue to fulfill planned initiatives such as routine refreshes of user endpoint computing devices, network infrastructure components and increase cloud native services. The Commission will modernize its enterprise phone system from legacy connections and integrate with Microsoft platforms for a seamless collaboration and communication experience. In addition, FERC will modernize WAN services for better support of regional office network connectivity to mission critical systems. FERC will continue to maintain legacy applications through break-fix quarterly releases. The Commission anticipates expanding access to enterprise resources through secure mobility options for all employees with our cloud-based enterprise mobility management service allowing the Commission to manage apps, devices, and data as well as actively scan and analyze threat information. FERC will continue deploying tools to improve its cybersecurity posture to support continuous monitoring of its enterprise infrastructure and will begin the facilitation and implementation of ZTA to include identity, device, network, application, and data security. Tools include a Cloud Access Security Broker with Microsoft Defender for Cloud Apps, Encrypted DNS technology, and a cloud native Virtual Private Network upgrade. Capabilities being implemented for ZTA include the implementation of automated control testing, encrypted DNS, Security Orchestration Automation and Response, cloud network segmentation, an identity master user record, and an increase in application security engineering. The Customer Relationship Management capability delivery will continue in FY 2024 enhancing the ability to track and respond to inquiries from external parties and proactively support public engagement through communications and events.

In FY 2024, the Commission will continue its execution of modernizing its core suite of mission-critical business applications as a component of the ALM initiative by completing the development of Wave 2. In FYs 2024 and 2025, the Commission anticipates developing Wave 3, which will automate the process of tracking and reporting of Commission workload activities. FERC will also continue its maturity and growth of the data analytics platform in alignment with ALM, ensuring the modernized applications align with data standards, and new automated data pipelines from the applications can be enabled to make this new data accessible through the data analytics platform for data science and analytics needs. New and existing data technologies will continue to mature on the platform, including tools like Databricks, Posit (formerly R Studio), and Azure Synapse, in support of analytics workflows to ensure the Commission has the best tools to drive data driven decision making.

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Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

The Commission will continue to implement the use of a records management tool for eLibrary, ensuring electronic records are retained in compliance with the NARA electronic recordkeeping regulations. In FYs 2024 and 2025, FERC will establish automation for the archiving of FERC records from eLibrary. Funding will also be used for data cleanup, automation where feasible, for records outside of the eLibrary system.

In FYs 2024 and 2025, the Commission will continue to implement its plan for Data Support, Data Governance and Stewardship Services, and delivering Change Management Services to support analytic workload migration to the cloud. In addition, the Commission will continue enhancing and maintaining its internal Data Infrastructure along with researching, architecting, and implementing a public facing data platform to support federal Open Data requirements making FERC’s public data accessible in machine-readable formats. The data governance organization will continue to implement this multi-phase initiative, to include: (1) maturing FERC’s Data Stewardship Framework and partnering with FERC data stewards to continue to build FERC’s comprehensive data inventory; (2) implementing data standardization and adopting a Master Data Management Program; and (3) promoting data skills and training opportunities to build data acumen across the Commission.

Additionally, in FY 2024, the Commission plans for the implementation of hardware asset management capabilities (through the IT Asset Management – Hardware Asset Management “ITAM-HAM” modules of ServiceNow) to immediately follow Configuration Management Database Data completion in FY 2024. Sequencing these two projects together will lead to efficiencies from a staffing perspective, and implementation of ITAM-HAM in FY 2024 will provide FERC with full lifecycle IT and non-IT hardware asset management capabilities and allow it to decommission several legacy systems as well.

In FYs 2024 and 2025, the Commission aims to perform an assessment to determine the feasibility of AI and conduct a series of proof of concepts to harness the generative potential of AI in operations. By automating routine tasks, optimizing resource allocation, and analyzing vast datasets such as the targeted proof of concepts, AI has the potential to reduce operational costs and free up human resources to focus on high mission impact tasks.



**Maintain the Safety, Security, and Resilience of FERC Operations**

**FY 2023 RESULTS.**

In FY 2023, the Commission reached full operational capability of its first ever Sensitive Compartmentalized Information Facility (SCIF). This SCIF enables the Commission to receive, store, transmit, and consume intelligence information as a non-title 50 executive branch agency. With this fully realized capability and subsequent interaction with the Intelligence Community, the Commission was able to provide FERC-specific insight into finished intelligence products. This has allowed the Commission to store and discuss information relevant to protecting the Bulk-Power System and conduct liaison activities with the Intelligence Community and other applicable entities within the critical infrastructure environment. Additionally, the Commission in concert with the DOE received the authority to operate classified information technology systems within the SCIF, allowing greater coordination among FERC, DOE, and the Intelligence Community engaged in the protection of critical infrastructure.

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	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission intends to mature its Intelligence Coordination activities by providing mission-specific intelligence information services to the FERC Chairman, Commissioners, and Commission offices, in keeping with the nation’s whole-of-government strategy for the protection of national security.

To enhance these services, Commission staff will engage with the Information Sharing Environment—including the relevant sector-specific Information Sharing and Analysis Centers and the National Network of Fusion Centers—to ensure that FERC customers are aware of all relevant threat, hazard, and mitigation information shared with and among regulated entities.

Additional maturation of this program will entail utilizing access to relevant classified and unclassified data sources, identifying the intelligence information important to FERC customers and to share it with our partners in a wide range of forms—including priority intelligence requirements and requests for information with the intelligence community.

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**GOAL 3 > OBJECTIVE 3.1 > CORE FUNCTION 3.1.2**

Provide tools and services that enable employees to perform their jobs effectively and drive FERC’s success

**PURPOSE OF THE CORE FUNCTION**




To ensure employees feel safe, equipped, and empowered for success.

