FEDERAL ENERGY REGULATORY COMMISSION

The Strategic Plan

FY 2009-2014

www.FERC.gov

FERC's Mission:

RELIABLE, EFFICIENT AND SUSTAINABLE ENERGY FOR CONSUMERS

Assist consumers in obtaining reliable, efficient and sustainable energy services at a reasonable cost through appropriate regulatory and market means.

Fulfilling this mission involves pursuing two primary goals:

1. Ensure that rates, terms and conditions are just, reasonable and not unduly discriminatory or preferential.
2. Promote the development of safe, reliable and efficient energy infrastructure that serves the public interest.

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Message from the Chairman

To the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate and the Director of the Office of Management and Budget:

I am pleased to submit the Federal Energy Regulatory Commission's Strategic Plan for fiscal years 2009 through 2014. We used this opportunity to restructure the Strategic Plan to align our strategic goals and objectives more closely with our statutory authorities. This change will allow the Commission to request resources and report progress to Congress and the public more clearly based on the Commission's statutory purposes.

Our mission encapsulates our responsibilities from our longest standing authorities to our newest. It reflects the direction of the Commission in supporting national goals and speaks to the future energy policy of our country. The Commission will rely on its statutory authorities and enabling legislation to meet the pressing energy needs of our time. The Commission will continue to balance the competing needs and interests of affected parties and fulfill its role as an independent wholesale energy regulator.

Contained in this plan are the key strategies which the Commission will employ to achieve our strategic goals and objectives as well as performance measures to gauge our progress. The Commission's strategic plan is a living document. As such, we will continuously evaluate our progress and make changes as necessary.

I am confident that the Commission and its dedicated staff will meet the needs of the American public and continue to serve in the public interest.

Jon Wellinghoff
Chairman
Federal Energy Regulatory Commission

GOAL 1

JUST AND REASONABLE RATES, TERMS AND CONDITIONS

ENSURE THAT RATES, TERMS AND CONDITIONS ARE JUST, REASONABLE AND NOT UNDULY DISCRIMINATORY OR PREFERENTIAL.

One of the Commission's fundamental statutory responsibilities is to ensure that rates, terms and conditions for wholesale sales and transmission of electric energy and natural gas are just and reasonable and not unduly discriminatory or preferential. The Commission uses a combination of regulatory and market means to achieve this goal, consistent with national policy and priorities.

Oversight and enforcement are essential complements to the regulatory and market means by which the Commission ensures that rates, terms and conditions of service are just and reasonable and not unduly discriminatory or preferential. The Commission uses a balanced approach in its oversight and enforcement efforts, including: educating affected entities about market rules and other regulations; promoting internal compliance programs; employing robust audit and investigation programs; and, where appropriate, exercising the Commission's civil penalty authority as a deterrent to violations.

OBJECTIVE 1.1
REGULATORY AND MARKET MEANS

Ensure implementation of appropriate regulatory and market means for establishing rates.

1. STRATEGY | Establish rules that enhance competition by allowing non-discriminatory market access to all supply-side and demand-side energy resources

The organized wholesale electric markets represent one area in which the Commission relies on regulatory and market means to ensure that rates are just and reasonable and not unduly discriminatory or preferential. Improving the competitiveness of these markets is important in achieving that goal because it encourages new entry among supply-side and demand-side resources, spurs innovation and deployment of new technologies, improves operating performance, and exerts downward pressure on costs. Notable benefits also stem from more broadly diversifying the fuels used to generate electricity. As described below, the Commission will take several additional steps to ensure a level playing field in jurisdictional markets for all types of resources.

Long Term Performance Goal

- **Further barriers to participation by demand resources in organized wholesale electric markets will be identified and eliminated.**

ANNUAL PERFORMANCE TARGETS

FY 2010:	Evaluate ISO/RTO filings on barriers to demand response. Complete and submit National Action Plan on Demand Response
FY 2011:	As appropriate, issue a notice of proposed rulemaking (NOPR) on further steps to eliminate barriers to demand resources, including steps identified in National Action Plan on Demand Response
FY 2012:	As appropriate, issue Final Rule on further steps to eliminate barriers to demand resources
FY 2013:	Implement Final Rule as appropriate
FY 2014:	Monitor implementation and performance. Evaluate performance and seek changes as necessary

Barriers to Demand Resources: The Commission will continue its efforts to identify and eliminate barriers to participation by demand resources in organized wholesale electric markets. Demand response, for example, can provide competitive pressure to reduce wholesale electric prices, increase awareness of energy usage, provide for more efficient operation of markets, mitigate market power, enhance reliability, and, in combination with certain new technologies, support the use of renewable energy resources and distributed generation. In its June 2009, Congressionally-mandated National Assessment of Demand Response Potential, the Commission found that the potential for peak electricity demand reductions across the country is between 38 gigawatts (GW) and 188 GW, up to 20 percent of national peak demand, depending on how extensively demand response is applied. In Order No. 719, issued in October 2008, the Commission recognized this potential and directed regional transmission organizations (RTOs) and independent system operators (ISOs) that operate organized wholesale electric markets to identify barriers to the comparable treatment of demand response resources. The Commission will consider additional market reforms in light of these filings and other developments, including the formulation of the Congressionally-mandated National Action Plan on Demand Response. The National Action Plan will, among other things, identify requirements for technical assistance and a national communications program, as well as tools and other materials to support the development of demand response.

