



PROCESS
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REGULATORY UPDATE

FERC Plans Technical Conferences Focused on EPA's Clean Power Plan: on December 9, FERC announced a series of technical conferences to discuss implications of compliance approaches to the EPA's proposed Clean Power Plan rule. The conferences will focus on issues related to electric reliability, wholesale electric markets and operations, and energy infrastructure. The conferences will begin with a Commission-led National Overview session at FERC headquarters on February 19, 2015. Participants at the National Overview technical conference will discuss: (1) whether state utility and environmental regulators, regulated entities and others have the appropriate tools to identify reliability and/or market issues that may arise; (2) potential strategies for complying with the EPA regulations and coordinating with FERC-jurisdictional wholesale and interstate markets; (3) how planning entities, industry, and states coordinate reliability and infrastructure planning processes with environmental compliance efforts to ensure the adequate development of new infrastructure and to manage any potential reliability and operational impacts of proposed compliance plans. FERC will hold additional conferences in Washington, D.C., St. Louis, MO, and Denver, CO. More information is [here](#).

Senate Energy Committee Advances Colette Honorable's FERC Nomination: The Senate Energy and Natural Resources Committee on Dec. 11 gathered enough members together off the Senate floor to approve the nomination of Arkansas utility regulator Colette Honorable to a FERC seat. Honorable, a Democrat, chairs the Arkansas Public Service Commission and recently served as the president of the National Association of Regulatory Utility Commissioners — her one-year term in that role ended Nov. 20. If confirmed by the Senate, Honorable would fill the seat vacated by John Norris, who is now minister-counselor for the U.S. Department of Agriculture in Rome. Honorable has been described by members of Congress as having broad bipartisan support so she is expected to face little resistance on confirmation, although it is unclear whether the full Senate will have time to vote on her nomination in this Congress.

Energy Secretary Warns First Installment of QER May Cause "Sticker Shock": Noting the U.S. has some "enormous" energy infrastructure challenges, Energy Secretary Ernest Moniz on Dec. 9 said the first installment of a national quadrennial energy review ("QER") is likely to come with some "sticker shock" on the associated costs. Among other things, "if there is to be a continuing big shift of electricity toward natural gas, actually, the overall macro requirements for building out that infrastructure are not that great, it turns out." However, "the issue is how are all of these developments going to go in the right direction to get us to where we need to be, say, in 2030 in terms of resilience and economic reforms." More information can be found in the attached article.

Landrieu unseated; Cantwell slated to become the Ranking Democrat on the Senate Energy and Natural Resources Committee: last weekend, Sen. Mary Landrieu, D-La., was defeated, as was expected, in a weekend run-off election against Republican Rep. Bill Cassidy. The person now slated to become the ranking Democrat on a key Senate energy committee, Sen. Maria Cantwell of Washington, is expected to push for a more liberal agenda than Landrieu would have. During a December 4th Senate Energy and Natural Resources Committee hearing on Honorable's FERC nomination, Cantwell focused questions on the issue of market manipulation, market structures, and FERC oversight. Cantwell asked Honorable whether FERC would take steps to ensure wholesale power rates were just and reasonable even if the agency observed that the voluntary power markets in the Northwest were causing those rates to be distorted. Honorable said at FERC she "would be committed to ensuring that not only the markets are operating fairly" but participation is voluntarily, there is no manipulation, fuels can compete fairly "and when there is such an occurrence that we [at FERC] are vigilant and responsive." Senator Cantwell has been the Section 5 reform champion in previous years. APGA plans to chat with Cantwell's office in January to see how they view Section 5 and other issues in the new Congress.

DOE Inspector General Agrees to Probe FERC's Enforcement Program: Responding to requests by several senators, the inspector general for the U.S. Department of Energy has agreed to investigate FERC's enforcement program. "After reviewing this situation, we have determined that we will be undertaking a review of aspects of FERC's enforcement program," DOE Inspector General Gregory Friedman said in a letter to Republican Sen. John Barrasso of Wyoming. The [letter](#) is dated October 23 but was only recently made public.

ON THE HORIZON

- **PGC Membership Meeting: Friday, December 12, 2014, 1:30 p.m. ET**
- **Next Commission Meeting: December 18, 2014**
- **Policy Statement Initial Comment Deadline: January 26, 2015**