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Chairman Chatterjee: 2020's Top Five, and What's Coming Up
July 27, 2020

Mary O'Driscoll: Welcome to Open Access, I'm Mary O'Driscoll.

COVID—19 continues to test the limits of just about everything in our world. And that has been particularly true at FERC. Joining me today is FERC Chairman Neil Chatterjee, and he's here to discuss what the Commission has been doing over the past five months since the pandemic forced us all to work remotely, and what is coming up in the fall.

Welcome back to Open Access, Chairman.

Chairman Chatterjee: Thanks, Mary. It's great to be back.

Mary O'Driscoll: Okay, so five months, four remote Commission meetings, more than 400 orders and a lot of online work. That's just the tip of the iceberg. But I want to talk first about some of the major developments affecting FERC and the entities that the Commission regulates as we go into the August slowdown. Let's go rapid-fire, ESPN-style, with the top five developments over the past five months. Go!

Chairman Chatterjee: Top five? Let's see. One: I would say the DC Circuit Court upholding Order 841, the Commission's storage rule. I say it all the time, I'll say it again. Storage is a game-changer for the electric industry. And I firmly believe that when all is said and done, we will look back on 841 as the single most important step FERC took to ensure a smooth transition to a clean energy future.

Mary O'Driscoll: Okay, storage rule.

Chairman Chatterjee: All right, number two. I would say PURPA reform. We revised our regulations governing qualifying small power producers and cogenerators under PURPA. By reforming PURPA, we addressed the significant changes that have taken place in the nation's energy markets in the 40-plus years since those rules first took effect.

Mary O'Driscoll: Okay, PURPA. So, what is number three?

Chairman Chatterjee: Three, I'd say all the COVID-related work that we did, and that we continue to do. Everything from the appointment of our Pandemic Liaison to the work we did to ensure that actions the industry takes to maintain reliability for consumers would get priority consideration at the Commission. Add to that all the outreach we did with state regulators and governors. And of course, our two-day COVID tech conference that saw the highest online engagement ever, with more than 4,000 unique visitors. I can't say enough how pleased I've been to see the response from the industry and stakeholders on efforts to ensure continued reliability of service to consumers during this time. People are really coming together and showing their focus on serving families, business and communities. I look forward to continuing to engage on these matters.

Mary O'Driscoll: Okay, the COVID work. What's number four?

Chairman Chatterjee: For four, I would say ROE. In May, we refined the methodology for analyzing the base ROE component of public utility rates and applied that, with certain exceptions, to natural gas and oil pipelines. It was a big deal.

Mary O'Driscoll: Okay, so that is ROE. So, then number five.

Chairman Chatterjee: For number five I've got to say landowner protections, though there's a bit to unpack here, and we still have work to do.

Over the past year, I've directed FERC staff to take actions to make steady improvements to speed up our rehearing processes and minimize the use of tolling orders. We've had some success, and in June we issued a new instant final rule to ensure that construction of an approved natural gas project cannot proceed until the Commission acts on a request for rehearing.

Of course, the D.C. Circuit Court ruled just a couple of weeks later that we must act within the 30 days; no extensions, no tolling orders. So, as Commissioner Glick and I said in a joint statement, we are asking Congress to consider giving us a reasonable amount of additional time to act on rehearings, both under the Natural Gas Act and the Federal Power Act. And we believe that any such legislation would make clear that while rehearing requests are pending, FERC cannot issue a notice to proceed with construction and no entity should be able to begin eminent domain proceedings involving the projects addressed in those rehearing requests.

I want to stress this point: I've always been outspoken about my sympathetic views toward the plight of landowners. I've made it one of my top priorities to improve our process for stakeholders and to ensure their concerns are heard and addressed in a thorough and efficient fashion. The Court's decision provides further guidance, opening the door for more improvements, which I fully support.

Mary O'Driscoll: Okay, well that was a sprint. So, when the pandemic hit in March, it was unclear whether everyone working remotely would be able to be productive, and there was some talk that maybe the Commission should hold off for a while on its regulatory work. You said no, dove right in, and the Commission has been working almost nonstop since. Tell us about that.

Chairman Chatterjee: Well, we may be in the midst of a pandemic, but the world continues to run, and consumers still need access to energy and energy services. We have a duty to the public to continue with our regulatory work. In the past five months, as you mentioned, we've issued 400-plus orders, conducted four regularly scheduled Commission meetings and conducted several technical conferences.

Mary O'Driscoll: Okay, do you have any news as to when or how FERC will be returning to the 888 headquarters building?

Chairman Chatterjee: We're developing plans and closely monitoring reopening efforts in all the jurisdictions in which FERC operates. But we will be very careful and deliberative. As I've just shown you, we have done a tremendous amount of work in our remote working mode, so we firmly believe we can continue to perform our mission in this way.

Mary O'Driscoll: Okay, so looking forward, what do you see coming up in the fall?

Chairman Chatterjee: A big agenda for the fall. We will be building on the success we've had with our virtual teleconferences over the past four months, with two significant conferences this fall, on the topics of potential carbon pricing in the organized wholesale electricity markets and on offshore wind integration in the RTOs and ISOs.

Mary O'Driscoll: Okay. Well Chairman, thanks again for joining us today on the podcast.

Chairman Chatterjee: Thank you, Mary. And to everyone out there, please stay safe, mask up, and wash your hands!

Mary O'Driscoll: Got it. Thank you.

Craig Cano: FERC is an independent regulatory agency that oversees the interstate transmission of electricity, natural gas and oil. FERC reviews proposals to construct and operate interstate natural gas pipelines and liquefied natural gas terminals and oversees the licensing of nonfederal hydropower projects. FERC protects the reliability of the high-voltage interstate transmission system through mandatory reliability standards, and it monitors interstate energy markets to ensure that everyone in those markets is playing by the rules.

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