



FERC Podcast Transcript
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Interview with Acting Chairman Cheryl LaFleur

Welcome to Open Access, the podcast series of the Federal Energy Regulatory Commission, or FERC. I'm Mary O'Driscoll, your host. Our goal here is to have a conversation about FERC, what it does, and how that can affect you. FERC can get very legal and very technical, so we will strive to keep it simple.

FERC is an independent regulatory agency that oversees the interstate transmission of electricity, natural gas and oil. FERC's authority also includes review of proposals to build interstate natural gas pipelines and liquefied natural gas terminals and licensing of nonfederal hydropower projects. FERC protects the reliability of the high-voltage interstate transmission system through mandatory reliability standards, and monitors interstate energy markets to ensure that everyone in those markets is playing by the rules.

Craig Cano: Welcome to our podcast, I'm Craig Cano. And today, I'll be speaking with Cheryl LaFleur, who was appointed Acting Chairman of the Federal Energy Regulatory Commission by President Donald Trump on January 23, 2017. She was first nominated to the commission by President Barack Obama in 2010 and was confirmed for a second term by the Senate in 2014. She previously served as Acting Chairman of the Commission, from November 2013 to July 2014 and as Chairman from July 2014 until April 2015.

Chairman LaFleur, thanks for taking the time to speak with us today.

Acting Chairman Cheryl LaFleur: I'm happy to do so, Craig. When you suggested that we do this podcast, I thought it would be a great way to communicate, especially with FERC employees who might have questions right now.

Cano: I want to ask you some questions that people will have on their minds. First of all, congratulations.

LaFleur: Thank you.

Cano: How are you doing?

LaFleur: Pretty good. It's been kind of a strange week. When I first read the rumors in the trade press that I might be made Acting Chairman, I didn't know whether to believe them. But my FERC stint has been pretty nonstandard, I think that's a good word. And that certainly has continued. I had a boss in my law firm who used to say, "This will add a line to my obituary, and hasten its appearance." And that is definitely true of this job, I

think. But in all seriousness, it's an honor to lead the employees of this Commission and our work, under any circumstances.

Cano: Why did the Trump administration pick you?

LaFleur: Well, obviously, you'd have to ask them. Maybe send them a tweet. But I've been at this Commission for seven years. I'm the longest-serving Commissioner, right now. I'm a past Acting Chairman, I'm a past Chairman, and before that I was in energy for more than 20 years, so I'll certainly try my best to do the job.

Cano: And, why did you say yes?

LaFleur: Well, I thought about it, to be honest. And I reasoned, I'd already decided to serve out my term. I've been part of the Democratic majority ever since I've been here, and I knew that going forward I would be part of a Democratic minority. And if I was going to be here, and asked to lead, I thought I should.

Cano: Does this mean you're aligned with the President's agenda?

LaFleur: FERC is an independent agency, and we try very hard to decide all the cases by applying the law that governs us and the facts on the record. That's what I've done ever since I've been here, that's what I'll continue to do.

Cano: Norman Bay will be leaving the Commission within the week, leaving you with just two members. How will that affect Commission operations?

LaFleur: Let me unpack that a little bit. First of all, we're very focused on the next week and trying to get as much work done while we have a quorum. But beyond that, we have already confirmed that all of the existing staff delegations that are in place, including such actions as hydro inspections, LNG safety reviews, audits and all the other things that staff does, will continue during a period of no quorum. And, I'm not sure that everyone knows that five times as many orders are issued in a year by staff than by the commissioners.

We're already working on a potential expansion of staff's delegated authority during the period of non-quorum. We're basing that on past Commission orders on the subject and the experience of other agencies. So, people should stay tuned for that.

I've already spent some time with Commissioner Honorable, and we're both committed to working really closely to move the work of the Commission forward. Some of the things we'll be able to do, this isn't a complete list, but review and consider filings that are pending or come before the Commission; coordinate staff delegated actions, existing and increased; proceed with environmental review of projects; hold Commission meetings, tech conferences, workshops; prepare orders for future voting and that happy day when we get a new commissioner; and just conduct other business.

Cano: Can you tell us what your priorities will be as Chairman?