Ensure that **employees:**

- Work in a safe and secure workplace.
- Have access to technical support so they can perform their jobs effectively.
- Work in an organization that supports their growth and development and values diversity and inclusion.
- Have clear expectations and useful feedback to perform effectively.
- Have recourse and assistance to address harassment and discrimination.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<b>Protect Employees and Provide a Safe Workplace</b> 	<ul style="list-style-type: none"> <li>▪ Ensure that FERC employees can perform their jobs without any threat to their welfare or physical safety.</li> </ul>
<b>Provide Technical Support to Employees</b> 	<ul style="list-style-type: none"> <li>▪ Ensure that FERC employees have the equipment, workspace, and tools they need to perform their jobs.</li> </ul>
<b>Develop and Engage Employees</b> 	<ul style="list-style-type: none"> <li>▪ Inform and focus employee effort, encourage engagement, and enable employees to drive success.</li> <li>▪ Ensure that employees have the opportunity to learn and grow.</li> <li>▪ Ensure Equal Employment Opportunity principles are an integral part of the FERC culture, the workplace is free from discrimination and harassment, and employees have support mechanisms to resolve issues and secure reasonable accommodations.</li> </ul>

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	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

## Past and Planned Results



### Protect Employees and Provide a Safe Workplace

**FY 2023 RESULTS.**

In FY 2023 the Commission expanded its integrated protective operations capability through an increased allotment of Special Agent billets supporting the Chairman and Commissioners throughout the United States and overseas. In concert with the Department of Energy, FERC requested and received additional Special Deputation billets to counter increased protest activity associated with FERC jurisdictional decisions. By expanding the protective operations program, the Commission offers additional layers of protection to ensure the Commission can execute its statutory requirements in a safe and secure manner.

The Commission’s Occupational Safety and Health Administration-Compliant Safety Program (OSH program) provided formal hazard specific training to all Regional Offices and conducted assessments of FERC facilities. Additionally, the OSH program obtained, deployed and maintained personal protective equipment for all Energy Project inspections conducted by FERC staff. Finally, the OSH program formally ended its enhanced COVID monitoring and reporting protocols in accordance with the end of the national emergency response to the COVID-19 pandemic.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will enhance its safety and security programs by utilizing additional resources procured in FY 2023. Specifically, the OSH program will engage in enhanced training for all energy projects personnel to include asbestos abatement and protection, confined space, fall harness, and environmental hazards.

The protective operations program will increase sustainment training for all special agents to include emergency driver training, First and Fourth Amendment training, emergency medical response and the integration of a threat management section to target the deployment of resources to maximize deployments of personnel in a resource constrained environment.



### Provide Technical Support to Employees

**FY 2023 RESULTS.**

The Commission continues to work with specific IT tools and applications and to explore new software functionalities to strengthen work processes. These tools also provide for a flexible and supportive work environment for Commission employees.

In FY 2023 the Commission enhanced the hybrid work environment, by purchasing monitors, keyboards and accessories to replicate an “in office” experience for employees, allowing for a seamless transition between work environments. Additionally, 46 percent of Commission staff received upgraded laptops. Also, in FY 2023, the Commission replaced its legacy helpdesk application with an industry leading ServiceNow cloud-based solution offering self-service capabilities as well as workflow management ensuring requests for help are resolved in an

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efficient and timely manner. FERC implemented a strong authentication program leveraging Personal Identity Verification cards for cloud services and authenticator application on Government furnished mobile devices. This provided a seamless user experience in a hybrid environment while maintaining FERC’s security posture.

In FY 2023, in conjunction with the building modernization project, the Commission upgraded the audio visual/conferencing components for all conference rooms including executive offices.

FERC continued to manage its Section 508 Compliance Program, with FERC-wide training and guidance to increase awareness of Section 508 Compliance mandates, digital accessibility, disabilities that necessitate Section 508 considerations, and how to ensure products created in Microsoft Office and Adobe are Section 508 compliant.

In order to provide state of the art customer service, the Commission procured services to conduct a technical and functional assessment of its existing ServiceNow cloud platform, along with all administrative services and processes. The assessment also analyzed the feasibility to centralize, automate, and integrate services into a single portal, with the goal of providing streamlined support, enhancing strategic partnership with Program Offices, and improving customer experience. In FY 2023, the Commission expanded upon its ServiceNow cloud architecture by implementing Incident Management and Service Request Management.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYs 2024 and 2025, the Commission will continue to bolster Privacy Act and Section 508 of the Rehabilitation Act compliance programs, training, and technologies for staff, on top of the continued expansion of FERC’s internal and external facing collaboration tools. The Commission will continue to increase training opportunities for technical staff to ensure that FERC applications meet Section 508 standards, and that customer support processes incorporate tools and techniques for recognizing and accommodating the needs of people with disabilities.

In FY 2024 the Commission looks to add to the incident management capability with Self-Service and Knowledge Management. In addition, the Commission will acquire resources to automate and integrate the services identified during the FY 2023 technical and functional assessment of ServiceNow into a single portal resulting in streamlined support, enhanced partnership with the Program Offices and improved customer experience. This integration will provide seamless lifecycle management by merging the portal and the Commission identity and access solution to automate processes for providing and removing access, and logging into the Commission systems. The Commission has also prioritized and kicked off an initiative in FY 2023 to enhance mission-support data analytic capabilities to provide strategic consulting support to staff in program offices. This initiative will integrate financial, acquisition, human capital, contracting, IT, facilities, and security data to support analysis and decision making. This initiative will continue to mature and evolve into FYs 2024 and 2025 as mission-support data assets are identified, inventoried, and integrated into FERC’s analytics environment for use by decision makers in support of the needs of Commission staff.

In FY 2024, the Commission plans to complete the upgrade of audio visual/conferencing components for all conference rooms to include executive offices.

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Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.2 >	CF 2.2.1	CF 2.2.2	CF 2.2.3	Obj 3.2 >	CF 3.2.1	CF 3.2.2



**Develop and Engage Employees**

**FY 2023 RESULTS.**

The Commission expanded the iLearn platform, which provides critical “just in time” training to employees as well as the ability to access technical training.

