

ADMINISTRATIVE ARRANGEMENT

Between

The United States Federal Energy Regulatory Commission

and

the Directorate-General for Energy of the European Commission

**Concerning Cooperation and the Exchange of Information Related
to the Field of Wholesale Energy Market Regulation**

**ADMINISTRATIVE ARRANGEMENT CONCERNING
COOPERATION AND EXCHANGE OF INFORMATION BETWEEN
THE UNITED STATES FEDERAL ENERGY REGULATORY COMMISSION
AND THE
DIRECTORATE-GENERAL FOR ENERGY
OF THE EUROPEAN COMMISSION**

Having regard to the role of the Federal Energy Regulatory Commission of the United States (FERC) in regulating, monitoring and oversight of Wholesale Energy Markets and in reviewing proposals to build liquefied natural gas terminals and interstate natural gas pipelines;

Having regard to the role of the Directorate-General for Energy of the European Commission (DG Energy) in drafting proposals on the further development of integrated wholesale electricity and gas markets in the European Union, in developing the network codes and in monitoring the application of European Union law as it applies to electricity and gas markets;

Recognising that, in the field of energy market regulation, FERC and the DG Energy share convergent interests in ensuring the stability and transparency of Wholesale Energy Markets, the further development of the necessary electricity and gas infrastructures given significant changes in the resource mix, including the integration of variable energy resources into the electricity system, and that therefore a regular exchange of information on these issues would be of mutual benefit;

Taking into account the Memorandum of Understanding signed on 6 January 2015 between the FERC and the European Union's Agency for the Co-operation of Energy Regulators on co-operation and exchange of information on areas falling under their respective regulatory mandates;

Recalling that this Administrative Arrangement (AA) Concerning Cooperation and Exchange of Information Between the United States Federal Energy Regulatory Commission and the Directorate-General for Energy of the European Commission is without prejudice to the respective competences of the Member States of the European Union and the European Union institutions and does not create legal obligations in respect of the European Union and its Member States.

FERC and DG Energy share the following understandings:

**SECTION 1:
DEFINITIONS**

1. "Authority" means FERC or the DG Energy (together the Authorities).
2. "Wholesale Energy Market" means a wholesale electricity or gas market subject to the regulation, monitoring, and/or oversight by either Authority.
3. "Person" means a natural or legal person.

**SECTION 2:
GENERAL PROVISIONS**

1. This AA does not create any legally binding obligations, confer any rights, or supersede domestic laws. This AA does not confer upon any Person the right or ability directly or indirectly to obtain, suppress, or exclude any information or a request for assistance under this AA.
2. This AA does not affect any right of each Authority to communicate with, or obtain information or documents from, any Person subject to their jurisdiction that is located in the territory of the other Authority.
3. This AA does not prejudice, limit or alter the terms and conditions of any bilateral or multilateral Memoranda of Understanding or other arrangements concerning cooperation between or among either Authority and any regulators from Member States of the European Union or from the United States.
4. The Authorities, within the framework of this AA, intend to cooperate in good faith and in full respect of their regulatory or legal duties in relation to the issues listed in this AA.
5. FERC and the DG Energy, unless otherwise mutually decided, intend to bear their own respective shares of financial costs of participating in the activities under this AA. All such activities would be subject to approval of funding by each Authority involved.

**SECTION 3:
SCOPE OF COOPERATION AND THE EXCHANGE OF INFORMATION**

FERC and the DG Energy affirm their intent:

1. To have regular consultations and exchange of information on existing energy market regulation at a technical level, and to share best practices such

as methods, techniques and standards to face emerging challenges of the respective energy markets, including but not limited to:

- the development of new market designs;
- issues of capacity and resource adequacy;
- zonal and nodal pricing;
- coordination between transmission system operators;
- transmission planning and cost allocation;
- integration into the electric grid of variable energy resources, distributed energy resources, and demand response;
- natural gas infrastructure, including liquefied natural gas facilities; and
- natural gas scheduling practices and market operations.

Such exchange of information may include studies that have been prepared by or for the account of either Authority.

2. To have regular consultations and exchange of information and best practices referred to in point 1 above on ensuring electricity grid stability, including on the integration of variable energy resources into the electricity system and on efficient and well-coordinated transmission system operation.
3. To consider the possibility of short-term staff exchanges, the details of which may be discussed between the Authorities.
4. To protect, to the extent permitted by law, non-public information shared under this AA and obtain prior consent by the other Authority before disclosing non-public information received from the other Authority, except where disclosure is required by law. The Authority intending disclosure of non-public information received from the other authority is expected, to the extent legally permissible and practically possible, to inform the Authority originally providing the information about the planned disclosure within a reasonable amount of time prior to such disclosure.

**SECTION 4:
MODIFICATIONS AND EFFECTIVE DATE**

1. Modifications to this AA should be made in writing with the written consent of both Authorities.
2. Cooperation in accordance with this AA becomes effective on the date that both Authorities have signed this AA.

**SECTION 5:
DISCONTINUATION**

1. An Authority should endeavour to provide 30 days written notice of its intent to discontinue cooperation under this AA. If either Authority gives such notice, cooperation and assistance under this AA should continue with respect to all requests for assistance that were made, or information provided before the date on which the AA is discontinued (as indicated in the notice but no earlier than the date the notice is sent) until the requesting Authority notifies the other Authority that the matter for which it sought assistance is closed.
2. In the event of the discontinuation of this AA, information obtained under this AA should continue to be treated confidentially in the manner prescribed under Section 3(4).

Norman C. Bay
Norman C. Bay,
Chairman of the
Federal Energy Regulatory Commission

Dominique Ristori
Dominique Ristori,
Director-General for
DG Energy of the
European Commission

May 5, 2016
Date

FERC
Place

May 5, 2016
Date

FERC
Place