Long Term Performance Goal

- **Best practices for demand response products and procedures will be explored and, as appropriate, implemented in organized wholesale electric markets.**

ANNUAL PERFORMANCE TARGETS

FY 2010	**Perform outreach with ISOs/RTOs, demand response providers, and others; as appropriate, issue NOPR on best practices**
FY 2011	**As appropriate, issue Final Rule on best practices**
FY 2012	**Implement Final Rule as appropriate**
FY 2013	**Monitor implementation and performance**
FY 2014	**Evaluate performance and seek changes as necessary**

Best Practices for Demand Response Products and Procedures: Encouraging the implementation of best practices for demand response products and procedures in the organized wholesale electric markets will help to achieve the potential benefits associated with demand response. The identification of best practices will further facilitate demand response participation in these markets on a non-discriminatory basis. The Commission will identify best practices through informal outreach with industry representatives and, as appropriate, will consider initiating formal proceedings to reform existing market rules.

Faces of FERC: Susan Pollonais | Energy Industry Analyst

Years at FERC: 12

How does FERC ensure that consumers are paying fair prices for energy in today's modern and highly sophisticated market structure? By having pros like Susan Pollonais on our team. While Susan started her energy career working for a major utility in the Midwest, she jumped at the chance to come to FERC 12 years ago to "sit on the other side of the table."

As an analyst at FERC, Susan's place at the table requires her to ensure that wholesale customers purchase energy at just and reasonable rates. Her experiences as an advisor to a former FERC Chairman and as an advisor in FERC's Office of Administrative Litigation have made her a true expert in natural gas and electricity.

"I am responsible for monitoring sales in the Nation's wholesale electricity markets to help ensure that electricity is available at competitive prices and that market rules are working effectively," Susan says.

Long Term Performance Goal

- **All resources technically capable of providing needed ancillary services will have the opportunity to provide those services.**

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Perform outreach to identify the need for modification or creation of additional ancillary services, and issue NOPR, as appropriate
FY 2011:	As appropriate, issue Final Rule on ancillary service products and procedures
FY 2012:	Implement Final Rule as appropriate
FY 2013:	Monitor implementation and performance
FY 2014:	Evaluate performance and seek changes as necessary

Participation in Ancillary Services Markets: The provision of ancillary services is critical to the reliable operation of the interstate electric transmission grid. In Order No. 890, issued in February 2007, the Commission revised the *pro forma* Open Access Transmission Tariff to allow customers to self-supply any ancillary service that their resources are capable of providing (except for those services that, for technical reasons, are required to come from the transmission provider). To build on this reform, the Commission will consider instituting formal proceedings to determine whether the modification or creation of ancillary services is necessary to support the provision of transmission service on terms and conditions that are just and reasonable and not unduly discriminatory or preferential. As part of any such proceeding, the Commission could seek to remove barriers that may exist to any resource capable of providing an ancillary service from having the opportunity to do so.

Long Term Performance Goal

¤ **Market reforms which will allow renewable resources to compete fairly will be explored and, as appropriate, implemented in Commission-jurisdictional markets.**

ANNUAL PERFORMANCE TARGETS

FY 2010:	Perform outreach with industry and issue staff white paper identifying potential need for and types of market reforms
FY 2011:	Issue a notice of inquiry (NOI/NOPR) on market reforms, if appropriate
FY 2012:	Issue Final Rule on market reforms, if appropriate
FY 2013:	Monitor implementation and performance
FY 2014:	Evaluate performance and seek changes as necessary

Renewable Resources: The use of renewable energy resources to generate electricity has the potential to be a cost-effective means not only to reduce greenhouse gas emissions, but also to diversify the fuels used to generate electricity. The Commission will continue to pursue market reforms to allow all resources, including renewable energy resources, to compete in jurisdictional markets on a level playing field. These efforts could include amendments to market rules, the modification or creation of ancillary services and related policies, or the implementation of operational tools that support the reliable integration of renewable resources. By implementing these or other reforms, the Commission's actions have the potential to increase the amount of electricity being produced from renewable energy resources.

