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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

CONSENT ELECTRIC, CONSENT GAS, DISCUSSION ITEMS,  
STRUCK ITEMS

1053rd COMMISSION MEETING

Thursday, March 21, 2019  
Commission Meeting Room  
Federal Energy Regulatory  
Commission  
888 First Street, NE  
Washington, D.C. 20426

1                   The Commission met in open session at 10:03 a.m.,  
2   when were present:

3                   CHAIRMAN NEIL CHATTERJEE

4                   COMMISSIONER CHERYL LaFLEUR

5                   COMMISSIONER RICHARD GLICK

6                   COMMISSIONER BERNARD McNAMEE

7                   SECRETARY KIMBERLY D. BOSE

8

9   Agenda Items:

10   Consent-Electric

11   E-4, E-5, E-6, E-7, E-8, E-9, E-10, E-9 E-11, E-12, E-13,

12   E-14, E-16, E-17, E-18, E-21 and E-22

13

14   Consent-Gas

15   G-1, G-2 and G-3

16

17   Discussion Items

18   E-1 and E-2

19

20   Struck Items

21   E-15

22

23

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1 Commissioner Recusals and Statements for March 21, 2019

2 Commissioner McNamee is not participating in the  
3 following consent items:

4 E-9 and G-1

5 E-6 - Commissioner LaFleur dissenting with a  
6 separate statement

7 C-1 - Commissioner Glick dissenting in part with  
8 a separate statement

9

10 Discussion and/or Presentations

11 Item E-1: Inquiry Regarding the Commission's  
12 Electric Transmission Incentives Policy (PL19-3-000)

13 Presenter: David Tobenkin, Office of Energy Policy and  
14 Innovation

15 At the Table: Adam Batenhorst, Office of General Counsel  
16 (OGC) and Adam Pollock, Office of Energy Market Regulation  
17 (OEMR)

18

19 Item E-2: Inquiry Regarding the Commission's Policy for  
20 Determining Return on Equity (PL19-4-000)

21 Presenter: Jeremy Hessler, Office of General Counsel (OGC)

22 At the Table: Tony Dobbins, Office of Energy Policy and  
23 Innovation (OEPI), Adam Pollock, Office of Energy Market  
24 Regulation (OEMR)

25 Struck Items E-15

1 P R O C E E D I N G S

2 (10:03 a.m.)

3 SECRETARY BOSE: Thank you. Good morning. The  
4 purpose of the Federal Energy Regulatory Commission's open  
5 meeting is for the Commission to consider the matters that  
6 have been duly posted in accordance with The Government in  
7 The Sunshine Act.

8 Members of the public are invited to observe,  
9 which includes attending, listening, and taking notes, but  
10 does not include participating in the meeting or addressing  
11 the Commission. Actions that purposely interfere or attempt  
12 to interfere with the commencement or conducting of the  
13 meeting or inhibit the audience's ability to observe or  
14 listen to the meeting, including attempts by the audience  
15 members to address the Commission while the meeting is in  
16 progress, are not permitted.

17 Any persons engaging in such behavior will be  
18 asked to leave the building. Anyone who refuses to leave  
19 voluntarily will be escorted from the building.

20 Additionally, documents presented to the  
21 Chairman, Commissioners, or staff during the meeting will  
22 not become part of the official record of any Commission  
23 proceeding, nor will they require further action by the  
24 Commission.

25 If you wish to comment on an ongoing proceeding

1 before the Commission, please visit our website for more  
2 information.

3 Thank you for your cooperation.

4 CHAIRMAN CHATTERJEE: Madam Secretary, we are  
5 ready to begin.

6 SECRETARY BOSE: Good morning, Mr. Chairman.  
7 Good morning, Commissioners. This is the time and place  
8 that has been noticed for the open meeting of the Federal  
9 Energy Regulatory Commission to consider the matters that  
10 have been posted by the Commission. Please join us in the  
11 Pledge of Allegiance.

12 (Pledge of Allegiance recited.)

13 SECRETARY BOSE: Commissioners, since the  
14 February open meeting the Commission has issued 45  
15 Notational Orders.

16 Thank you, Mr. Chairman.

17 CHAIRMAN CHATTERJEE: Thank you, Madam Secretary,  
18 and good morning to everyone. I would like to open today's  
19 meeting with some exciting news by introducing the newest  
20 members of my team, Jennifer Mellon. Jen began her career  
21 in D.C. 15 years ago with the Congressional Coalition on  
22 Adoption Institute. She went on to become Executive  
23 Director of the Joint Council on International Children's  
24 Services where she was instrumental in the ratification of  
25 the Hague Convention on the Protection of Children and

1 Co-operation in Respect of Intercountry Adoption. A serial  
2 entrepreneur, Jennifer was recognized as one of the "100  
3 Most Intriguing Entrepreneurs" in 2017. She is a graduate  
4 of Bucknell University and is a proud mom of three children:  
5 Caroline, Leah Claire and Daniel.

6 Already, Jen has jumped right in and gotten to  
7 work as my Confidential Assistant, filling the slot after  
8 Lindsey Gentry stepped into her new position.

9 I want to thank Jen for her willingness to come  
10 on and fulfill this key role and look forward to continuing  
11 to work with her as we tackle a big number of issues before  
12 us as FERC. Please join me in welcoming Jen to the  
13 Commission.

14 (Applause.)

15 CHAIRMAN CHATTERJEE: Also, as I announced  
16 several weeks ago, I would like to congratulate Jignasa  
17 Gadani on her promotion to Director of the Office of Energy  
18 Policy and Innovation and Lindsey Gentry on her new position  
19 as Deputy Director for the Office of External Affairs. Both  
20 Jignasa and Lindsey have been valued members of our team  
21 here for some time, and I know they'll both excel in their  
22 new roles.

23 In addition, as I announced yesterday, Anthony  
24 Pugliese has resigned his position as Chief of Staff here at  
25 the agency. Anthony served a Chief of Staff for both me and

1 Chairman McIntyre. I want to thank Anthony for his  
2 friendship and for his willingness to serve the agency and  
3 the country, and we wish him well in his future ventures.

4 Now on to another matter.

5 As I have at our last two open meetings, I would  
6 like to share an update on our ongoing efforts to review  
7 natural gas pipeline rates following the Tax Cuts and Jobs  
8 Act and the D.C. Circuit's United Airlines decision.

9 Yesterday we initiated an NGA Section 5  
10 investigation to examine the rates of one natural gas  
11 pipeline, and we also terminated 38 natural gas pipeline  
12 rate proceedings, finding that those pipelines complied with  
13 the Commission's filing requirements and no further action  
14 was needed at this time.

15 I think it's important to look back on the steps  
16 we've taken over the past year on this front. It was one  
17 year ago--the March 2018 open meeting--that the Commission  
18 issued its Notice of Proposed Rulemaking proposing the 501-G  
19 process. We then issued the final rule actually kicking off  
20 the process in July 2018. And the very first batch of 501-G  
21 filings came in the door five months ago in October 2018.

