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Commissioner Mark Christie: Reliability, Controlling Costs and Learning from the States

FERC's newest Commissioner, Mark Christie, discusses his twin priorities of ensuring reliability and controlling consumer costs, and what federal regulators can learn from their state counterparts.

Tamara Young-Allen: Welcome to Open Access, I am Tamara Young-Allen. Today our guest is Commissioner Mark Christie, who joined FERC in January. Commissioner Christie is no stranger to the complexity and the importance of regulatory matters – he served three terms on the Virginia State Corporation Commission, most recently as Chairman of that Commission. Today marks his first appearance on Open Access, and we're really glad he's here. Welcome to the podcast, Commissioner!

Commissioner Mark Christie: Thank you, Tamara, and I'm very glad to be here. I'm very glad to be here at FERC. I appreciate the opportunity to be on your podcast.

Tamara Young-Allen: To hear everyone in the FERC-universe speak, this is an interesting time to be at FERC. Everything seems to be on the cusp of change – the changing power generation mix, a more focused attention on the intersection of climate and energy, and the intense concentration on cybersecurity within the energy industry. Of all of these, what do you think is the most important?

Commissioner Christie: I think the most important are two things, called first, it's reliability, and second is, cost to consumers. Those are my two priorities, and they're going to continue to be a part of the focus here at FERC. But I've said from the beginning that my two biggest priorities are first of all, reliable power supply, because people in America expect 24/7/365 power, and that's the No. 1 job we have. And the second thing is making sure the costs are as low as they can be, and making sure that consumers are protected.

Tamara Young-Allen: That's very interesting. Next, let's talk about your extensive state regulatory expertise – you are one of a pretty impressive line of FERC Commissioners over the years who have had experience at the state level. You served on the Virginia Commission for 17 years, so that's a pretty deep level of expertise. Yet there's always talk of trying to help improve the relationship between FERC and the states. So, my question to you is: Do you have suggestions for the ways FERC and the states may work together to ensure a reliable and safe gas and electric grid?

Commissioner Christie: Good question. And I've known a lot of the state regulators in the past who have gone to FERC. Colette Honorable, I've known her very well. What a wonderful person. Tony Clark, for example, really, really great person. And so as a state commissioner, I've had occasion to deal with a lot of the state colleagues who went on to FERC, and those are two of my favorites, Colette and Tony.

You know, I think it starts with, from the FERC standpoint, is to respect that each state is different and to respect that state regulators know their state better than I'm ever going to know as a federal regulator. Every state has different challenges, every state has different needs. And I think that the best way for FERC and the states to get along is you start at FERC with the understanding that: Respect the state regulators and understand that they know their states better than we ever will. And that's where it begins. Obviously, FERC has a responsibility to enforce federal law. FERC has federal responsibilities that are very important. But I think, from a standpoint of a state of mind, we start from the standpoint of just having that basic respect and that basic deference to state regulators in each state, and understanding that they know their states better than we do.

Tamara Young-Allen: What is the most valuable aspect of your state-level expertise that you are bringing to FERC? Since you've been at FERC, have you found that your state regulatory experience comes in handy?

Commissioner Christie: Oh absolutely. I think the biggest single thing I learned in 17 years is, I learned how much I don't know. And this is a very complicated area, utility regulation. And you can't be in it for long – the longer you're in it, the more you know what you do not know. You learn a lot, but you also learn what you don't know. And so you learn to be very cautious, and very humble, in exercising your authority.

And another thing I learned at the state level was, that's where I learned that there are 49 other states, and they're all different from Virginia, and they all have different challenges, and I'm never going to know as much as the regulators in California, or New York, or South Dakota, Texas – I'm never going to know as much as they know about their own state and their own challenges. And so I bring that with me to FERC, it's that knowledge about how much I don't know. And I need to be careful and listen and learn, and depend on staff – and we have a great staff here at FERC. I've been here, I guess, four months now, maybe going on five, and I am incredibly impressed with the quality of the staff here at FERC. We had a great staff in Virginia, and I was blessed in Virginia with having a great staff, and I depended on them the whole time I was there. And FERC staff is also outstanding, I can see that already. And so, that's what I bring from the states – respect for staff, respect for other state regulators, and basically, just a humility at understanding how much there is in this whole complex world of utility regulation that I just don't know. And I need to try to depend on people who do.

Tamara Young-Allen: Importantly, your state experience extends to an increasingly prominent issue FERC faces: certification of pipeline projects. State regulators also deal with these matters, so you have a lot of experience dealing with landowners and environmental concerns. Is there anything in the state regulatory experience that you think could translate to the federal regulatory experience in this area?

Commissioner Christie: Yeah, absolutely. You know, in 17 years as a state regulator, I sat on literally hundreds of certificate proceedings. We didn't have a factual hearing on every one of them – some of

them came up to us from a hearing examiner, which is our version of the ALJ. But I ruled on literally hundreds of certificate proceedings. And the thing about a certificate proceeding – and most of ours were transmission lines, FERC does the gas pipelines, the interstate gas pipelines, most of the ones we do at the state level, we're doing electric power lines. But we also did gas pipelines as long as they were in the borders of Virginia, or intrastate.