The Commission increased its 2023 Federal Employee Viewpoint Survey (FEVS) scores with the accomplishment of the following strategies: (1) providing enhanced analysis of the FEVS results to senior management and ensuring transparency of the results for all employees, (2) performing action planning in response to feedback provided on the FEVS, and (3) providing the necessary tools and training to supervisors to ensure they can effectively empower their employees.

In FY 2023, Commission leadership worked collaboratively with its employee resource groups and developed a comprehensive Diversity, Equity, Inclusion and Accessibility (DEIA) Strategic Plan. This plan, relaunched August 2023, established two strategic goals to advance DEIA within the agency’s workforce. The first goal in the DEIA plan seeks to ensure the Commission’s workforce is diverse and is inclusive of employees from traditionally underserved communities as they participate in the national workforce. The second goal seeks to establish a culture within the agency in which current employees feel valued and opportunities are provided on a fair and equitable basis. This plan strives to strengthen our FERC community by removing barriers impeding equal opportunity for all Commission employees. Additionally, the plan is aligned to achieve the Equal Employment Opportunity Commission’s mandated recruitment and hiring goals for all employees. This initiative will provide for greater transparency in our hiring efforts, relaunch our leadership development programs, and provide employees with coaching and mentoring opportunities that will have a measurable and positive impact on the workplace.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission will continue to expand its iLearn system to strengthen and develop employees’ skillsets and technical abilities to close competency gaps and achieve the Commission’s objectives while maintaining resource efficiency. The Commission also anticipates relaunching its competency-based training program to support coaching and development efforts as one of the actionable strategies within its DEIA Strategic Plan.

The Commission will continue to analyze employee feedback and continue to develop, implement and improve identified actions necessary to increase employee engagement and overall job satisfaction. The Commission will continue to provide supervisors with consultation on their action planning to sustain or improve the Commission’s level of employee engagement. This consultation will include activities focused on mission effectiveness by promoting diversity and inclusion training and providing guidance on enhancing DEIA.

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## Goal 3 > Objective 3.2

### Overview and Priority

**OBJECTIVE 3.2:** Facilitate trust and understanding of FERC activities by promoting transparency and equity, open communication, and a high standard of ethics.

**CORE FUNCTION 3.2.1:** Maintain legal and other processes in accordance with the principles of due process, fairness, and integrity.

**CORE FUNCTION 3.2.2:** Promote understanding, participation, and engagement.

## ● Improving Accessibility and Participation in Proceedings

### Priority Overview

This priority concerns the increased interest and desire to participate in Commission proceedings and the growing need for assistance to ensure an opportunity and ability to access and participate in Commission proceedings. The Commission will address this priority through an integrated set of initiatives designed to educate and support accessibility of and participation in Commission proceedings.

The Commission’s actions and expected results are described more fully in the following sections.

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**Action Index Table**

CORE FUNCTION	WORKSTREAM	FERC ACTION	PAGE
3.2.2: Promote understanding, participation, and engagement	Educate, Inform, and Engage	1. Conduct and develop educational events and materials regarding Commission processes and issue areas.	<u>98</u>
		2. Assess, identify, and implement improvements to government-to-government consultation and engagement with Tribal Nations.	<u>98</u>
	Provide Outreach and Assistance on Individual Proceedings	3. Identify and implement outreach strategies for priority proceedings.	<u>99</u>
		4. Coordinate assistance to the public through hotline/helpdesk process and public notice improvements	<u>99</u>
	Explore Intervenor Funding	5. Provide advice and recommendations to the Commission with respect to intervenor funding.	<u>101</u>

**Performance Goal:** *Increase understanding of and participation in Commission.*

	FY 2022	FY 2023	FY 2024	FY 2025
<b>Performance Indicator:</b> Milestones achieved within established timeframe	<b>Target:</b> Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones	Achieve 100% of milestones
	<b>Actual:</b> Target Not Met. 88% of FY22 Milestones Achieved	Target Met	To be determined	To be determined

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**GOAL 3 > OBJECTIVE 3.2 > CORE FUNCTION 3.2.1**

Maintain legal and other processes in accordance with the principles of due process, fairness, and integrity.

**PURPOSE OF THE CORE FUNCTION**




To demonstrate FERC’s commitment to integrity, fairness, and ethics as public servants and in the exercise of its regulatory authority.

Ensure that **the public, stakeholders, and jurisdictional entities**:

- Have a foundation for putting their trust into the Commission.
- Are given due process when challenging Commission orders and issuances.
- Understand how equity and environmental justice are considered within Commission processes.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p><b>Provide Ethical and Legal Support and Analysis Regarding FERC’s Operational Functions</b></p> 	<ul style="list-style-type: none"> <li>▪ Demonstrate FERC’s high standards of ethics and commitment to integrity.</li> <li>▪ Encourage a level of public trust and confidence.</li> </ul>
<p><b>Provide Legal Guidance and Representation to FERC on Rehearing and Appeal of Commission Issuances</b></p> 	<ul style="list-style-type: none"> <li>▪ Ensure that challenges to Commission issuances are handled in a manner that demonstrates integrity and fairness and assures due process for parties subject to Commission orders and issuances.</li> </ul>
<p><b>Provide Guidance to the Commission on Matters Involving Environmental Justice and Equity</b></p> 	<ul style="list-style-type: none"> <li>▪ Remove barriers that can block historically overburdened and underserved communities from benefitting from Commission policies and processes.</li> <li>▪ Demonstrate Commission commitment to environmental justice and equity and facilitate public trust.</li> </ul>

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## Past and Planned Results



### Provide Ethical and Legal Support and Analysis Regarding FERC’s Operational Functions

**FY 2023 RESULTS.**

In FY 2023, the Commission provided to all staff ethics training that meets or exceeds the Office of Government Ethics’ requirements. The Commission’s ethics staff also responded to approximately 1,900 ethics-related questions and other personnel matters, typically in a timely manner. Ethics questions generally cover outside activities, seeking employment, post-employment, financial disclosure review, and prohibited financial holdings. Although the complexity of each question varies, they typically require substantive analysis of applicable ethics rules and regulations, and other authority.