LaFleur: On my website from when I got to the Commission, it said that my priorities were reliability and grid security – which has been one of my major focuses – transmission, and ensuring a clean and diverse energy supply. And, those haven't changed. I've never changed them.

Over the past several years, a lot of our work of course has been driven by changes in the nation's energy supply, particularly the growth of renewables and gas. And that's driving a lot of work both in market and infrastructure. When I look at a couple of the things that I think are really important right now, I think an issue that's going to be prominent is trying to adapt competitive markets to some of the state initiatives that we're seeing. That's a very important issue to me because I think that the competitive markets have demonstrated a lot of benefits for customers, and they're at a stage where they might need some adaptation to continue to deliver those benefits.

Obviously, I think our pipeline work is also very high profile right now.

Cano: You mentioned competitive markets. What about enforcement?

LaFleur: Well that's a very important part of our work. Both reliability enforcement, and keeping markets fair. And I would say that I only mentioned a few aspects of our work, but everything the Commission does and all parts of our organization are important.

Cano: Can you tell us a little bit about what you foresee for the composition of the Commission in the coming months?

LaFleur: Well, obviously, Colette and I are here. And, we hope for nominations to fill the quorum as soon as possible.

Cano: Do you view yourself as a steward, until the Republicans arrive, or as a chairman who can pursue your own agenda?

LaFleur: Thinking back to when I was made Acting Chairman in 2013 – and I only had 45 minutes' notice before the announcement – the first thing I said was that I would work with my colleagues and all the employees to keep the work of the Commission moving forward during a time of transition and uncertainty. I think we're in another time of transition, and that will be equally true today.

Now, having said that, I'll confront any issues that happen to come up during my tenure, working with my colleagues just like any other chairman would. I'm the Chairman while I'm the Chairman.

Cano: One of the issues that the Commission has faced has been protests, and the Commission has had to close a couple of its meetings. Will you be doing anything like that?

LaFleur: We closed meetings only a couple times. And in those instances, Chairman Bay made that decision in consultation with his colleagues, based on the specific situation at the time. And I think I would do the same thing.

Cano: The White House recently issued a regulatory freeze memo. That memo is similar to those that have been issued in past transitions of administration, including the 2009 transition to the Obama administration. How will that affect FERC?

LaFleur: Well Craig, we reviewed the memo very carefully, and to the extent it applies to FERC, a triggering event described in the memo is the designation of a new agency head by the new administration. That happened last week when I was designated as Acting Chairman. I've completed the review of new or pending regulations described in the memo, and we have now sent to the *Federal Register* items previously duly voted out by the Commission that need to be published there. I'd also note that previously set comment deadlines will remain unchanged.

Cano: The White House also announced a hiring freeze. How will that affect the Commission?

LaFleur: Well, the hiring freeze does apply to us. There is an exception for work of significance to national security, and that could possibly cover some parts of our work. I think the Commission is well-staffed. We have wonderful employees. Depending on how long the freeze lasts, like all organizations we'll lose people to retirement or attrition. I certainly hope at some point we're able to hire again.

Cano: Can you tell us what you'll take from your previous experience as Chairman and use this time around?

LaFleur: Well last time, I had to fairly quickly adapt to the added responsibilities of Chairman, the management and external responsibilities. I feel ahead of the game this time because I've done it before and it feels very familiar. I think what I learned was just to keep marching forward. While you're Chairman, you're Chairman.

But really, I've been on a learning curve the whole time I've been here, whether as a Commissioner or Chairman, and I hope I continue to learn.

Cano: One last question for you, Chairman. We all know you're a New England Patriots fan, so: The Patriots – Most Amazing Football Team on the Planet, or just The Best Football Team Ever?

LaFleur: Well that's obviously a trick question, 'cause both are true. I've been a fan since I was a kid, and I went to a lot of games in the old stadium in the 1970s and the 1980s, when the Patriots were really terrible. And what they've accomplished in the last 15 years, with Bill Belichick and Tom Brady, I think is pretty amazing. Go Pats!

Cano: Chairman, thank you very much for your time.

LaFleur: You're welcome. Thank you, Craig.

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