22 Over the past five months, we've received 129  
23 interstate natural gas pipeline 501-G filings, which have  
24 reflected a high level of engagement and effort from  
25 industry. I appreciate the steps many pipelines and their

1 customers have taken as they worked together to build  
2 consensus and reach rate agreements to resolve these  
3 matters. As a result, we've approved a dozen settlements to  
4 date, and we've already taken action in 102 of the 129  
5 proceedings. That's almost 80 percent. For the remaining  
6 proceedings, we're actively working to resolve them as  
7 expeditiously as possible.

8 All that's to say this: I think we've  
9 demonstrated our commitment to working swiftly but carefully  
10 through these 501-G filings, and I'm pleased with the  
11 progress that we've made. I commend the highly skilled  
12 Commission staff who are spearheading this effort. Their  
13 tireless work on these complex issues has gotten us to this  
14 point, and we're ready to tackle the work that lies ahead so  
15 we can take prompt action in the remaining proceedings.

16 Moving on to another matter.

17 I'd like to briefly note Item E-6 on the agenda,  
18 which is an application from Louisville Gas & Electric and  
19 Kentucky Utilities to remove certain conditions that were  
20 imposed on the company as a condition of their merger in  
21 1998 and subsequent withdrawal from MISO in 2006. I  
22 support today's Order because it carefully evaluates current  
23 conditions and concludes that there is now sufficient  
24 competition to protect the public interest while allowing  
25 LG&E and KU to discontinue the mitigation.



1           Now turning to a topic that has been a key focus  
2 of mine since joining the Commission:

3           Today we are initiating two inquiries that I've  
4 been keen to begin: A broad look at our Return on Equity  
5 policies, and an examination of our transmission incentives  
6 policies.

7           As I announced in November, I believe these  
8 policies are overdue for a fresh look with input from all  
9 interested stakeholders--not just those that happen to be  
10 parties to a pending complaint proceeding. Thirteen years  
11 have passed since Congress established FPA Section 219, so I  
12 think it's just good governance to look at whether these two  
13 sets of policies are producing the level and type of  
14 transmission investment the Nation needs. I'll have more to  
15 say about both of these important proceedings later in  
16 today's program.

17           Before I open the floor to my colleagues, I'd  
18 like to quickly share some insights from a recent visit to  
19 the "energy capital of the world."

20           Last week I and my colleague, Commissioner  
21 McNamee, had the privilege of attending CERAWEEK down in  
22 Houston. It was a great opportunity to engage with a  
23 variety of federal, state, and local government partners as  
24 well as industry stakeholders from across the globe.

25           This was my first time participating in CERAWEEK,

1 or what I've come to call the "Super Bowl of the energy  
2 world,"--the only Super Bowl in which the New England  
3 Patriots are not active participants,

4 (Laughter.)

5 COMMISSIONER LaFLEUR: Yet.

6 (Laughter.)

7 CHAIRMAN CHATTERJEE: And I really appreciated  
8 the way this event brought together leaders from across the  
9 sector to discuss the major issues we are all confronting.  
10 I'd like to take a minute to share a few reflections from  
11 the week now.

12 One of the highlights of my trip Thursday was the  
13 opportunity I had to keynote the lunch session, followed by  
14 a discussion with Dr. Daniel Yergin who is a giant in our  
15 field. I'll spare you all from the full speech because we  
16 have a lot of important, exciting business to get to this  
17 morning, but I would just like to touch on the theme of my  
18 remarks: The energy grid of the future.

19 As we go through this transformative period for  
20 the energy sector, we have to ask ourselves two main  
21 questions. Number one: What will the grid of the future  
22 look like? And number two: What roles should the  
23 government, industry, and consumers play in bringing about  
24 that grid of the future?

25 Here at the Commission, my colleagues and I are

1 focused on our responsibility to facilitate a smooth energy  
2 transition--one that allows for the integration of new  
3 technologies like renewables, energy storage, and  
4 distributed energy resources while also ensuring the grid  
5 remains reliable and resilient in the face of existing and  
6 evolving threats.

7           In my view, the Commission currently has a  
8 once-in-a-generation opportunity to create the type of  
9 regulatory ecosystem that will enable this transformation to  
10 flourish. I am excited for what the future holds, but I'm  
11 also cognizant of the challenges that lay ahead of us.  
12 That's why I think conversations like those facilitated at  
13 CERAWeek are so crucial.

14           Now before moving on, there is one other really  
15 significant highlight from CERAWeek that I'd like to  
16 mention: that is, our engagement with our counterparts from  
17 India.

18           FERC has been working with our government  
19 partners at the State Department and the Department of  
20 Energy to build upon our relationship with the Indian  
21 Government, specifically as they look to build out their  
22 energy infrastructure.

23           I am proud to share that I was able to, on behalf  
24 of the Commission, sign a memorandum of understanding with  
25 India's Petroleum and Natural Gas Regulatory Board, or

1     PNGRB. This MOU had been in the works for more than a year  
2     and will help facilitate an exchange of information and  
3     expertise between our two agencies. We will consult with  
4     each other on issues such as developing competitive markets  
5     in the oil and natural gas sectors, promoting investment in  
6     the sector, and protecting consumer interests.

7             A lot of hard work has gone into these efforts,  
8     and for that I'd like to say a big thank you to all those  
9     who helped make it possible. That includes our staff here  
10    at the Commission, including folks from the Office of Energy  
11    Policy and Innovation, the Office of Enforcement, the Office  
12    of Administrative Litigation, and the Office of External  
13    Affairs. It also includes our counterparts at the PNGRB,  
14    and our colleagues at State and DOE who are stationed both  
15    stateside and in India.

16            Finally, I have to acknowledge another group  
17    that's been integral to strengthening our relationship with  
18    Indian energy officials, and that is the U.S. India Business  
19    Council. The USIBC hosted a roundtable discussion with a  
20    number of senior Indian officials, including Joint Secretary  
21    Kutty of India's Ministry of Petroleum and Natural Gas, as  
22    well as other officials from both the public and private  
23    sectors of the United States and India.

24            Having the opportunity to sit down with these  
25    stakeholders and speak with them about the importance of the

1 United States' relationship with India was a privilege. I  
2 look forward to continuing that dialogue, and hope that our  
3 work with PNGRB, facilitated by the MOU we signed last week,  
4 will be a part of that conversation.

5 With that, I will conclude my remarks and turn  
6 back to my colleagues for any additional opening statements  
7 or announcements they may have.

8 COMMISSIONER LaFLEUR: Thank you, Mr. Chairman.  
9 I want to start by congratulating Jignasa, whom I've worked  
10 with in different capacities for many years. I'm glad they  
11 made it official, and I'm happy for you, and happy for OEPI.  
12 I want to congratulate Lindsey in the front row, and Jen. I  
13 look forward to working with you in your new roles.

14 Jen, even before Neal read your litany, I could  
15 tell you were smart because you got the critical  
16 behind-the-flag seat that everyone wants at open meetings--

17 (Laughter.)

18 COMMISSIONER LaFLEUR: Okay. I want to comment  
19 on--a have a couple of substantive things. I want to start  
20 by commenting on a case on this morning's agenda that the  
21 Chairman commented on, which is E-6, the Louisville Gas &  
22 Electric/Kentucky Utilities Application to Remove an  
23 Anti-Pancaking Mitigation Measure from their earlier merger  
24 and their subsequent withdrawal from MISO.