In FY 2023, the Commission’s ethics staff reviewed 173 public and 791 confidential financial disclosures. This represented approximately 60 percent of FERC employees. The Commission currently uses the Office of Government Ethics’ Integrity system to manage the public financial disclosure reports and uses the FDOonline system to manage the confidential financial disclosure reports.

Staff supports the Commission’s procurement function, providing legal review of various matters, including requests for quotation, awards, and license agreements. In FY 2023, staff reviewed 70 procurement items. In addition, staff reviewed organizational conflict of interest filings to determine whether conflicts existed, such as examining whether contractors’ existing contracts conflicted with proposed FERC work. In FY 2023, staff reviewed 37 organizational conflict of interest items.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to provide to all staff ethics training to all staff that meets or exceeds the Office of Government Ethics’ requirements. The Commission will continue to tailor such training to address emerging trends and developments.

The Commission will continue to review all financial disclosures submitted by staff, the number of which is expected to remain steady.

The Commission expects to receive a similar number of ethics, personnel, procurement, and organizational conflict of interest issues and will respond to all in a timely manner.

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**Provide Legal Guidance and Representation to FERC on Rehearing and Appeal of Commission Issuances**

**FY 2023 RESULTS.**

In FY 2023, staff continued to implement changes to the Commission’s rehearing practices following the June 30, 2020 decision of the U.S. Court of Appeals for the D.C. Circuit in *Allegheny Defense Project v. FERC*, 964 F.3d 1 (D.C. Cir. 2020). The ruling in that case held that the Commission may not extend the statutory time allowed for Commission action on the merits of requests for rehearing of Commission orders issued under the NGA and the FPA. Subsequent changes in the Commission’s rehearing practices are intended to expedite consideration of rehearing requests and to keep the public apprised of the status of Commission proceedings. In accordance with these revised practices, the Commission resolved rehearing requests in over 120 proceedings in FY 2023, reflecting an increase in the number of rehearing proceedings since FY 2022.

Because litigation in the U.S. Courts of Appeals follows Commission action on rehearing, the rise in FY 2022 and FY 2023 rehearing proceedings has led directly to a rise in appellate litigation (new appeals, motions, briefs, and oral arguments) before the U.S. Courts of Appeals. Particularly challenging is the increasing number of appeals filed before the agency has concluded its proceedings – requiring close coordination with agency staff before the appeals can move forward to briefing on the merits. An increase in new appeals, briefs, and oral arguments generally leads to a corresponding increase in court opinions in FERC matters. Despite the increasing appellate workload during the fiscal year, and the high complexity of many of these cases, the Commission has maintained its historic record of defending and sustaining the agency’s orders in (at least) 75 percent of the cases that ultimately are decided on the merits after briefing and argument. (Still other appeals are dismissed after motions practice, without the case ever proceeding to merits briefing and argument.)

**FYS 2024 AND 2025 PLANNED RESULTS.**

For FYs 2024 and 2025, staff expects requests for rehearing to continue to be filed at approximately the same pace as in FY 2023 and will continue to implement the Commission’s post-*Allegheny* practices to ensure that rehearing requests are resolved in a timely manner. As for court appeals, staff believes that current litigation numbers will carry forward, with approximately 125 FERC-related appeals pending at any one time, resulting in 25–45 court opinions per year on review of final FERC orders.



**Provide Guidance to the Commission on Matters Involving Environmental Justice and Equity**

**FY 2023 RESULTS.**

The Commission’s Equity Action Plan, originally released in April 2022, was informed by the Commission’s assessment of five focus areas, which identified barriers that communities with environmental justice concerns experience related to the Commission’s processes and practices, and opportunities to address those barriers. The five focus areas include: (1) establishing an Office of Public Participation; (2) Tribal government consultation and engagement; (3) siting and

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
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	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	<b>Obj 3.2 &gt; CF 3.2.1</b> CF 3.2.2	

certification of natural gas infrastructure; (4) hydropower project licensing processes; and (5) staff equity readiness.

In FY 2023, the Commission evaluated its Equity Action Plan in anticipation of providing a progress report and update consistent with its voluntary response to Executive Order No. 14091, *Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*.

Additionally, in July 2023, the Commission offered a Commission-wide training on environmental justice and equity.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue work toward the focus areas described in the original and anticipated updates to the Equity Action Plan. These actions will continue to help remove barriers that can block historically overburdened and underserved communities from benefitting from reliable, safe, secure, and economically efficient energy services. Implementation of the Equity Action Plan will also help lay the foundation for continued integration of environmental justice and equity in the Commission’s work. The Commission will continue to periodically evaluate and improve its Equity Action Plan.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2 Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.1 > CF 2.1.1 CF 2.1.2 Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.1 > CF 3.1.1 CF 3.1.2 <b>Obj 3.2 &gt; CF 3.2.1</b> CF 3.2.2	



**GOAL 3 > OBJECTIVE 3.2 > CORE FUNCTION 3.2.2**

Promote understanding, participation, and engagement.

**PURPOSE OF THE CORE FUNCTION**





To promote transparency and understanding regarding FERC’s authority, activities, and proceedings, thereby enhancing participation and engagement in Commission activities.

Ensure that **the public, stakeholders, Tribes, and jurisdictional entities:**

- Understand how the Commission carries out its responsibilities.
- Have access to accurate and timely information about the Commission’s activities.
- Have the opportunity and support to participate in Commission proceedings, including through alternative dispute resolution, assistance with procedural or technical questions, and potentially an opportunity to seek intervenor funding.

**Overview**

This core function includes the following workstreams and related impacts.