2. STRATEGY | Promote operational efficiency in wholesale markets through the exploration and encouragement of the use of software and hardware that will optimize market operations

Long Term Performance Goal

- By FY 2014, efficiency in market operations will be enhanced through deployment of new software and optimization of hardware.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Internal release of staff white paper; industry outreach, including technical conferences, to identify best practices
FY 2011:	Pursue voluntary adoption of best practices by RTOs/ISOs; if appropriate, issue Policy Statement and/or NOI/NOPR
FY 2012:	Follow-up workshops on best practices implementation; issue Final Rule, if relevant
FY 2013:	Monitor implementation and performance
FY 2014:	Evaluate performance and seek changes as necessary

The Commission will identify opportunities to enhance operational efficiency in jurisdictional markets by encouraging public utilities, particularly RTOs and ISOs, to deploy new modeling software and optimize their market operations. By improving efficiency in the use of computational methods and identifying ways in which the operation of utility assets can be optimized, the Commission will enhance operational efficiency to the benefit of all public utility customers. In addition, the Commission will consider implementation of rules and practices developed by individual RTOs and ISOs, as well as the North American Energy Standards Board (NAESB) and the North American Electric Reliability Corporation (NERC).

3. STRATEGY | Develop and implement a common set of performance metrics for markets within and outside of ISOs/RTOs

Long Term Performance Goal

- By FY 2014, the performance of markets within and outside of ISOs/RTOs will be measured using a common set of metrics.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Explore and develop appropriate operational and financial metrics for ISOs/RTOs
FY 2011:	Explore and develop appropriate operational and financial metrics for non-ISO/RTO regions
FY 2012:	Establish appropriate common metrics between ISOs/RTOs and non-ISOs/RTOs
FY 2013:	Monitor implementation and performance
FY 2014:	Evaluate performance and seek changes as necessary

Faces of FERC: Kermit Banks | Energy Industry Analyst

Years at FERC: 12

Formerly a math teacher, Kermit Banks joined FERC 12 years ago and continues to make sure the electric utilities play by the rules.

As a FERC energy industry analyst, Kermit examines the rate applications of electric utilities to make sure the companies are not engaging in market manipulation.

"I need to ensure fair rates for customers," Kermit says of his work. "There are occasions when we discovered that certain companies were abusing the system, and we took away their rate authority. It is important that market power is mitigated and we protect consumers."

In Order No. 2000, the Commission encouraged the voluntary formation of RTOs to operate the electric transmission grid and to create organized wholesale electric markets. The development of RTOs and modified market structures was aimed at increasing the efficiency of wholesale electric market operations and increasing non-discriminatory access to the transmission grid. The Commission mandated that RTOs be independent from market participants, fairly exercising operational authority over all transmission facilities under their control.

Today, RTOs and ISOs serve roughly two-thirds of all electricity customers in the United States by providing transmission service, interconnecting new resources to the transmission grid, and operating organized wholesale electric markets. In recent years, the Commission has issued dozens of orders implementing reforms to the services provided and the markets operated by RTOs and ISOs in an effort to enhance competition and increase efficiency. The Commission will continue to address various services, including congestion on the transmission grid and interconnection queues to increase efficiency and maintain just and reasonable rates, terms and conditions that are not unduly discriminatory or preferential.

To support these further enhancements to RTO and ISO activities, the Commission will develop appropriate operational and financial metrics to measure the performance of RTOs and ISOs and transactions in the markets they administer. The Commission will also develop appropriate metrics for non-ISO/RTO markets to allow for comparisons of various market structures. By FY 2014, all ISOs/RTOs and non-ISOs/RTOs will use a common set of metrics to measure performance.

Faces of FERC: Deborah Osborne | Group Manager, Dispute Resolution Service

Years at FERC: 23

Building the energy superhighways that power America means balancing the concerns of everyone from consumers to companies, and everything from the environment to culture to local history.

Few people could be more adept at this crucial juggling act than Deborah Osborne, who became a certified mediator after serving as an anthropologist and archaeologist at FERC. In fact, her experience with environmental and cultural resources and work experience with other cultures, such as Native Americans, made her a natural recruit for FERC's Dispute Resolution Service shortly after it was formed in 1999.

The only difference between the two worlds of learning about people, she says, is that "artifacts don't talk back."

In dispute resolution, "we stand ready to help people," she says. "You gain so much."

4. STRATEGY | Promote broad participation, including the use of alternative dispute resolution services, in the Commission's processes and procedures

Long Term Performance Goal

- By FY 2014, appropriate filings and issues will employ alternative dispute resolution and collaborative processes first.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Develop guidelines/tariff provisions to apply to filings/issues amenable to consensual resolution
FY 2011:	Implement rules setting forth guidelines/tariff provisions and initiate pilot programs
FY 2012:	Conduct study to determine if pilot program should be expanded
FY 2013:	Determine if number of consensual resolutions increased
FY 2014:	Evaluate whether additional steps are necessary to achieve appropriate use of ADR and collaborative processes

The Commission recognizes the value of using an open and transparent process in which stakeholders are engaged early. This practice increases the probability of a successful outcome in which all parties' concerns are addressed. This concept has been successfully implemented in the Commission's Integrated Licensing Process for siting hydroelectric infrastructure and in the pre-filing process for siting natural gas infrastructure. In these processes, the Commission fully engages stakeholders to identify and discuss issues that may impact the development of the project. The Commission will apply this concept to other areas of the Commission's work in order to improve regulatory outcomes.