25 I'm differing from my colleagues on this one

1     because I believe the rate depancaking mitigation that was  
2     imposed on LG&E/KU as a condition of their withdrawal from  
3     MISO is still needed to protect customers.

4             In my view, the companies haven't shown that  
5     there are a sufficient number of competitive suppliers to  
6     meet the needs of the Kentucky municipal customers.  Simply  
7     put, I don't think we can rely on the results of  
8     solicitations that were conducted with the depancaking  
9     mechanism in place as sufficient evidence of what would  
10    happen without the depancaking mechanism in place.

11            I would, instead, have set the matter for hearing  
12    to develop a record on potential competitive alternatives  
13    available to serve the Kentucky municipal customers, absent  
14    the depancaking mitigation.  And so without further record  
15    development, I was concerned that we might constrain their  
16    generation supply options.

17            On a lighter note, for the last couple of weeks  
18    in my office we've been referring to this case as "Kentucky  
19    Pancakes"--

20            (Laughter.)

21            COMMISSIONER LaFLEUR:  --and, while people talk  
22    about how the sausage gets made, this case shows how the  
23    pancakes get made.  I do not believe LG&E/KU should be able  
24    to force-feed a short stack of pancakes to their municipal  
25    customers.  And if you would like to see more bad pancake

1     puns, please refer to my dissent. We had fun with that.

2                     (Laughter.)

3                     COMMISSIONER LaFLEUR: Okay. Finally, in light  
4     of all the attention that has come with our recent order  
5     approving an LNG export facility in the last couple of  
6     weeks, I just wanted to say a few words about the topic of  
7     our LNG--consideration of LNG and pipeline projects.

8                     In my recent concurrence in the Calcasieu Pass  
9     LNG Export Order, I highlighted two issues relating to how  
10    we consider climate impacts as part of our environmental  
11    review of LNG projects: The direct emissions from the  
12    liquefaction itself from the project which were discussed in  
13    the Commission Order; and the cumulative, the how to  
14    incorporate those direct climate impacts and our cumulative  
15    impact analysis, which I discussed in my concurrence.

16                    And I won't rehash those issues or my concurrence  
17    here, but I want to share a couple of broader thoughts on  
18    how we consider climate impacts in our work under the  
19    Natural Gas Act. And, frankly, why this is such a hard part  
20    of our work right now.

21                    The debate about cumulative impacts highlights a  
22    larger concern that I've had about how the Commission  
23    handles climate impacts. I've realized, and I've been  
24    troubled that the Commission, which I think our staff does a  
25    wonderful job on the environmental impact statements in

1 general, but we have been treating climate impacts  
2 differently than all the other environmental impacts that we  
3 look at in our environmental review.

4           The Commission staff has developed frameworks for  
5 grappling with every other identifiable and measurable  
6 environmental impact. That's why the things were this  
7 (indicating) thick. We didn't know how to quantify,  
8 mitigate, consider impacts to land, water, and species. We  
9 make calls on whether impacts to wetlands or a specific  
10 species of muscles are significant.

11           I've said many times I never knew there were so  
12 many species of muscles until I came to the Commission and  
13 learned all about it. But we don't do that for climate  
14 change impacts. Instead, we say we can't figure out how to  
15 do it, and that's the reason we don't do more meaningful  
16 analysis in our orders.

17           I don't believe this approach is going to be  
18 sustainable over the long term. In recent years, we've seen  
19 an increasing number of court decisions signal that federal  
20 agencies, including FERC, should be doing more in our  
21 environmental review of projects and other federal actions  
22 to consider climate impacts.

23           This has been evident in opinions on appeal of  
24 our own cases like the D.C. Circuit decision in the Sierra  
25 Club case on Sable Trail, as well as the recent per curium



1 decisions on Atlantic Bridge and MVP. And those opinions  
2 have been underscoring that we should be quantifying and  
3 considering GHG emissions as part of our climate review--as  
4 part of our environmental review.

5           On Tuesday, not in a FERC case but in a case with  
6 respect to the Department of Interior, the D.C. Circuit for  
7 the District of Columbia issued a decision in Wild Earth  
8 Guardians v. Zinke, that discusses and implicates many of  
9 the same climate arguments that have been showing up in our  
10 gas work here at the Commission. The case concerned the  
11 adequacy of the BLM's consideration of climate impacts  
12 associated with gas and oil leases in Wyoming.

13           And the court's opinion concluded that the BLM  
14 failed to take a hard look at GHG emissions, and remanded it  
15 for more look at both indirect and cumulative impacts.

16           I think the criticism has a lot of potential  
17 parallels with our own work, and I think we would be well  
18 served by getting out in front of this issue and trying to  
19 address it proactively, rather than waiting for courts to  
20 tell us to.

21           Obviously we have struggled with--and I've  
22 struggled with GHG issues our pipeline cases, but I have  
23 found it even harder in our LNG docket since we've been  
24 taking on these issues over the last couple of years in  
25 pipeline cases, and now having to turn recently to LNG

1 cases. That's because I think the key driver for me is  
2 because the authority over LNG projects, unlike a domestic  
3 pipeline where we do the whole pipeline and can look at the  
4 need because we have record evidence of the end use, the  
5 authority over LNG export projects is bifurcated between  
6 FERC and the DOE.

7           So the DOE has exclusive authority over the  
8 export of natural gas as a commodity, including the  
9 responsibility under the Freeport case to consider whether  
10 that gas is in the public interest, and any consideration of  
11 the downstream environmental impact that's in the domain of  
12 DOE.

13           FERC, though, has to look at the LNG facility  
14 itself to decide if it's consistent with the public  
15 interest. And we don't look at the upstream or downstream  
16 climate impacts, where the gas came from, where the gas is  
17 going. That's all in DOE's domain. But the liquefaction  
18 facilities themselves have significance, and quite  
19 significant direct GHG emissions of liquefaction that is  
20 part of our review. And deciding if it's in the public  
21 interest, it's hard to do the weighing if we're only in  
22 charge of the impacts and someone else is in charge of the  
23 benefits.

24           I think we could be well served by looking at the  
25 life cycle of GHG export and what the aggregate climate

1 impacts are. In 2014, the then-Department of Energy under  
2 Secretary Moniz tried to do just that. They did an analysis  
3 of the whole life cycle GHG emissions starting from the  
4 extraction, the liquefaction, the transportation, and then  
5 the downstream use, and compared it to what other fuels  
6 might have been used downstream--compared it favorably to  
7 what other fuels would have been used downstream if it  
8 hadn't been exported.

9 That was for the first wave of LNG exports. I  
10 think it would be excellent if DOE--it's not something we  
11 do, because we don't have the whole value chain--could take  
12 a fresh look at the climate impacts of proposed export  
13 projects and look more generally at what LNG export is doing  
14 to the climate beyond just the piece that we're looking at.