Workstream	Impacts
<p><b>Educate, Inform, and Engage*</b></p> 	<ul style="list-style-type: none"> <li>▪ Facilitate understanding of how FERC carries out its responsibilities.</li> <li>▪ Promote trust in and engagement with FERC.</li> <li>▪ Demonstrate FERC’s commitment to transparency and open communication.</li> </ul>
<p><b>Provide Outreach and Assistance on Individual Proceedings*</b></p> 	<ul style="list-style-type: none"> <li>▪ Promote public participation and engagement with FERC.</li> <li>▪ Ensure that individuals are treated in a manner that is inclusive and fair.</li> <li>▪ Ensure that the concerns of Tribal members, environmental justice, energy justice, and other historically marginalized communities are fully and fairly considered in FERC proceedings.</li> </ul>
<p><b>Maintain and Provide Public Information Systems and Services to Facilitate Public Engagement</b></p> 	<ul style="list-style-type: none"> <li>▪ Ensure that the public is kept up to date on Commission decisions and activities.</li> <li>▪ Promote the efficient sharing of information between the agency, the public, and external stakeholders.</li> <li>▪ Ensure that public and external stakeholders can comment on filings made with the Commission, rulemakings, and Commission issuances.</li> </ul>
<p><b>Explore Intervenor Funding*</b></p> 	<ul style="list-style-type: none"> <li>▪ Ensure that any intervenor funding by FERC is appropriate and fair.</li> <li>▪ Ensure that intervenor funding decisions are transparent and understood.</li> </ul>

\* Workstream contributes towards Strategic Priority.

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	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	<b>Obj 3.2 &gt; CF 3.2.1 CF 3.2.2</b>	

## Past and Planned Results



### Educate, Inform, and Engage

**FY 2023 RESULTS.**

The Commission has a robust and programmatic approach to educating, informing, and engaging the public; federal and state lawmakers; Tribal officials; and other state, local, and officials of important FERC actions.

The Commission’s first line of communication with the public and stakeholders is through its FERC.gov website; the 119 announcements posted to the website in FY 2023 comprised the bulk of social media postings that alerted the public and stakeholders to the Commission’s actions immediately after they take place. The Commission makes efficient and creative use of its social media channels including LinkedIn, X (formerly known as Twitter), Facebook, Instagram, Threads and YouTube, where it regularly posts updates to 96,810 total followers. The Commission incorporated its use of photographs, animation and videography into its social media postings to make them more interesting to audiences and to help reinforce the Commission’s messages. The Commission’s expanded and user-friendly capability to seamlessly webcast Commission meetings, technical conferences, and other events via the Commission’s web page and its social media channels also has contributed to this audience growth. This new webcast capability also has allowed the Commission to include remote reporters in the Chairman’s monthly media briefings, significantly enhancing the Chairman’s ability to engage with members of the news media and to communicate his and the Commission’s messages.

The Commission’s outreach efforts continue with direct and regular engagement with Congressional, state, Tribal and media groups to inform them of Commission actions and to alert them to opportunities for learning more about what the Commission is doing. These briefings focus on new rulemakings, policy proposals, and staff reports on wholesale electric markets, seasonal reliability, and other issues. The briefings offer attendees an opportunity to ask questions of Commission staff to gain more clarity on these items.

Finally, Commission staff follow up these efforts with prompt and accurate responses to requests from the media; the public; and Congressional, state, and Tribal stakeholders. In FY 2023, staff responded to 5,189 inquiries, including 315 media requests.

To accomplish these outreach efforts in FY 2023, Commission staff:

- Developed, evaluated, and implemented new, proactive approaches and processes for handling congressional inquiries, preparing for congressional hearings, and letter processes.
- Arranged for approximately 87 formal and informal briefings, technical assistance on proposed legislation, and written correspondence in response to Congressional inquiries.
- Held 31 in-depth briefings for state policymakers on important Commission initiatives as of July 14, 2023.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 2.1 >	CF 2.1.1
			Obj 2.2 >	CF 2.2.1
				CF 2.2.2
				CF 2.2.3
			Obj 3.2 >	CF 3.2.1
				CF 3.2.2

- Continually updated the Commission’s state contact lists to include thousands of state officials and staff, expanded reach to include consumer advocates, governors’ offices, legislators, environmental/public works officials, and Tribal officials.
- Hosted 46 separate in-depth briefings, both in-person and virtual, for Tribal leaders and foreign delegations.
- On average, distributed 12 notifications of Commission actions per month to state officials, including relevant notational items issued daily.
- Hosted Chairman’s media briefings attended by 15-20 reporters after each of the Commission’s 11 monthly public meetings.
- Produced, posted to social media, and distributed via email 11 regular editions and one special edition of the *FERC Insight* newsletter highlighting Commission activities to an audience of 8,644 subscribers.

The Commission takes seriously its responsibilities under the Freedom of Information Act (FOIA) and its duties regarding access to information under Critical Energy/Electric Infrastructure Information (CEII) regulations. The Commission accepted 138 FOIA requests and 40 CEII requests in FY 2023. The Commission has implemented new steps to be more responsive, efficient, and timely in responding to incoming FOIA requests, as envisioned by the Department of Justice March 2022 FOIA memorandum.

**FYS 2024 AND 2025 PLANNED RESULTS.**

For FYs 2024 and 2025, the Commission will continue to strengthen its commitment to education, information, and engagement with the public. A reboot of the Commission’s “Open Access” podcast in the spring of calendar year 2024, with a focus on communicating helpful information to the public about how to interact with the Commission and educational details about how the Commission performs its duties, is intended to boost the Commission’s multimedia outreach. In addition, the Commission will make videos of the Chairman’s post-Commission meeting media briefings available to the public via social media, further opening avenues of sharing the Commission’s messages and bringing more transparency to Commission operations.