The Commission further recognizes the value of resolving cases through consensual means and of using alternative dispute resolution techniques in the energy market proceedings it oversees. In fact, about 80 percent of the contested proceedings set for hearing at the Commission are settled. The settlement of these cases is enormously beneficial to energy consumers. It dramatically limits the time, expense and resources that the Commission and outside parties would otherwise need to devote to these cases. Further, when appropriate, a settlement provides

rapid refunds of overcharges to energy consumers. In fact, Commission approved settlements provide hundreds of millions of dollars of refunds annually to ratepayers throughout the United States. Additionally, settlements provide regulatory certainty in a much shorter period of time than if the case were litigated. This allows informed investment decisions to be made by energy companies wishing to develop energy infrastructure, including renewable energy resources, in a more timely and efficient manner. Further, the resolution of a case through settlement is likely to be more acceptable to the parties than a litigated outcome, and therefore minimizes the likelihood of an appeal. Thus, settlements eliminate the time and expense associated with the appellate court process and a potential remand of the case to the Commission.

The Commission also offers a full range of independent, neutral, third party Alternative Dispute Resolution (ADR) services within the Commission and to outside parties to prevent, manage and resolve energy conflicts. Facilitation, mediation and early-neutral-evaluation processes have a proven track record of success across a wide spectrum of energy and environmental disputes in all energy sectors regulated by the Commission. Stakeholders committed to ADR processes for collaborative problem-solving and case dispute resolution at the Commission average an 86 percent success rate. Parties that use ADR are satisfied with the results, produce durable consensual agreements and often return to ADR because it is proven to have positive effects on business relationships. Going forward, ADR processes and tools will increase in value and popularity to meet consumer needs and fulfill the requirements of complex, multi-disciplinary energy initiatives on the Nation's horizon.

In the coming years, the Commission will apply these concepts to other areas of the Commission's work in order to improve regulatory outcomes. The Commission will begin by identifying issues and proceedings that lend themselves to consensual resolution and conducting a pilot project. After analyzing the effects of the pilot, the Commission will look for ways to expand the effort.

The Commission promotes broad participation in its processes in several other ways, as well. For example, the Commission generally issues a Notice of Proposed Rulemaking, which is published in the *Federal Register*, to announce its consideration of changes to its regulations and to solicit comments from any interested entities. The Commission considers all such comments in development of any final rule. The Commission may also issue a Notice of Inquiry through the *Federal Register* to gather information. The Commission also holds technical conferences as a way to involve stakeholders in rulemaking and other proceedings. Technical conferences provide the Commission with valuable information on stakeholders' views and other information that may prove useful in the development of new policies.

OBJECTIVE 1.2
OVERSIGHT AND ENFORCEMENT

Increase compliance with the Commission's rules and deter market manipulation.

1. STRATEGY | Promote internal compliance programs and self-reporting of violations

Long Term Performance Goal

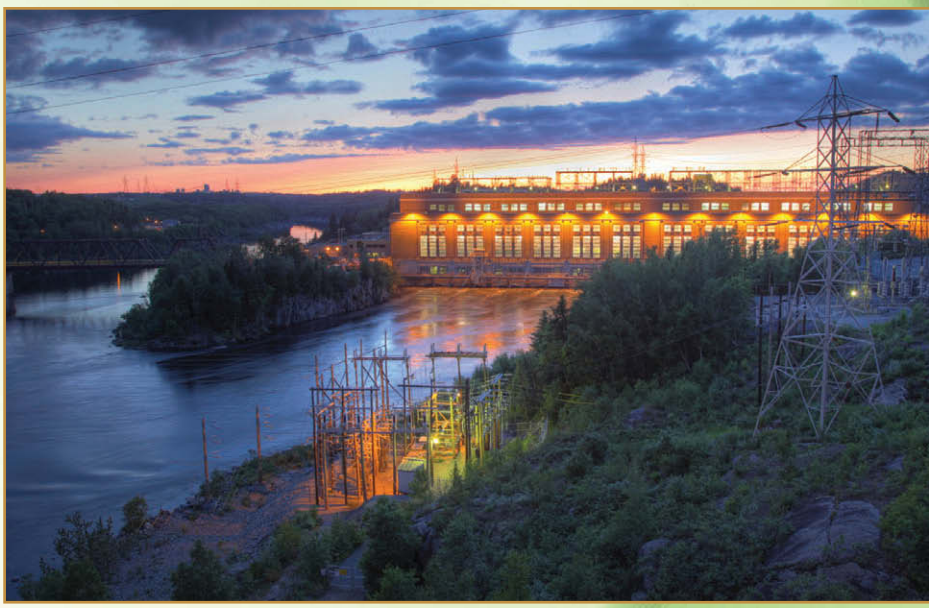
¤ By FY 2014, electric and natural gas industries will meet the following criteria:

1. 70 percent of company compliance programs reviewed on Commission audits for the audit focus areas are found to be adequate to demonstrate a culture of compliance.