15 I don't have the authority to make that happen.  
16 In the meantime, I have to do my job, which is to deal with  
17 the applications that are before us. I am going to continue  
18 to try to look at them case by case as carefully as we can  
19 based on the records before us, and continue to consider the  
20 issues as they arise in individual proceedings.

21 And with that, I will yield the mike. Thank you.

22 CHAIRMAN CHATTERJEE: Commissioner Glick?

23 COMMISSIONER GLICK: Thank you, Mr. Chairman. I  
24 want to start out, again, also by congratulating Jignasa,  
25 first, for her role at OEPI, or her officially her formal

1     role in OEPI. She has been very helpful to me over the last  
2     year that I've been here at the Commission, and her and her  
3     team are excellent. They deal with a lot of very weedy  
4     issues, but very important issues, and again I appreciate  
5     all you do for us.

6             And Lindsey, again, congratulations and I look  
7     forward to working with you in your new role. And Jen as  
8     well. I've only met Jen yesterday, but we had a great talk  
9     about international adoption, which is a cause of great  
10    interest to me and all the great work that she's done, and I  
11    very much appreciate it and look forward to working with  
12    you, as well.

13            I wanted to pick up actually where Commissioner  
14    LaFleur left off a little bit, because as everyone knows--

15            COMMISSIONER LaFLEUR: We didn't coordinate.

16            (Laughter.)

17            COMMISSIONER GLICK: We did not. But right after  
18    the last meeting, the Commission issued its Order approving  
19    the Calcasieu LNG facility. And the Order was met with a  
20    lot of fanfare. It was greeted as if it was a major  
21    breakthrough that presumably would clear the way for us to  
22    work on additional--or approve additional LNG facilities.  
23    Of course we don't prejudge anything, but that's the way it  
24    was met I think in the public, and certainly in the press.

25            I dissented from that Order because, no matter

1    what they say, the majority again refused to consider the  
2    impacts the project will have on climate change. I want to  
3    take a minute to explain why this alleged breakthrough was  
4    anything but a breakthrough.

5               In LNG proceedings the Commission is being called  
6    upon to determine whether a project will be in the public  
7    interest. To do so, the Commission must first consider  
8    whether the project's environmental impacts are significant.  
9    It's not enough for FERC to acknowledge that its decision  
10   will affect the environment. Rather, the Commission must  
11   under the law consider whether the impact will be  
12   significant. That analysis simply wasn't done in this  
13   case.

14              I want to take a minute to discuss what the  
15   Commission did and didn't do in this particular proceeding.  
16   First, the Order did find that the project could produce  
17   4 million tons of direct greenhouse gas emissions every year  
18   just from direct operations. But the majority refused to  
19   examine the impact those greenhouse gas emissions will  
20   actually have on climate change.

21              Now we come to the key point. The Commission,  
22   after taking greenhouse gas emissions out of the equation  
23   completely, then found that the project's environmental  
24   impacts will not be significant. And as a result, the  
25   project is in the public interest.

1           Think about that. How can the Commission  
2 determine that a project will not have a significant  
3 environmental impact if it refuses to examine whether the  
4 project will have a significant impact on the existential  
5 threat the climate change clearly poses?

6           That's a lot like saying: Other than the play,  
7 Mrs. Lincoln, how--other than the fact that your husband was  
8 shot and killed, Mrs. Lincoln, how as the play?

9           The majority is saying that the Commission is  
10 going to be willfully ignorant no matter how many tons of  
11 greenhouse gas emissions a project emits. We would never do  
12 that in any other context. What if we knew a project would  
13 make people sick, but there was a disagreement about how  
14 sick the people would get, or how many people might  
15 potentially die? If you follow the majority's logic, we  
16 should determine that the project is safe, even though we  
17 know for a fact that it would make some people sick, and  
18 even potentially cause some people to die.

19           Some might say, well, Commissioner Glick, how can  
20 you say the Commission didn't take climate change into  
21 account? Doesn't the Order admit that the project will be  
22 responsible for approximately 4 million tons of greenhouse  
23 gas emissions each year? Yeah, but that just dodges the  
24 question. Yes, the Commission calculates the project's  
25 greenhouse gas emissions; and, yes, the Environmental

1 Impact Statement points out that climate change is going to  
2 have dramatic effects in the Southeast where the project is  
3 going to be located. But the majority refuses to connect  
4 those emissions to climate change, which is actually what  
5 we're required to do under the law.

6 So when we are talking about the Calcasieu Order,  
7 let's not say that the Commission considered the impact of  
8 the project's greenhouse gas emissions on climate change; it  
9 simply isn't true.

10 I also want to point out that finding that an LNG  
11 project will emit missions of tons of greenhouse gases each  
12 year isn't the end of the story. The Commission could find  
13 that level of emissions is insignificant. Or, even though  
14 emissions levels are significant, the public interest  
15 warrants approval of the project.

16 All you need to do is look at Commissioner  
17 LaFleur's concurrence, which she mentioned, to her great  
18 credit she engaged in exactly this type of analysis. She  
19 said the greenhouse gas emissions from the project appear to  
20 her to be significant. Incidentally, if you haven't already  
21 done so, I strongly recommend that you read Commissioner  
22 LaFleur's concurrence, because I think it does a very good  
23 job of refuting the majority's reasoning in this case.

24 I don't want to hear that assessing significance  
25 is too hard. The Commission is called upon to do it all the

1 time in other contexts, and with far less information than  
2 we have in this particular proceeding.

3 It is also important to recognize that the  
4 developer always has the opportunity to mitigate the impacts  
5 either voluntarily or pursuant to Commission Order. Almost  
6 every environmental impact statement in an order we issue  
7 approving a pipeline or LNG facility, it lists mitigation  
8 the project developer will undertake to limit adverse  
9 impacts from the project.

10 For instance, the Commission recently circulated  
11 a Final Environmental Impact Statement associated with the  
12 proposed Port Arthur LNG facility, where the project  
13 developer is proposing to create more than 1,200 acres of  
14 new wetlands to offset the wetlands that will be lost if the  
15 project is built.

16 There is nothing keeping a developer from  
17 mitigating or offsetting the greenhouse gas emissions  
18 associated with an LNG facility. It would not be hard to do  
19 so, and I suspect the price would be a tiny fraction of the  
20 total cost of the project.

21 In fact, I recently met with Freeport LNG, which  
22 substantially reduced their greenhouse gas emissions at an  
23 LNG project FERC approved several years ago by employing  
24 all-electric compression motor drives. A developer can also  
25 offset emissions with emissions-free power. This isn't



1     rocket science.

2                   But before we pat ourselves on the back and give  
3     ourselves the good-government award, we need for us to do  
4     our job under the law, which in this case means not ignoring  
5     the impact the project will have on climate change.

6                   Commissioner LaFleur mentioned yesterday's--or  
7     actually it was Tuesday's decision of the U.S. District  
8     Court for the District of Columbia in Wildlife Guardians v.  
9     Zinke, and it's very important. I strongly recommend people  
10    review this. We actually ended up on the front page of  
11    today's Washington Post.