So, we did a lot of certificate proceedings. And the thing I learned from all of those certificate proceedings is: Make sure you give the public full notice of the proceeding, make sure you allow for robust intervention, and allow for robust participation by the public and by interested groups. We were very liberal in our rules on intervention, and standing. We let almost any organization in that wanted to come in. And so, you let the public in, you make sure you have good participation. You litigate the case fully. You have a full, evidentiary record. You thoroughly build a strong, evidentiary record. And then you make a ruling of law based on the record and applying the law to the facts. And then when you come out with a decision, if you approved the certificate – and I approved, literally, hundreds – then you stand behind it. As a regulator, you stand behind it. And obviously, people have the right to appeal, and they get the right to appeal to a higher court. But what you don't do is you don't continue to re-litigate, and re-litigate, and allow collateral attacks, and turn it into an unending legal circus. That's what you do not do.

And so, that's what I learned in 17 years, and hundreds of cases, of certs, of cases. And believe me, gas pipelines are controversial, you all know that here at FERC. Obviously it's a very controversial issue. But I've sat in high school gyms where hundreds of people are yelling at me over a power line. So gas pipelines are not the only controversial infrastructure problem, infrastructure project. Believe me, people don't want to look at a 765 kV power line either, out their back window. And they will come out by the hundreds, and pack high school gyms, to oppose those. And I've sat through those.

So it just goes with the territory, you know, our job as a regulator of course. If a power line or a gas pipeline is needed, if it's needed to serve the public and the evidence is there, then you have to follow the law and if the need is there, you approve it.

But they are gonna be controversial, because for obvious reasons, people take very seriously what they, you know, when you're affecting your property. And in the pipeline, I mean, pardon me, the power line case, it really wasn't so much the exercise of eminent domain. Many of the power lines that we approved were actually brownfield – what we called wreck-and-rebuilds, they were simply being built within an existing right-of-way. So there wasn't even an eminent domain issue. But a 765 line, on a large cantilever type of gantry, you've seen these – they're big, they're tall, and they can be seen for five, six miles away – so these property owners are not having eminent domain used against them, but they still can look at it and they can see it, and they're going to come out and complain too. So it's just the nature of these proceedings. So litigate 'em fully, make a good decision based on a strong factual record, and then stand behind your decision. That's what I learned.

Tamara Young-Allen: I know you've only been at FERC for a few months, but do you have any goals for your term at FERC, or any particular issues on which you'd like to focus?

Commissioner Christie: Yeah, I would just return to the two priorities that I said at the beginning. I think reliability is job one – you know the old Ford Motor Company commercial, truck commercial: Reliability is job one. We have got to do everything we can within our jurisdiction to make sure Americans get electricity on a 24/7/365 basis. Now obviously, there's going to be outages. You're not going to have perfection. But the goal needs to be reliability at that scale. Because that's what people expect. So reliability is my first priority.

Second priority, again, is I'm very focused on costs – the cost to consumers. You know, as a state regulator for 17 years, I set retail rates. And in retail rate cases, when you set retail rates you know that what you are doing is going to show up in real people's bills, right away. And at FERC, of course, we set wholesale rates. We don't do retail rates. But one thing I bring as a state regulator is, I saw time and again that what FERC does in the wholesale area affects what people pay in their retail rates. And so, I'm fully aware of that, and bring that sensibility with me, and I intend to be paying a lot of attention, a lot of attention, to what things cost and what the effects of FERC's actions are on people's bills.

Tamara Young-Allen: Finally, would you share a little more about yourself and your interests – you are a well-known fan of Spinal Tap, the seminal 1984 mockumentary chronicling a fateful tour of England's loudest rock band. Do you see any lessons for either FERC or the regulated energy industry in that tale? And more importantly, have you had a chance yet to insert any Spinal Tap references in any of your FERC statements?

Commissioner Christie: Well, if you ever see me refer to “turn the dial up to 11,” you'll know that came from Spinal Tap. And that's one of my favorite scenes from Spinal Tap. And lawyers who practiced in front of me in Virginia, actually, one of them said in a media story, that I was always inserting references to – he called it obscure movies or books – into things I would say in court. And my response to that was well, if you don't know Casablanca, or if you don't know Waiting for Godot, if you don't know these movies, that's your problem.

They may be somewhat obscure, although I don't know Casablanca is, and I would refer to books, plays, movies. It's just a, it's really not planned, it's totally ad libbed. And uh, but see, in Virginia, we spent a lot of time in the courtroom. And the courtroom lends itself to the back and forth with attorneys, and so I would frequently throw out references or lines from movies just because they seemed to fit the situation. And so, I do a lot of ad-libbing.

And here at FERC, of course, we don't really spend that much – we don't spend any time in the courtroom. We have our monthly meeting, but other than that, we're not really in the courtroom. So I don't know how much opportunity I will have. But it's just something with me, that if a book I read or a movie I saw or a play I saw comes to mind on spur of the moment, you know, I just tend to throw it in there.

Tamara Young-Allen: OK, well that's very interesting. Thank you so much for joining us today, Commissioner Christie. We hope to have you again soon on a future podcast. So thank you so much for your participation today.

Commissioner Christie: All right, Tamara. Thank you so much. I enjoyed it! Glad to be here at FERC.

Tamara Young-Allen: Great. Thanks so much. And thank you everyone for listening today.

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. Unless otherwise noted, the views expressed in these podcasts are personal views and do not necessarily express the views of individual Commissioners or the Commission as a whole. This podcast is a production of the Federal Energy Regulatory Commission's Office of External Affairs. We will be updating our posts when we've got more news, so be sure to check out our website, www.ferc.gov, and follow us on Facebook, Twitter and LinkedIn to find out when our next podcast airs.