ANNUAL PERFORMANCE TARGETS

Performance Measure 1

FY 2010:	10%
FY 2011:	25%
FY 2012:	40%
FY 2013:	55%
FY 2014:	70%



2. 70 percent of compliance programs reviewed through investigations that involve a penalty are found to be sufficiently robust to merit credit to reduce the penalty.

ANNUAL PERFORMANCE TARGETS	
Performance Measure 2	
FY 2010:	10%
FY 2011:	25%
FY 2012:	40%
FY 2013:	55%
FY 2014:	70%

To increase compliance with the Commission's rules, the Commission sees opportunities to explain the intent and requirements of its rules to stakeholders. Moreover, the Commission has encouraged utilities to adopt internal compliance programs to prevent violations and instances of noncompliance. The Commission issued a policy statement on compliance that identified elements of an effective compliance program. The Commission also stated that if a robust compliance program was in effect when a violation occurred, any resultant penalty may be reduced or eliminated.

The Commission will review compliance programs as part of its compliance audits, issue publicly available audit reports, and engage in formal and informal outreach efforts to promote effective compliance programs. In addition, the Commission will further this strategy by giving companies credit against settlements if a robust compliance program was in effect when the violation occurred. In cases where a company is given a reduced civil penalty, the settlement agreement should be made known to the industry in order to encourage others to adopt and implement robust and thorough compliance programs.

The success of these efforts will be measured by the existence of robust compliance programs by the regulated entities. The Commission anticipates that it will find, through audits and investigations, that regulated entities have created a culture of compliance. The Commission further expects that this culture of compliance will lead to companies actively addressing and minimizing areas of systematic noncompliance.

2. STRATEGY | Use a risk-based approach to plan and prioritize audits of jurisdictional companies

Long Term Performance Goal

- By FY 2014, 80 percent of the Commission's audit program will be planned using a risk-based approach.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	40%
FY 2011:	60%
FY 2012:	80%
FY 2013:	80%
FY 2014:	80%

In its enforcement role, the Commission takes proactive steps on a variety of fronts to reduce the probability that violations will occur. The Commission conducts compliance audits and performs investigations of alleged violations of relevant statutes and Commission rules.

The Commission prepares a plan each year that addresses a variety of audit topics for the upcoming fiscal year. The audit plan represents the Commission's formal plan of action to accomplish the audit goals and objectives for the fiscal year. Audits are planned and prioritized using a risk-based approach in order to maximize the impact of the Commission's resources. Audit topics included are determined from many sources including, but not limited to, legal and technical experts at the Commission, information gleaned from ongoing and completed audits, and contact with industry and state commissions.

Audit candidates included in the plan are chosen based on three primary methods: (1) internally developed screens that consider various risk factors; (2) input from the Commission's other program offices; and (3) Commission orders. Once an audit candidate is selected, the Commission assesses the areas of potential risk of noncompliance under the Commission's regulatory requirements. The risk assessment is typically completed before an audit begins and is updated as necessary during the audit.

Although the Commission currently uses risk factors in developing its audit plan, the Commission is striving to have 80 percent of its audits planned using a risk-based approach by FY 2014. The Commission will develop approaches that take many risk factors into account when planning and prioritizing audits.

GOAL 2

INFRASTRUCTURE

PROMOTE DEVELOPMENT OF SAFE, RELIABLE, AND EFFICIENT INFRASTRUCTURE THAT SERVES THE PUBLIC INTEREST.

The Commission plays an important role in the development of a strong energy infrastructure that operates efficiently, safely and reliably.

One aspect of the Commission's role in energy infrastructure development stems from siting authority that includes licensing non-federal hydropower projects, certificating interstate natural gas pipelines and storage projects, authorizing liquefied natural gas (LNG) facilities, and, in certain circumstances, permitting electric transmission lines. Throughout all of these processes, the Commission's goal is to expedite application processing without compromising environmental responsibilities or public participation. Reconciling these interests, however, remains a significant challenge. The Commission believes that issues are best addressed openly and early in the application process. The Commission encourages, and sometimes requires, project proponents to engage in early involvement of state and federal agencies, Indian tribes, affected landowners and the public.

The efficient operation of energy infrastructure involves improving the use and operation of infrastructure through, for example, the use of new technologies, and procedures that enhance economic efficiency. The Commission promotes these goals in several ways. For example, the Commission can provide incentives for the appropriate use of advanced technologies. In the context of the electric transmission system, the use of advanced technologies can, among other benefits, improve energy efficiency by decreasing line losses or it may enable customers to make choices about when to shift or reduce demand. Similarly, effective electric transmission planning that evaluates all resources and options for cost effective solutions can contribute to the development of energy efficient infrastructure that enhances economic efficiency.

The Commission is responsible for the safety of LNG and non-federal hydropower facilities throughout the entire life cycle of a project: design review, construction and operation. To meet this mandate, FERC primarily relies on physical inspections of the facilities. The dynamic dam safety program must adapt to assimilate advances in technology as well as new technical challenges presented by the aging national water resources infrastructure.