12                  The reason it is so important is because--not  
13    just that we're supposed to consider climate change, to how  
14    important climate change clearly is to our society--but  
15    what's really important about that particular decision is  
16    what we've been saying all along: that we're creating a lot  
17    of litigation risks by putting our head in the sand and  
18    ignoring climate change, ignoring the impact of climate  
19    change, when we're making our decisions.

20                  And because of that, all we're going to do is end  
21    up at some point the court is going to send back some of our  
22    orders. It's going to take years to go back and redo the  
23    orders, and it's going to take many years and many billions  
24    of dollars for the developer before they actually get to  
25    move forward with their project.

1           So I think it is in everyone's interest that we  
2   consider this on an up-front basis. So I urge us to  
3   reconsider the way we're approaching these things.

4           Thank you, Mr. Chairman.

5           CHAIRMAN CHATTERJEE: Commissioner McNamee.

6           COMMISSIONER McNAMEE: I too want to congratulate  
7   Jignasa, Lindsey, and Jen for joining the team. Some have  
8   already been here and are just moving, some are just  
9   joining, but this is a great place to work and there's many  
10  great people, and it's a great opportunity. And we all  
11  couldn't do the work that we do without all of you and  
12  everybody else who is in this building, and so we're very  
13  grateful that you're willing to serve here.

14           I was not going to comment on the LNG facilities,  
15  but I think it's appropriate this time to do so. I think  
16  it's a disappointing thing that in this town often, if  
17  there's a disagreement about how something should be done,  
18  or what the conclusions are, that some will say that it  
19  wasn't done; that they're ignoring something.

20           I would urge you to read the opinion issued by  
21  the Commission in Calcasieu Pass and recognize that issues  
22  were addressed; that they were seriously addressed; that  
23  there was a hard look.

24           Reasonable people can disagree, and that's why  
25  you have members of commissions. But I think there's a

1 broader issue here, and it's something I think is important  
2 to say because I think there's a common recognition that  
3 Commissioner LaFleur has been one of those people that looks  
4 hard at issues and takes them seriously. I know that the  
5 Chairman does, too. I know that Commissioner Glick does,  
6 too, and is passionate about it. But the one thing that  
7 this Order did--we have to look at each order separately--  
8 but we were able to show, at least here, that Washington can  
9 work.

10           Everybody is convinced that Washington, now  
11 everybody runs to their corner, that you run to your base,  
12 but here we did something different. We showed that we  
13 could come together, compromise, and come to a way forward  
14 on something that's important to the country, that fulfills  
15 our obligations under the Natural Gas Act and under NEPA.  
16 It's something I'm proud of, and I'm grateful for the  
17 opportunity to work with my fellow Commissioners, all four  
18 of us, even when we disagree, because I think it's something  
19 that in our small part, especially with, you know, great  
20 foresight, and I really enjoyed working through the issues  
21 with all of my Commissioner friends, maybe there's a little  
22 hope. Maybe we can make a little bit of a difference and  
23 prove to the American people that, you know what, Washington  
24 can work if we compromise, if we come together, if we listen  
25 we can get things done. And that's my hope.

1 Thank you.

2 CHAIRMAN CHATTERJEE: Thank you, Commissioner  
3 McNamee.

4 Madam Secretary, we are ready to go to the  
5 Consent Agenda.

6 SECRETARY BOSE: Thank you, Mr. Chairman. Since  
7 the issuance of the Sunshine Act Notice on March 14th, 2019,  
8 Item E-15 has been struck from this morning's agenda. Your  
9 Consent Agenda is as follows:

10 Electric Items: E-4, E-5, E-6, E-7, E-8, E-9,  
11 E-10, E-11, E-12, E-13, E-14, E-16, E-17, E-18, E-21, and  
12 E-22.

13 Gas Items: G-1, G-2, and G-3.

14 As to E-9 and G-1, Commissioner McNamee is not  
15 participating. As to E-6, Commissioner LaFleur is  
16 dissenting with a separate statement.

17 We are now ready to take a vote on this morning's  
18 Consent Agenda. The vote begins with Commissioner McNamee.

19 COMMISSIONER McNAMEE: I agree to support all  
20 votes except for E-9 and G-1 in which I am not  
21 participating.

22 SECRETARY BOSE: Commissioner Glick.

23 COMMISSIONER GLICK: Aye.

24 SECRETARY BOSE: Commissioner LaFleur.

25 COMMISSIONER LaFLEUR: Noting my dissent in E-6,

1 I vote aye.

2 SECRETARY BOSE: And Chairman Chatterjee.

3 CHAIRMAN CHATTERJEE: Aye.

4 SECRETARY BOSE: We are now ready to move to the  
5 Discussion and Presentation portion of this meeting. The  
6 first item, and the only item this morning, is a joint  
7 presentation on Items E-1 and E-2, two Draft Notices of  
8 Inquiry. The first is concerning issues related to the  
9 Commission's Electric Transmission Incentives Policy. And  
10 the second concerns the Commission's policy on determining  
11 Return on Equity.

12 There will be a presentation by David Tobenkin  
13 from the Office of Energy Policy and Innovation; and Jeremy  
14 Hessler from the Office of the General Counsel. They are  
15 accompanied by Tony Dobbins from the Office of Energy Policy  
16 and Innovation; and Adam Pollock from the Office of Energy  
17 Market Regulation.

18 MR. TOBENKIN: Good morning, Mr. Chairman and  
19 Commissioners.

20 Item E-1 is a draft Notice of Inquiry that seeks  
21 comment on the scope and implementation of the Commission's  
22 electric transmission incentives regulations and policy  
23 pursuant to Section 219 of the Federal Power Act.

24 As part of the Energy Policy Act of 2005,  
25 Congress enacted Section 219 which directed the Commission

1 to use transmission incentives to help ensure reliability  
2 and reduce the cost of delivered power by reducing  
3 transmission congestion. Nearly 13 years have passed since  
4 the Commission promulgated rules to implement that directive  
5 by issuing Order Numbers 679 and 679-A, and nearly 7 years  
6 have passed since the Commission provided guidance upon  
7 aspects of those rules in a 2012 policy statement.

8           The draft NOI requests stakeholder comment on a  
9 wide range of issues related to the Commission's  
10 transmission incentives policy. For instance, the draft  
11 NOI asks whether transmission incentives, rather than being  
12 based on the risks and challenges of a proposed  
13 transmission project, instead should be based on a project's  
14 benefits. It also examines whether transmission incentives  
15 could better encourage enhancements to existing facilities,  
16 and asks how evolving transmission technologies could be  
17 more thoughtfully considered in the context of the  
18 Commission's transmission incentives policy.

19           With respect to transmission incentives that are  
20 adders to return on equity, or ROE, the draft NOI examines  
21 the requirements for, the level of, and the design of these  
22 incentives, as well as their relationship to the calculation  
23 of base ROEs. With respect to non-ROE adder, risk-reducing  
24 transmission incentives, the draft NOI examines the design  
25 and value of some of these incentives, and whether there may

1 be other potential risk-reducing transmission incentives.

2           The draft NOI also examines how the Commission  
3 should approach granting incentives, including whether some  
4 incentives should be granted on a generic basis rather than  
5 the current case-by-case approach; whether there should be  
6 more analysis of the combinations of incentives and levels  
7 of any ROE adders; and whether additional structure and  
8 guidance regarding the Commission's approach should be added  
9 to the evaluation process.

