



REGULATORY UPDATE

FERC Commissioners Attend Oversight Hearing Before the House Energy and Commerce

Subcommittee: on December 1, the FERC Chair and Commissioners attended an oversight hearing on FERC. Some of the primary points from the hearing included the following:

- Chairman Bay stated that FERC has hired more staff in its Office of Energy Projects to handle applications for natural gas and power infrastructure projects as the pace of development grows urgent, and he would like to hire more. Chairman Bay said that "right now, there is a need for more infrastructure, in terms of both gas facilities and electric transmission, and FERC plays a critical role in permitting and incenting the development of that infrastructure." However, the Chairman said that 30% of the Commission's workforce is eligible to retire within the next few years.
- The Commissioners spoke about opposition to natural gas pipeline projects, electric transmission projects, and large hydropower projects, noting that the opposition has become much more common in recent years, towards a "Just Say No" mentality. Commissioner Clark commented that the irony of these protests is that much of the infrastructure applications result from the regulations that are being promulgated to reduce carbon intensity in the electric generating sector.
- When asked FERC Commissioners what the House could do to help FERC process project applications, Chairman Bay said he will request resources to hire additional staff, and Commissioner Clark said Congress could encourage other federal agencies that cooperate with FERC on its project reviews to do their work in a more timely manner.

FERC Issues Energy Infrastructure Report: at the beginning of December, Staff released its October 2015 infrastructure report. Of note, the report states that 10 pipeline projects were placed in service in October 2015, adding 1,048.6 MMcf/d of additional capacity. Nine pipeline projects were proposed, which would add 4,091.0 MMcf/d of capacity. The report also shows natural gas activities through October 31, 2015, showing that more pipeline capacity has been placed in service and certificated during January-October 2015 than the same months of 2014. You can read the full report [here](#).

LEGISLATIVE UPDATE

Senate Committee Approves Bipartisan Pipeline Safety Act Reauthorization: the U.S. Senate Committee on Commerce, Science and Transportation on Dec. 9 voted to pass an amended version of S. 2276, the bipartisan bill to reauthorize the federal Pipeline Safety Act. Among the amendments are provisions to require the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) to work with FERC during the prefiling and permitting process for new gas pipeline infrastructure, to allow for state regulators to participate in inspections of interstate pipeline facilities, to report to Congress on lost and

unaccounted-for gas from distribution systems, and to focus on upgrading the nation's aging gas distribution system. The Act calls for the PHMSA, within 120 days of the act's enactment, to produce reports explaining the status of all the rules Congress asked for in the last iteration of the reauthorization, put into effect in 2012. You can read the bill text [here](#).

House Passes Sweeping Energy Bill; President Vows to Veto: on December 3, the U.S. House of Representatives voted to pass the North American Energy Security and Infrastructure Act of 2015 (H.R. 8). In addition to energy infrastructure and power grid security measures, the bill included a bipartisan amendment to end the decades-long ban on U.S. crude exports. President Obama has vowed to veto H.R. 8, saying it will unnecessarily expand the U.S. Department of Energy's authority to impose deadlines on other agencies to review pipeline applications and restrict the DOE's ability to fully consider LNG export applications. You can review the Act [here](#).

ENFORCEMENT UPDATE

FERC Issues 2015 Enforcement Report: on November 19, Office of Enforcement (OE) Staff released its Fiscal Year 2015 report of enforcement activities of the four divisions within OE. For example, the Department of Investigations opened 19 new investigations during the time period. Across these four divisions, OE recovered \$56.55 million in civil penalties, disgorgement, and refunds. OE stated that it does not intend to alter its enforcement priorities next year. These priorities include: fraud and market manipulation; serious violations of the Reliability Standards; anti-competitive conduct; and conduct that threatens market transparency. You can review the entire report [here](#).

ON THE HORIZON

- Next PGC Meeting: December 11, 2015, 12:00 p.m. ET [Call-in: 888-857-7121; Passcode: 202 661 7607]
- Next Commission Meeting: December 17, 2015

CONTACT INFORMATION

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