The Commission also has an important role in maintaining the reliability of the electric transmission grid. The Energy Policy Act of 2005 charged the Commission with overseeing a reliable bulk power system infrastructure and mandated the establishment of an Electric Reliability Organization (ERO). The ERO is to develop and enforce mandatory reliability and cyber security standards, subject to the Commission's oversight and approval. The Commission also monitors system disturbances to identify near and long-term issues affecting generation and transmission. In addition, the Commission will be exploring technical, reliability and market issues associated with integrating additional renewable generation into the electric transmission grid.

Faces of FERC: Brooks Carter | Manager, Dockets and Registry

Years at FERC: 32

The next time you easily locate a newly filed document on the FERC eLibrary site, thank Brooks Carter and the team of FERC Systems Operations and Engineering staff who work to format and post the thousands of pages of documents filed with and issued by FERC each day.

Brooks and the staff handled nearly 36,000 electronic submissions to the Commission during fiscal year 2009 – significantly higher than the 2,000 electronic submissions in 2001 – and another 25,000 paper filings.

Brooks joined FERC's predecessor agency, the Federal Power Commission, in 1976 after working for Chrysler Corp. in the Saturn Apollo space program in the 1960s and 1970s, He takes pride in what the Systems Operations and Engineering staff does to make FERC a leader in document processing and posting.

"I'm competitive by nature," he says. "The goal is to make FERC a leader in all electronic endeavors – eFiling, eForms, eNotification. I want people coming to us to ask how we're doing it."

OBJECTIVE 2.1
INFRASTRUCTURE DEVELOPMENT AND SITING

Increase efficient infrastructure consistent with demand.

1. STRATEGY | **Encourage new electric transmission facilities that advance efficient transmission system operation**

Long Term Performance Goal

- By FY 2014, 50 percent of all new transmission projects will incorporate advanced technologies.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	5%
FY 2011:	10%
FY 2012:	20%
FY 2013:	35%
FY 2014:	50%

The lack of adequate transmission facilities creates a significant barrier to trade between markets and among regions. To encourage greater investment in the Nation's transmission infrastructure, Congress directed the Commission in the Energy Policy Act of 2005 to adopt rules making incentive rate treatments available for electric transmission infrastructure investments meeting certain criteria. Incentive rate treat-

ments granted pursuant to those rules include, for example, recovery of increased return on equity, recovery in rate base of 100 percent of construction work in progress, and recovery of prudently incurred costs for projects that are abandoned for reasons beyond the utility's control.

Congress has also directed the Commission to adopt standards and protocols to govern the implementation of smart grid technologies that can enhance reliability and efficiency in the operation of the Nation's electric transmission grid. Smart grid advancements use digital communications and advanced technologies to modernize the transmission of electricity and the operation of energy markets. The Commission will support the deployment of smart grid applications by reviewing and adopting, as appropriate, standards and protocols developed through the process coordinated by the National Institute of Standards and Technology (NIST). In addition, the Commission will implement rate treatment policies that support investments in smart grid technologies in the interim period between development and approval of smart grid standards.

Through the use of incentive rates, the adoption of smart grid standards, and other transmission-related activities, the Commission aims to increase the number of transmission projects that incorporate advanced technologies. By 2014, 50 percent of all new transmission projects will incorporate advanced technologies.

Faces of FERC: Carlton Steen | Energy Industry Analyst

Carlton Steen is on the front lines ensuring that natural gas and oil consumers are paying just and reasonable rates for the energy they use. He's gone from auditing natural gas producer costs for rate cases to analyzing pipeline companies' costs, no small undertaking.

"It can be kind of difficult at times," Carlton says. "You have to make sure all the pipes get their fair share of overhead costs."

In the case of a dispute, Carlton provides either written or oral testimony for contested hearings.

It's rewarding work, Carlton says. "You feel good once you get it done."

Years at FERC: 30

2. STRATEGY | Support electric transmission planning through the use of open and transparent processes that include analysis and consideration on a comparable basis of proposed solutions involving any of generation, transmission, and demand resources

Long Term Performance Goal

- By FY 2014, all public utilities will implement open and transparent transmission planning processes that meet the strategy.

ANNUAL PERFORMANCE TARGETS

FY 2010:	Assessment of transmission planning process best practices, including the potential for collaborative decision making, and issue NOPR, as appropriate[1]
FY 2011:	As appropriate, issue Final Rule on transmission planning process best practices
FY 2012:	Implement Final Rule as appropriate
FY 2013:	Monitor implementation and performance
FY 2014:	Evaluate performance and seek changes as necessary

Although ownership of the interstate electric transmission grid is highly disaggregated, with more than 500 owners, the need for, and effect of, transmission expansions to meet both reliability and economic needs must be considered not only on a local basis, but also on a sub-regional and regional basis. The Commission therefore requires transmission providers to participate in an open and transparent regional transmission planning process that aims to improve the coordination of transmission planning among utilities. Such coordination will support the development of an efficient transmission system and enhance competition in wholesale electric markets by reducing barriers to trade between markets and among regions. These transmission planning processes will also increase the availability of non-discriminatory access to transmission service, increase access to renewable energy resources, and ensure that proposed solutions involving generation, transmission and demand resources are analyzed and considered in a comparable manner. As transmission providers refine their transmission planning processes, the Commission will assess best practices, including the potential for collaborative decision making, and adopt reforms as necessary to its transmission planning process requirements.