10           Initial comments are due 90 days, and reply  
11 comments are due 120 days, after the date of publication in  
12 the Federal Register.

13           Thank you. This concludes my presentation. We  
14 would be happy to address any questions that you may have  
15 after the ROE NOI team describes that related NOI.

16           MR. HESSLER: And Item E-2 I a Notice of Inquiry  
17 that seeks information and stakeholder views regarding  
18 whether and, if so, how the Commission should modify how it  
19 determines the return on equity, or ROE, to be used in  
20 designing jurisdictional rates charged by public utilities,  
21 as well as interstate natural gas and oil pipelines.

22           This NOI follows the D.C. Circuit's decision in  
23 Emera Maine v. FERC that reversed and vacated Opinion No.  
24 531. In Opinion 531, the Commission adopted a two-step  
25 discounted cash flow, or DCF, approach to calculate the base

1 ROE for electric utilities.

2           The court held, among other things, that the  
3 Commission inadequately justified its decision under Section  
4 206 of the Federal Power Act to set the Transmission Owners'  
5 ROE at the midpoint of the upper half of the zone of  
6 reasonableness produced by its two-step DCF analysis.

7           In this proceeding, the Commission seeks comment  
8 on potential modifications to its approach to determining a  
9 just and reasonable base ROE for public utilities, as well  
10 as interstate natural gas and oil pipelines. Although the  
11 Commission requested briefing on some of the issues below in  
12 the other pending ROE proceedings, this NOI will provide a  
13 broader opportunity for all interested stakeholders to  
14 comment on the Commission's ROE policy in light of the  
15 decision in Emera Maine.

16           The Commission seeks comments on eight general  
17 topics of inquiry:

18           First, the Commission is asking about the role of  
19 the Commission's base ROE in investment decision-making, and  
20 what objectives should guide the Commission's approach.

21           Second, whether uniform application of our ROE  
22 policy across electric, interstate gas pipeline and oil  
23 pipeline industries is appropriate.

24           Third, the performance of the DCF model.

25           Fourth, the composition of the proxy groups.



1 Fifth, the financial model choice.

2 Sixth, the mismatch between market-based ROE  
3 determinations and book-to-value rate base.

4 Seventh, how the Commission determines whether an  
5 existing ROE is unjust and unreasonable under the first  
6 prong of Section 206.

7 And finally, eighth, the mechanics and  
8 implementation of their different models.

9 Initial comments are due 90 days and reply  
10 comments are due 120 days after the date of publication in  
11 the Federal Register. Thank you. This concludes our  
12 presentation, and we would be happy to address any questions  
13 that you might have.

14 CHAIRMAN CHATTERJEE: Thank you, David, Jeremy,  
15 and the team for that excellent presentation. As I  
16 mentioned earlier, the policies we put in place for  
17 transmission today will have a huge impact on shaping the  
18 grid of tomorrow.

19 Given the complexity and scale of building new  
20 transmission projects, the decisions my colleagues and I  
21 make now will have impacts for decades to come. What all  
22 this boils down to is the fact that getting these policies  
23 right will be critical to ensuring that the energy  
24 revolution we're currently undergoing results in more  
25 reliable services and lower prices for customers.

1           To that end, I think the two NOIs we are issuing  
2 today are an important step toward getting our transmission  
3 policies right. As I recognized in November, the  
4 implications of our ROE policies are significant and  
5 widespread. So today's NOI initiates a broader proceeding  
6 to allow all interested stakeholders to provide feedback on  
7 the Commission's ROE policies for public utilities, and also  
8 seeks comment on whether any changes to the ROE policies  
9 should be applied to interstate natural gas and oil  
10 pipelines.

11           In addition, I think the transmission incentives  
12 NOI really tees up the question of: What kinds of  
13 transmission projects does the Commission want to incent?  
14 In particular, I think it asks very important questions  
15 about whether the Commission should be focused on  
16 incentivizing projects with risks and challenges, or  
17 thinking more broadly about the reliability and economic  
18 benefits that transmission projects can provide.

19           I also want to take a moment and recognize that  
20 issuing both of those NOIs simultaneously today is going to  
21 mean a lot of hard work for folks outside this building over  
22 the next several months. But as I mentioned earlier, I  
23 believe we are really at an inflection point in the energy  
24 future of our Nation and FERC's transmission policies are  
25 going to be key to shaping that future. Getting thoughtful

1 comments from members of industry, academia, states, and  
2 others will be immensely helpful as we tackle this  
3 challenge.

4 I have no questions for the team, but want to  
5 thank you all for your excellent work in these proceedings.

6 And with that, I will turn to my colleagues.

7 COMMISSIONER LaFLEUR: Thank you. I would also  
8 like to thank David and Jeremy and everyone on the team at  
9 the table, in the audience, and--at the table, in the  
10 audience, and all their bosses in the side of the room for  
11 all the work that went into these. I think both of the  
12 Notices of Inquiry are very well written and comprehensive,  
13 and I know that took a lot of work.

14 First, with respect to the Notice of Inquiry on  
15 transmission incentives, I very much support today's order.  
16 I believe it's a good time to take a fresh look at our  
17 incentives policies to see if reforms are needed to better  
18 align our policies with the goals set forth in Section 219  
19 of the Federal Power Act.

20 At bottom, Section 219 was by its very terms  
21 intended to help attract investment in transmission needed  
22 to serve customers, and we should be vigilant that the  
23 Commission's policies accomplish those objectives, while  
24 ensuring just and reasonable rates.

25 There are several of the areas in the--actually,

1 a lot I'm interested in in the Notice of Inquiry, but I want  
2 to highlight a few areas.

3 The first is, I look forward to comments on the  
4 Commission's approach to the Transco adder and the RTO  
5 participation adder, because both of them have been  
6 controversial either in recent Commission orders, or in the  
7 case of the RTO adder and the Ninth Circuit Court Order, and  
8 I think it's appropriate that we think about those.

9 In addition, I look forward to comments on the  
10 interplay between Order 1000 and our incentives policy. I  
11 believe the Commission should explore whether our incentives  
12 policy can further promote the goals of Order No. 1000 and  
13 the things that we found on the record in that docket.

14 Those goals include assuring that transmission  
15 needed to serve customers, whether for reliability, economic  
16 efficiency, or driven by public policy, that those projects  
17 are planned and constructed, and that we promote competition  
18 in transmission planning processes to ensure that the  
19 transmission that's constructed is done so effectively and  
20 cost-effectively.

21 While there's been considerable transmission  
22 growth in the past decade and in the past many years since  
23 we voted out Order No. 1000, I do believe there's a clear  
24 need to construct more transmission to ease the  
25 interconnection of location-constrained renewables. And I

1 think that's evidenced by the choking interconnection queues  
2 in several of the regions, suggesting there might be  
3 transmission that's needed rather than just hundreds of  
4 interconnections, and that we have to make sure the  
5 processes support that.