In FYs 2024 and 2025, the Commission also will continue to proactively offer briefings to Congressional staffers on areas of interest, major rulemakings, and orders. The Commission will continue to respond to all Congressional inquiries promptly and openly while ensuring Congressional members and staff are kept apprised of action by the Commission regarding priority items. In FYs 2024 and 2025, staff expects to exceed FY 2023 levels of communication with state officials and continue to expand outreach to additional associations representing state interests. Commission staff also will continue to build relationships with international regulatory agencies; continue to engage with regulatory counterparts in Mexico, Canada, Europe, and Asia; and provide assistance to sister federal agencies upon request.

In FYs 2024 and 2025, Commission staff will process FOIA and CEII requests within the required timeframes. The Commission cannot predict the number of such requests it will receive in future years. Yet the Commission expects such requests may become more frequent with the evolution of its public engagement strategies and capabilities and increased public interest in the Commission. To adapt to this higher level of engagement, the Commission is reviewing ways to ensure the FOIA process is more timely and efficient to account for the higher volume of FOIA requests.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

**● Priority Results: Improving Accessibility and Participation in Proceedings**

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**FY 2023 RESULTS.**

The transformation of the nation’s energy landscape has shone a brighter spotlight on the Commission. This change has required FERC to improve the sophistication and reach of its public engagement program by coordinating outreach efforts to multiple audiences, including new audiences for the Commission’s messages on several fronts, using a variety of tools and platforms.

In FY 2023, the Office of Public Participation focused its work on reaching its core constituencies of communities with environmental justice concerns, landowners impacted by infrastructure proposals, citizens of Tribal Nations, and consumer/environmental/community-based organizations. In FY 2023, the Office of Public Participation expanded its constituent services, outreach, and education initiative. The Office developed educational materials and expanded its presence and scope of content on social media (X, formerly known as Twitter; Facebook; and Instagram). In coordination with other FERC offices, the Office worked to improve opportunities for public input in proceedings of major interest to constituents through expanded, locally-focused outreach. The Office of Public Participation supported the planning and coordination of the first-ever Commissioner-led roundtable on environmental justice and equity. Additionally, the Office spearheaded FERC’s participation in a Tribal constituent-led first ever Tribal Energy Equity Summit focused on transmission.

In early FY 2023, the Office of Public Participation conducted a workshop and offered guidance to the public on submitting meaningful comments to assist Commission decision-making in proceedings. Over 200 live viewers participated in the workshop and, as of four months following the event, the workshop recording was replayed over 2,400 times on YouTube. At this workshop, the Office provided Spanish and American Sign Language interpretation – a first for a Commission workshop. The Commission then provided these same language access services during its roundtable on environmental justice and equity. By late FY 2023, the Office distributed over 10 educational materials on pending rulemakings, introductory participation guides to each RTO/ISO, as well as energy projects matters.

In FY 2023, Commission staff began including Tribal governments in outreach efforts by sending relevant notices of Commission actions to federally recognized Tribes. Commission staff created the first dedicated landing page for the Commission’s Tribal consultation program, which houses contact information and documents relevant to Tribal engagement and consultation. Commission staff also created a new classification within eLibrary that allows comments and letters filed by Tribes to be classified as “Tribal Government Submittals.” To expand consultation opportunities to include rulemakings and policy statements, Commission staff held two dedicated webinars for Tribal leaders and their staff on a proposed rulemaking and a final rule. Finally, a training was provided to Commission staff who were attending an upcoming Tribal energy summit.

**FYS 2024 AND 2025 PLANNED RESULTS.**

The Commission will increase its engagement with the public through its Office of Public Participation as it executes key functions, including public outreach and education and procedural assistance, among others. The Commission will increasingly work to reflect the needs of

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

landowners, communities with environmental justice concerns, citizens of Tribal Nations, and consumer/environmental organizations in its outreach strategies and messaging.

During FYs 2024 and 2025, Commission staff will also identify, prioritize, and continue to develop resources for the public in both English and other high-priority languages, including Spanish and American Sign Language. These resources, such as primers and explainers, would describe the Commission’s role in regulating electric markets and energy infrastructure, how to comment and intervene in proceedings, and why the proceedings are of interest to the public.

In FYs 2024 and 2025, the Office of Public Participation plans to develop educational materials and to conduct events, including workshops, webinars and community briefings, to help educate the public on Commission processes and issue areas such as electric energy market regulation in RTOs/ISOs and energy infrastructure proceedings. Staff anticipates publishing at least two educational multi-media products during FY 2024.

Commission staff plan to continue engaging Tribal leaders through targeted outreach and expanding opportunities to consult on rulemakings and policy statements. Staff will continue to improve the new Tribal Relations webpage and expand its functionality and findability. Finally, staff anticipate hosting a series of workshops to hear directly from Tribal governments about how the Commission can improve its Tribal engagement and consultation practices.



**Provide Outreach and Assistance on Individual Proceedings**

**● Priority Results: Improving Accessibility and Participation in Proceedings**

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**FY 2023 RESULTS.**

In FY 2023, the Office of Public Participation provided procedural assistance to approximately 400 constituent inquiries received by telephone and email communications. Constituent requests for assistance included inquiries regarding the full range of FERC jurisdictional matters, including but not limited to natural gas infrastructure, electric markets, hydropower licensing, and LNG facilities. Additionally, in FY 2023, the Office of Public Participation conducted or attended over 155 meetings and events with members of its core constituencies to introduce them to the Commission’s processes and the services provided by the Office of Public Participation and listen to their concerns and priorities for participation in FERC proceedings.

