



U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON ENERGY AND COMMERCE

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November 25, 2015

TO: Members, Subcommittee on Energy and Power  
FROM: Committee Majority Staff  
RE: Hearing entitled “Oversight of the Federal Energy Regulatory Commission”

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## INTRODUCTION

On Tuesday, December 1, 2015, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing entitled “Oversight of the Federal Energy Regulatory Commission.”

## WITNESSES

- **The Honorable Norman C. Bay**, Chairman, Federal Energy Regulatory Commission;
- **The Honorable Cheryl A. LaFleur**, Commissioner, Federal Energy Regulatory Commission;
- **The Honorable Tony Clark**, Commissioner, Federal Energy Regulatory Commission; and
- **The Honorable Colette D. Honorable**, Commissioner, Federal Energy Regulatory Commission.

## BACKGROUND

Originally established in 1920 as the Federal Power Commission, the Federal Energy Regulatory Commission (FERC) is an independent administrative agency within the Department of Energy.<sup>1</sup> FERC is tasked with regulating the transmission, reliability, and wholesale sale of electricity in interstate commerce pursuant to the Federal Power Act (FPA);<sup>2</sup> the transmission and sale of natural gas for resale in interstate commerce pursuant to the Natural Gas Act (NGA);<sup>3</sup> and the transportation of oil by pipeline in interstate commerce pursuant to the Interstate Commerce Act.<sup>4</sup> FERC also is responsible for evaluating proposals to build liquefied natural gas

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<sup>1</sup> FERC was established in 1977 pursuant to the Department of Energy Organization Act. 42 U.S.C. §§ 7101 *et seq.*

<sup>2</sup> 16 U.S.C. §§ 791 *et seq.* (Part I); 16 U.S.C. §§ 824 *et seq.* (Parts II and III).

<sup>3</sup> 15 U.S.C. §§ 717 *et seq.*

<sup>4</sup> 49 U.S.C. §§ 1 *et seq.*

(LNG) terminals and interstate natural gas pipelines, as well as the licensing of non-federal hydropower projects.

FERC is comprised of up to 5 commissioners, each of whom is appointed by the President and confirmed by the U.S. Senate for a 5-year term. One of the 5 commissioners serves as Chairman, as chosen by the President. Presently, FERC has only 4 sitting commissioners resulting from Commissioner Moeller's recent departure. FERC's organizational structure consists of 12 "offices" within the agency and 5 regional offices. FERC employs approximately 1,480 people. FERC recovers the full cost of its operations through annual charges and filing fees assessed on the industries it regulates. This revenue is deposited into the Treasury as a direct offset to FERC's appropriation, resulting in no net appropriation.

FERC's stated mission is to "assist consumers in obtaining reliable, efficient and sustainable energy services at a reasonable cost through appropriate regulatory and market means." To fulfill its mission, FERC presently identifies the following primary goals: 1) ensure just and reasonable rates, terms, and conditions; 2) promote safe, reliable, secure, and efficient infrastructure; and 3) mission support through organizational excellence.<sup>5</sup>

Given the significant shifts taking place in the energy sector, it is paramount that FERC carefully weigh decisions and policies that can adapt to new challenges and opportunities to build a market-driven, modern and flexible system while ensuring the continued safe, reliable and affordable delivery of energy to consumers. Such shifts also raise important questions as to whether FERC's statutory authorities – namely those derived from the FPA and NGA – require modernization to reflect current energy realities. It is equally critical to evaluate whether FERC is overstepping its existing statutory boundaries to pursue policy goals not intended by Congress.

## ISSUES

The following issues are expected to be examined at the hearing:

- Potential impacts of EPA's Clean Power Plan on electricity markets, fuel diversity, and electric reliability;
- FERC oversight of organized wholesale electricity markets and the operation of such markets, including energy and capacity markets;
- Grid security challenges, including physical and cyber security, geomagnetic disturbances, electromagnetic pulse, and severe weather;
- Integration of intermittent resources and distributed generation resources;
- The role of demand-side management technologies in wholesale markets;
- Electric transmission operations and planning, including implementation of Order No. 1000;
- Natural gas pipeline permitting, LNG siting, and hydropower licensing;
- FERC market manipulation authorities and enforcement practices; and
- FERC's implementation of the mandatory purchase obligation under section 210 of the Public Utility Regulatory Policies Act of 1978.

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<sup>5</sup> [FERC Strategic Plan](#), FY 2014-2018 (March 2014).

**STAFF CONTACTS**

If you have any questions regarding this hearing, please contact Tom Hassenboehler or Patrick Currier of the Committee staff at (202) 225-2927.

**Appendix**

**Federal Energy Regulatory Commission**