6 I also note the rather obvious fact that  
7 inter-regional transmission, something we were quite happy  
8 about in Order No. 1000, has been proven tremendously  
9 difficult to site and construct, and has basically happened  
10 to a very small extent. And I'm interested in comments on  
11 whether and how anything in our incentive policy could help  
12 get that transmission built where it's needed to serve  
13 customers or meet public policy objectives set forth by the  
14 states.

15 Finally, I look forward to comments on what  
16 changes we might need to make to support competitive  
17 transmission processes, something we've talked about in  
18 policy conferences and other in the past.

19 Now with respect to the Notice of Inquiry on  
20 Return on Equity, I am also voting for today's Order. I do  
21 note that the questions we asked are extremely detailed and  
22 comprehensive, and this has been a notoriously difficult  
23 area of our work around which to develop a consensus and  
24 sustain it in court.

25 I strongly encourage commenters to be focused and

1     concise in their comments, and indicate which questions  
2     they're answering to help the Commission move forward in a  
3     complex docket as quickly as possible. Because, hopefully,  
4     if we do so we can provide more stability and predictability  
5     to our ROE policy.

6             I also hope, and I expect, that the dockets in  
7     the Cokeley briefing order and the MISO briefing order that  
8     are currently pending, and already have docket development,  
9     will help provide the Commission with some important initial  
10    feedback on the four methodologies that we identified for  
11    determining ROE in those dockets. And I hope that in this  
12    NOE we don't start all over again, but we can build on the  
13    knowledge gained from those dockets.

14            I am confident--I always say this--but I am super  
15    confident this time that we will receive a broad range of  
16    comments on both of these Notices of Inquiry. In light of  
17    their breadth, we are allowing 90 days for comments. I want  
18    to note that the Notices of Inquiry state that the  
19    commenters need not address every question asked. In fact,  
20    a little known fact, we have added that to every notice of  
21    inquiry since 2011 after Sue Kelly of APPA told me that she  
22    burned the midnight oil because she thought she had to  
23    answer every question in the 2011 Notice of Inquiry on  
24    Incentives that Andy Weinstein and his team wrote. Whether  
25    it was something she was interested in or not, she said,

1     you're supposed to answer every question.

2                 So thank you, Sue, for that policy change,  
3     because now we always say: Just give us comments on what  
4     you're interested in. We're going to have enough to go  
5     through to figure this out. And thank you, of course, to  
6     the team and I look forward to working on this.

7                 CHAIRMAN GLICK: I also too want to start by  
8     thanking the team. We know it's not very easy to take--you  
9     have four Commissioners that want to ask a whole bunch of  
10    questions in a whole bunch of different ways, and you were  
11    able to take them and put them together in a concise  
12    document that we could all agree on. So I really appreciate  
13    your hard work, and thank you all for working with my team.  
14    I know you worked very closely with them in making sure that  
15    these NOIs were in very good shape.

16                I also want to thank Chairman Chatterjee for  
17    moving forward with both documents. I would be remiss if I  
18    didn't note that it was Chairman McIntyre's idea that the  
19    Commission take a holistic look in how the Commission  
20    considers these incentives and ROE determinations, and I  
21    think this is the outcome of that particular effort.

22                Both of these NOIs reflect the healthy tension  
23    that exists with regard to the Commission's transmission  
24    policies. On the one hand we want to encourage investments  
25    in transmission that can produce important benefits such as

1 greater reliability, reduced congestion, and access to less  
2 expensive generation in remotely located resources.

3           On the other hand, we have a responsibility under  
4 the Federal Power Act to ensure that transmission rates do  
5 not exceed just and reasonable rates. In other words, we  
6 want to provide the right investment environment for a  
7 company seeking to build transmission or improve the  
8 efficiency of their existing facilities, but we don't want  
9 these companies to charge excessive rates.

10           I suspect the comments and responses we receive  
11 from the various stakeholders are going to be very helpful  
12 in guiding the Commission as we assess whether these  
13 existing approach--the existing approaches to calculating  
14 transmission owners' ROE and granting transmission  
15 incentives should be modified.

16           I wanted to note--I wanted to speak about one  
17 particular issue. I'm really interested in seeing some of  
18 the comments submitted on our incentives policy. As  
19 everyone knows, Section 219 of the Federal Power Act  
20 authorizes the Commission to grant transmission owners  
21 certain incentives, but it is not clear to me that, in some  
22 cases, that the incentives we are handing out are actually  
23 incenting anything.

24           If we are going to design the right approach, we  
25 need to be reasonably certain the incentives are necessary,



1 or whether the investments in question would occur anyway.  
2 In other words, we shouldn't be handing out what some people  
3 refer to as FERC Candy without actually receiving something  
4 beneficial in return.

5 I do have one question for the staff, if you  
6 don't mind. As I understand it, ROEs for natural gas  
7 pipelines typically run higher than for electric  
8 transmission companies. Could you comment on the  
9 differences in how the Commission has approached ROEs for  
10 those two industries, and whether this NOI contemplates  
11 aligning our ROE methodologies across the two industries?

12 MR. POLLOCK: Yes, Commissioner. The ROE NOI  
13 Order inquires as to the appropriateness of any potential  
14 discussed changes for natural gas pipelines, as well as  
15 electric ones.

16 Order 531 largely synchronized the methodology  
17 used in natural gas and electric utility ROE determinations  
18 by requiring use of the two-step DCF methodology, long used  
19 for natural gas pipelines, for electric utilities.

20 Nonetheless, the calculated return on equities  
21 can differ based on differentials within the proxy groups  
22 and the perceived risks of those companies.

23 Additionally, unlike electric utilities, most of  
24 whom feature formula rates with explicit ROEs, pipeline  
25 rates are set via rate cases. These rate cases usually

1 settle with black box revenue requirements without stated  
2 ROEs.

3 COMMISSIONER GLICK: Thank you very much.  
4 Appreciate that.

5 Thank you, Mr. Chairman.

6 CHAIRMAN CHATTERJEE: Pancakes, waffles, FERC  
7 candy, I'm starving.

8 (Laughter.)

9 CHAIRMAN CHATTERJEE: Commissioner McNamee.

10 COMMISSIONER McNAMEE: And it's all going to turn  
11 into a FERC pizza, to mix everything.

12 (Laughter.)

13 COMMISSIONER McNAMEE: I'm also grateful for the  
14 hard work that was done, especially thinking about ROE,  
15 having been in rate cases at least at the state level and  
16 the fun it can be to spend two weeks listening to the  
17 experts battle over what the proper ROE should be, what the  
18 proxy group should be. I think us digging in and gaining a  
19 better understanding from the regulated community, whether  
20 we should be changing our ROE process, is very important.

21 And I think because that does go to one of our  
22 core missions under the NGA and under the Federal Power Act,  
23 and that is: How do you set just and reasonable rates? And  
24 of course ROE is a vitally important part.

25 And that also goes into a secondary aspect of our

1 job, which is how to responsibly build infrastructure. And  
2 of course in order to get investment you have to have a  
3 proper return. So I am very interested in what the results  
4 of this Notice of Inquiry will be. And of course that's  
5 related to the incentives for transmission.