In FY 2023, the Office of Public Participation developed a detailed framework to identify infrastructure and electric market proceedings that may be of greatest interest to the public to implement outreach strategies for such proceedings. In FY 2023, the Office began implementation of this framework and offered expanded, in-depth localized outreach consisting of expanded mailing of notices for five infrastructure proceedings and hundreds of social media alerts regarding comment opportunities in infrastructure proceedings.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	

The Office utilized its constituent email list-serve, as well as social media such as X (formerly known as Twitter), Facebook, and Instagram to communicate with followers.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, Commission staff will execute the plans for expanded outreach focusing on the participation of landowners, communities with environmental justice concerns, citizens of Tribal Nations, and consumer/environmental groups in NGA proceedings for natural gas infrastructure, FPA proceedings for hydroelectric infrastructure and other FERC-jurisdictional matters prioritized by the public. The purpose of expanded outreach is to ensure that the public knows about projects and policy developments relevant to their communities and how they can meaningfully engage with the Commission on those matters. In FY 2024, the Office of Public Participation will continue to collaborate with other FERC offices to implement a Commission-wide language access program. As these initial plans are implemented, Commission staff will also evaluate the effectiveness of the various outreach activities and document any lessons learned. The Office of Public Participation’s expanded outreach will continue in FY 2025.

In FYS 2024 and 2025, the Commission will continue to provide procedural assistance through the Office of Public Participation helpline and will commence to offer technical assistance by executing its plan to hire a Director of Technical Assistance. In addition, Office of Public Participation staff will continue coordination of public facing Commission helplines and hotlines to eliminate redundancies.



**Maintain and Provide Public Information Systems and Services to Facilitate Public Engagement**

**FY 2023 RESULTS.**

The evolving transformation of the nation’s energy infrastructure and the increased interest in the Commission’s work has heightened the need to maintain public information systems and services that enable the public to keep abreast of the Commission’s activities and decisions. In recent years the Commission has implemented electronic and online processes that allow the Commission to be more agile and expedient in its processing of all filings and issuances, thereby fostering even greater transparency and public trust. These virtual processes also support government-wide efforts to modernize the Federal Government, including moving away from paper-based and adopting electronic processes.

In FY 2023, the Commission received 74,332 filings from external constituents, which were processed and published in eLibrary, the Commission’s official records repository. Approximately 96 percent of all FY 2023 transactions, submissions and issuances, were received electronically—compared to an average of 75 percent over the last 10 years—reflecting the Commission’s ongoing effort to reduce its reliance on paper filings.

In FY 2023, the Commission issued 954 decisions that were voted on by the full Commission, and 6,904 delegated orders (decisions in which Commission staff is authorized to act pursuant to the Commission’s Regulations). In addition, in FY 2023, as part of the Commission’s due process mission, staff published 7,465 public notices (including notices announcing industry filings

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
Obj 1.1 >	CF 1.1.1	CF 1.1.2	Obj 3.1 >	CF 3.1.1
Obj 1.2 >	CF 1.2.1	CF 1.2.2	Obj 3.2 >	CF 3.2.1
		Obj 2.1 >	CF 2.1.1	CF 3.1.2
		Obj 2.2 >	CF 2.2.1	CF 3.2.2
			CF 2.2.2	
			CF 2.2.3	

submitted with the Commission) on eLibrary. Of these public notices, 24 informed the public about 759 prohibited/exempt communications received under the Commission’s ex parte communications rules. Commission staff assessed each of these instances to determine whether the communications were prohibited or exempt, then published the communications to eLibrary on a biweekly basis. Overall, in FY 2023, Commission staff published 19,915 issuances of Commission actions through FERC’s document repository, eLibrary.

Further supporting its transparency and promoting public trust efforts, the Commission posted 100 percent of time-sensitive Commission actions to the FERC.gov website within one hour of the official actions being taken. Timely posting of announcements to the FERC website ensures that the public, industry, and stakeholders have quick access to Commission decisions. In addition, such timely postings allow related social media posts to provide the public with links to FERC.gov for pertinent information, improving the transparency of FERC actions to the public.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission expects workload to continue to increase, in keeping with the trend over the last few years. The Commission plans to refine and improve its processes to remain agile and expedient in its processing of filings and issuances and consistent with government-wide efforts to modernize the Federal Government. Consistent with that endeavor, the Commission will continue its efforts to transition recordkeeping to an electronic environment that complies with all records management laws and regulations consistent with OMB/NARA Memorandum M-19-21 (Transition to Electronic Records). The Commission also plans to improve FERC’s online applications—including its electronic filing system and eLibrary data repository—through the modernization of Commission legacy applications in order to improve the reliability, user interface, and efficiencies of its services to the public.



**Explore Intervenor Funding**

**● Priority Results: Improving Accessibility and Participation in Proceedings**

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**FY 2023 RESULTS.**

In FY 2023, Commission staff continued to review and evaluate feedback received from public input regarding public participation and reviewed potential frameworks for intervenor funding.

**FYS 2024 AND 2025 PLANNED RESULTS.**

In FYS 2024 and 2025, the Commission will continue to review and evaluate feedback received from stakeholders that will form potential frameworks for intervenor funding. The Commission anticipates pursuing a suppositional rulemaking on intervenor funding that will likely include additional public comment on this initiative.

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	<a href="#">Obj 1.1 &gt;</a> <a href="#">CF 1.1.1</a> <a href="#">CF 1.1.2</a>	<a href="#">Obj 2.1 &gt;</a> <a href="#">CF 2.1.1</a> <a href="#">CF 2.1.2</a>	<a href="#">Obj 3.1 &gt;</a> <a href="#">CF 3.1.1</a> <a href="#">CF 3.1.2</a>	
	<a href="#">Obj 1.2 &gt;</a> <a href="#">CF 1.2.1</a> <a href="#">CF 1.2.2</a>	<a href="#">Obj 2.2 &gt;</a> <a href="#">CF 2.2.1</a> <a href="#">CF 2.2.2</a> <a href="#">CF 2.2.3</a>	<a href="#">Obj 3.2 &gt;</a> <a href="#">CF 3.2.1</a> <a href="#">CF 3.2.2</a>	

# Appendices

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## Appendix A: Verification and Validation of Performance Goal Information

The Commission collects and uses information on its performance goals to inform decision making, manage performance, and meet statutory requirements. FERC ensures the completeness and reliability of performance goal information through a rigorous measure development process and internal controls over the collection and use of the information.