[1] Assessment includes how options to transmission are considered.

3. STRATEGY | Promote efficient design and operation of natural gas facilities

Long Term Performance Goal

- **By FY 2014, 100 percent of jurisdictional natural gas companies will be examined for feasibility of installing waste heat recovery systems.**

ANNUAL PERFORMANCE TARGETS	
FY 2010:	20%
FY 2011:	40%
FY 2012:	60%
FY 2013:	80%
FY 2014:	100%

The Commission is examining the design and operation of jurisdictional natural gas facilities and exploring ways to improve and promote greater efficiency at these facilities, including the feasibility of installing waste heat recovery systems in jurisdictional natural gas facilities. The Interstate Natural Gas Association of America's (INGAA) February 2008 White Paper as supplemented in June 2009, identified applicability thresholds for various waste heat recovery opportunities for interstate natural gas pipelines. Waste heat recovery is the process of collecting the waste heat emitted from compressor units as a by-product of combustion, and then using that heat to run generators and create electricity. Waste heat recovery is important because it has the potential to allow the industry to transform a current waste product, otherwise lost into the atmosphere, into additional electricity for our Nation.

Beginning in FY 2010 and continuing through FY 2014, Commission staff will conduct bi-monthly reviews of Electronic Bulletin Boards (EBBs)[2] to gauge the availability of information on waste heat recovery potential. Companies are not currently required to post information regarding waste heat feasibility on their EBBs, but the Commission will encourage companies to post this information voluntarily so that there is greater transparency across the industry. Staff will also review the FERC Form 567, annual flow diagrams, to identify companies with facilities that may be candidates for waste heat recovery efforts. Working with INGAA, the Commission will meet with other industry representatives to discuss and gain feedback on these efforts. The Commission will also consider the potential flow implications of taking compressors out of service for installation of waste heat recovery facilities while facilities balance their stated transportation contracts.

[2] EBBs are internet sites where pipeline companies must post certain information to be in compliance with Part 284.12 and 284.13 of the Commission's regulations.

OBJECTIVE 2.2
SAFETY

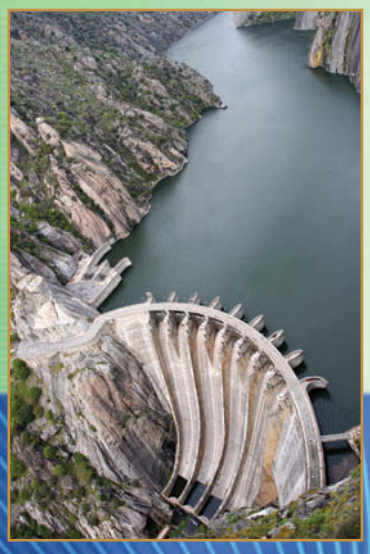
Minimize risk to the public.

1. STRATEGY | Incorporate risk-informed decision making (RIDM) into the dam safety program

Long Term Performance Goal

- By FY 2014, risk-informed decision making will be incorporated into the FERC dam safety program.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Develop action plan
FY 2011:	Portfolio Risk Assessment of FERC dam inventory
FY 2012:	Determine RIDM is consistent with regulatory process
FY 2013:	Finalize policy and technical guidelines
FY 2014:	Fully incorporate RIDM into the dam safety program



The administration and execution of the Commission's dynamic dam safety program ensures that the non-federal hydropower projects under the Commission's jurisdiction are safe. The dam safety program involves physical safety inspections and also applies advances in technology to address the technical challenges presented by aging national water resources infrastructure.

In FY 2009, the Commission explored how risk assessment methodologies could benefit its dam safety program. The Commission determined that risk assessment could have the following positive impacts on its program:

- Better understand and quantify potential failure modes;
- Identify previously unidentified failure modes with high risk;
- Understand the consequences of potential failure modes on life, health and property;
- Understand the uncertainty and variability in traditional analyses;
- Understand the risk associated with a single dam or the Commission's entire inventory of dams;
- Compare the safety of different dams using a common basis, risk;
- Compare the relative contribution to risk of all failure modes at a given dam; and
- Evaluate risk reduction alternatives and effectively reduce the risk that Commission-jurisdictional dams pose to the public in quantifiable and defensible terms.

Many other federal regulatory agencies have incorporated risk assessment methodologies into their work as well. Importantly, the United States Bureau of Reclamation has been a leader in the development of dam safety risk assessment methodologies and currently uses a risk-informed decision making process in the process of continuously evaluating the safety of its dams. Over the last two years, the United States Army Corps of Engineers (USACE), in cooperation with Reclamation and with requested participation from Commission staff, has developed a series of policy and procedure documents that will guide the use of risk-informed decision making in USACE.