6 Transmission is one of the most important aspects  
7 of our electric system and one of the core responsibilities  
8 we have here at FERC, and so I'm looking forward to gaining  
9 input from the public and stakeholders about how our  
10 transmission incentives should work.

11 So thank you.

12 SECRETARY BOSE: Mr. Chairman, we are now ready  
13 to take a vote on these items. We will vote on these items  
14 together. The vote begins with Commissioner McNamee.

15 COMMISSIONER McNAMEE: Aye.

16 SECRETARY BOSE: Commissioner Glick.

17 COMMISSIONER GLICK: Aye.

18 SECRETARY BOSE: Commissioner LaFleur.

19 COMMISSIONER LaFLEUR: Aye.

20 SECRETARY BOSE: And Chairman Chatterjee.

21 CHAIRMAN CHATTERJEE: Aye.

22 SECRETARY BOSE: That's all we have for the  
23 discussion and presentation portion, Mr. Chairman.

24 CHAIRMAN CHATTERJEE: Thank you, Madam Secretary.

25 I would like to take a moment to recognize Chris

1 Ellsworth for 11 years of distinguished federal service at  
2 the Commission, where his vast expertise on policy analysis  
3 related to the energy markets has furthered FERC's goal of  
4 ensuring just and reasonable rates.

5 Chris joined the Commission in 2008 after an  
6 impressive career in the private sector. His deep knowledge  
7 of Commission jurisdictional markets has enabled him to make  
8 substantial contributions to the Commission's policy and  
9 oversight work, particularly as it relates to the wholesale  
10 natural gas markets. He has been an invaluable resource in  
11 implementing Commission initiatives to enhance natural gas  
12 market transparency and improve gas-electric coordination  
13 across the industry, specifically through Orders 787 and  
14 809.

15 Chris has also represented the Commission on a  
16 number of key interagency and international initiatives  
17 related to the energy markets. He's served on a White House  
18 Interagency Task Force on Natural Gas Storage Safety and  
19 coordinated with my office to represent the Commission on  
20 the U.S-India Gas Task Force, a working group convened to  
21 expand energy collaboration between the United States and  
22 India and promote the development of India's natural gas  
23 sector and U.S. energy related exports.

24 As I mentioned earlier, the Commission has been  
25 engaged on a number of collaborative exercises with our

1 counterparts in India. These efforts wouldn't be possible  
2 without the good work of so many here on FERC staff, like  
3 Chris, and I'd like to personally thank Chris for his  
4 efforts in this regard. His expertise has been incredibly  
5 valuable throughout our conversations with the Indians and  
6 our government partners, and we certainly will miss his  
7 insight.

8           I know that's a sentiment felt elsewhere in the  
9 building as well. As a manager and senior leader, Chris has  
10 acted as a mentor to nearly all fuels analysts in the Office  
11 of Enforcement and the Office of Energy Policy and  
12 Innovation. Because of his reliable advice and sound  
13 judgment, Chairmen, Commissioners, and Commission senior  
14 staff have sought his input when making difficult decisions  
15 related to the natural gas markets. That's a testament to  
16 the type of exceptional public servant Chris has been over  
17 his 11 years at the Commission.

18           His sound judgment will be deeply missed, but we  
19 are grateful for all that he's contributed during his tenure  
20 at FERC. I am proud to present him today with the  
21 Commission Merit Award and wish him all the best in his  
22 retirement.

23           But before I invite Chris up to accept this  
24 well-deserved award, I'd like to turn it over to my  
25 colleagues for any comments they may have.

1           COMMISSIONER LaFLEUR: Well thank you very much.  
2 I also want to thank Chris for all his contributions to FERC  
3 over the past decade. We have been very lucky to have him.

4  
5           I particularly enjoyed and appreciated Chris's  
6 work on the many annual state of the market reports, summer  
7 reliability reports, and winter reliability reports that he  
8 has shepherded. Even if he was delivering bad news such as  
9 gas prices will spike in Boston again this winter, his total  
10 command of the subject matter and his impeccable lilting  
11 British accent made the news much easier to take.

12           (Laughter.)

13           COMMISSIONER LaFLEUR: I also appreciate Chris's  
14 critical role in the gas-electric coordination efforts on  
15 which you played a leadership role, and as has already been  
16 mentioned his mentorship of the folks in DEMO and elsewhere  
17 that will carry on his legacy at the Commission.

18           I wish you good health and every happiness in  
19 your next chapter.

20           COMMISSIONER GLICK: I just want to say thank  
21 you, Chris. Thank you for your public service. You know,  
22 we're so blessed here to have so many really capable and  
23 dedicated people, and we don't get to thank them enough. So  
24 thank you very much.

25           COMMISSIONER McNAMEE: Chris, the feeling is the

1 same. I've said it many times, and it's just amazing when I  
2 hear all these accolades for you and for the people who have  
3 preceded you who have dedicated theirself to public service,  
4 and thank you for making FERC a place where you chose to do  
5 it.

6 CHAIRMAN CHATTERJEE: With that, I'd like to  
7 invite Chris up to receive the award. Thank you.

8 (Applause and presentation is made.)

9 CHAIRMAN CHATTERJEE: Congratulations and thank  
10 you again to Chris and all my colleagues.

11 Before we wrap up, I would be remiss if I didn't  
12 acknowledge we're about one hour away from the start of the  
13 NCAA Basketball Tournament, March Madness. I will note that  
14 last year at this same meeting I analogized my Kentucky  
15 Wildcats team to the Commission. My good friend, Coach John  
16 Calapari, at the time, had five freshmen who were brand new  
17 who were still finding their footing, learning from  
18 mistakes, and starting to come together. While I will say  
19 Coach Cal got a number of folks to return for this season,  
20 and I would like to analogize this year's Kentucky team as  
21 well to the Commission, that we are hitting our stride and I  
22 think, as the robust agenda we had today and the  
23 accomplishments of the past couple of months, I think my  
24 colleagues and I are jelling like PJ Washington and Kelvin  
25 Johnson--

1 (Laughter.)

2 CHAIRMAN CHATTERJEE: --and I look very much  
3 forward to donning a University of Kentucky jersey at the  
4 April meeting to honor Commissioner LaFleur's tradition of  
5 commemorating national champions.

6 (Laughter.)

7 CHAIRMAN CHATTERJEE: And so with that, Madam  
8 Secretary, we are adjourned.

9 (Whereupon, at 11:01 a.m., the meeting of the  
10 Commissioners of the Federal Energy Regulatory Commission  
11 was adjourned.)

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1 CERTIFICATE OF OFFICIAL REPORTER

2

3 This is to certify that the attached proceeding  
4 before the FEDERAL ENERGY REGULATORY COMMISSION in the  
5 Matter of:

6 Name of Proceeding:

7 1053rd Commission Meeting

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16 Docket No.:

17 Place: Washington, DC

18 Date: Thursday, March 21, 2019

19 were held as herein appears, and that this is the original  
20 transcript thereof for the file of the Federal Energy  
21 Regulatory Commission, and is a full correct transcription  
22 of the proceedings.

23

24 Larry Flowers

25 Official Reporter