FERC’s measure development process includes the following elements:

1. Logic model mapping to provide an interpretive framework and to delineate the performance to be assessed.
2. The development of use cases to clarify the purpose of the measure.
3. The specification of measurement scope and data collection steps and procedures.
4. Development of procedure manuals that document:
  - Purpose and interpretation of the measure,
  - External factors that may impact the measure,
  - Measure content,
  - Data collection and storage procedures,
  - Data quality controls, and
  - Reporting requirements.

FERC’s internal controls over the collection and use of information incorporate a verification and validation process that may be applied to individual performance indicators. The verification and validation process helps to ensure the overall data quality and usefulness of the performance indicator and is one means by which FERC provides a level of confidence to Congress and the public that data used for decision making are complete and reliable.

FERC’s verification and validation process includes the following elements:

1. A criterion-based approach that assesses a performance indicator against a set of five criteria—Complete, Consistent, Accurate, Timely, and Valid—that align with the Office of Management and Budget and Government Accountability Office guidance.
2. An extensive review of the procedures for collecting, storing, and analyzing measure data to ensure those procedures are effective and consistently performed across people and time periods.
3. A verification of the reported results to ensure that the calculation is consistent with the defined scope of the indicator and appropriately applied to the raw data.
4. An examination of the internal interpretation and use of the indicator results to ensure that data limitations are accounted for and the information is appropriately valid for its intended use.

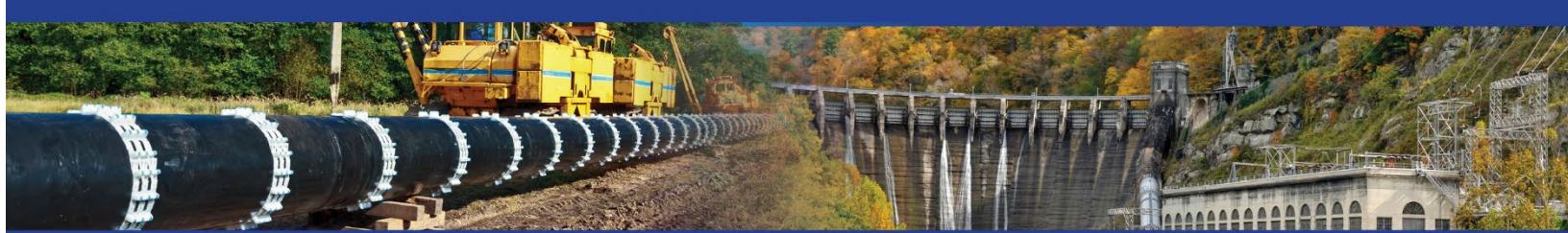
INTRO	GOAL 1	GOAL 2	GOAL 3	<b>APPENDICES</b>
Obj 1.1 >	CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
Obj 1.2 >	CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



## Appendix B: Acronyms

<b>AI</b> Artificial Intelligence	<b>ICA</b> Interstate Commerce Act
<b>ALJ</b> Administrative Law Judge	<b>IRA</b> Inflation Reduction Act
<b>ALM</b> Application Layer Modernization	<b>ISO</b> Independent System Operator
<b>BPA</b> Blanket Purchase Agreement	<b>IT</b> Information Technology
<b>C.F.R.</b> Code of Federal Regulations	<b>LNG</b> Liquefied Natural Gas
<b>CEII</b> Critical Energy/Electric Infrastructure Information	<b>NARA</b> National Archives and Records Administration
<b>CIP</b> Critical Infrastructure Protection	<b>NEPA</b> National Environmental Policy Act
<b>CR</b> Continuing Resolution	<b>NERC</b> North American Electric Reliability Corporation
<b>DEIA</b> Diversity, Equity, Inclusion and Accessibility	<b>NGA</b> Natural Gas Act
<b>CSV</b> Comma Separated Value	<b>NOI</b> Notice of Inquiry
<b>DHS</b> Department of Homeland Security	<b>NOPR</b> Notice of Proposed Rulemaking
<b>DOE</b> Department of Energy	<b>ODSP</b> Owner’s Dam Safety Program
<b>EIS</b> Enterprise Information Services	<b>OMB</b> Office of Management and Budget
<b>EQR</b> Electric Quarterly Report	<b>OSH Program</b> Occupational Safety and Health Administration-Compliant Safety Program
<b>ERO</b> Electric Reliability Organization	<b>PJM</b> PJM Interconnection, L.L.C.
<b>FERC</b> Federal Energy Regulatory Commission	<b>PY</b> Prior Year
<b>FEVS</b> Federal Employee Viewpoint Survey	<b>RTO</b> Regional Transmission Organization
<b>FOIA</b> Freedom of Information Act	<b>SCIF</b> Sensitive Compartmentalized Information Facility
<b>FPA</b> Federal Power Act	<b>U.S.C.</b> United States Code
<b>FTE</b> Full-Time Equivalent	<b>WAN</b> Wide Area Network
<b>FY</b> Fiscal Year	<b>XBRL</b> eXtensible Business Reporting Language
<b>GHG</b> Greenhouse Gas	<b>ZTA</b> Zero Trust Architecture
<b>GSA</b> General Services Administration	

INTRO	GOAL 1	GOAL 2	GOAL 3	APPENDICES
	Obj 1.1 > CF 1.1.1 CF 1.1.2	Obj 2.1 > CF 2.1.1 CF 2.1.2	Obj 3.1 > CF 3.1.1 CF 3.1.2	
	Obj 1.2 > CF 1.2.1 CF 1.2.2	Obj 2.2 > CF 2.2.1 CF 2.2.2 CF 2.2.3	Obj 3.2 > CF 3.2.1 CF 3.2.2	



**FERC**

FY 2025 CONGRESSIONAL JUSTIFICATION