Faces of FERC: Kim Nguyen | Civil Eng ineer

Years at FERC: 18

How do you generate 15 million megawatts of clean energy for millions of people while looking out for fish, animal habitat, boaters and people? Ask Kim Nguyen. Little did she know when she showed up at a recruiting session at the Society of Women Engineers 18 years ago that she would wind up devoting her career to bringing Americans safe, reliable and clean energy.

Kim's work is essential to millions of Americans. She coordinated the teams that worked on the relicensing of integral parts of the largest hydroelectric system in the country – a major source of electricity for millions of people in the Pacific Northwest.

Kim's work on dam licenses involves balancing crucial environmental, cultural and recreational concerns with the power generation of the Pacific Northwest.

Thanks to Kim and her FERC coworkers, the dams will protect and enhance fish populations, including salmon, trout and sturgeon, as well as other animals and their habitat, while protecting the scenic Columbia River and its recreational activities, historic and cultural resources.

The Commission will develop an action plan in FY 2010 that could lead to fully incorporating risk-informed decision making into the dam safety program. This action plan will identify and schedule the critical steps in progressing toward this goal. In FY 2011, the Commission will prepare a portfolio risk assessment of FERC's dam inventory. Through this high-level process of assessing each dam, staff will be able to identify high-risk dams that need more urgent attention. By identifying these dams, the current safety status and the need for additional dam safety studies and investigations will be thoroughly evaluated. By using risk-informed decision making, the Commission will be able to focus its resources on those structures that pose the greatest risk.

In the event of a dam failure, there are both economic (property damage, environmental impacts and costs associated with loss of use of the resource) and loss of life consequences. Risk-informed decision making will enable the Commission to make better dam safety decisions that will, in turn, better protect life, health and property. Risk-informed decision making will be an added tool with which to assess dam safety. It will not replace the other, more traditional methods such as Commission inspections or independent engineering consultant inspections of dams.

OBJECTIVE 2.3
RELIABILITY

Maintain the reliability of the electric transmission grid.

1. STRATEGY | Process Reliability Standards in a timely manner

Long Term Performance Goal

- **By FY 2014, proposed Reliability Standards will be processed in a timely manner at least 80 percent of the time.**

ANNUAL PERFORMANCE TARGETS	
FY 2010:	75%
FY 2011:	75%
FY 2012:	75%
FY 2013:	80%
FY 2014:	80%

The Reliability Standards development process requires the ERO to use an open and inclusive process that involves extensive negotiation, consultation and coordination among many stakeholders. Regional Entities may also develop and propose regional Reliability Standards or regional modifications to a national Reliability Standard. In addition, the ERO may submit interpretations of approved standards, subject to Commission review.

In all such cases, the Commission must either accept or remand these types of filings submitted by the ERO. Once proposed standards are filed, it is important that the Commission respond in a timely manner so that mandatory and enforceable standards affecting reliability can be implemented.

2. STRATEGY | Monitor, audit and enforce Reliability Standards

Long Term Performance Goal

- By FY 2014, Reliability Standards will be enforced effectively, resulting in a reduction of the frequency of repeat violations by at least 10 percent.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Establish tracking process
FY 2011:	Track violations per entity
FY 2012:	Track violations per entity
FY 2013:	Identify number of repeat violations using NOPs
FY 2014:	Decrease repeat violations by 10%

Faces of FERC: Cynthia Pointer | Electrical Engineer

Years at FERC: 11

The massive blackout of August 14, 2003 plunged millions of Americans into darkness, and left consumers and government officials demanding answers. FERC engineer Cynthia Pointer was among the six FERC engineers who answered the call to help the U.S.-Canada Power System Outage Task Force analyze data from the blackout that would answer the crucial questions: how did this happen, and how can we prevent it from happening again?

"The Commission was not known for having electrical engineers" at that time, she says. "When the blackout occurred, they (former Chairman Wood and his chief advisor) were interested in finding people within the Commission who knew how to read and understand the event data."

Cynthia's specialty, system protection and control, gave her the experience necessary to sift through and help make sense of what went wrong. And the engineering support she and her colleagues provided the Task Force helped set the stage for FERC to take on the added authority of overseeing the reliability of the Nation's's bulk power.

Today, Cynthia continues to oversee the development of reliability standards designed to protect Americans from a terrible event like the blackout of 2003.

The Commission will enforce compliance with the Reliability Standards primarily through its oversight of the ERO and Regional Entities. This will typically be accomplished by participating in selected ERO and Regional Entity compliance audits and investigations of users, owners and operators of the bulk power system. The Commission will also perform independent audits occasionally as well as conduct independent investigations of significant blackouts, system disturbances and other reliability incidents.

When the Regional Entities or the ERO identifies a violation – whether through self-reports of violations, audits, investigations or complaints – the ERO submits a Notice of Penalty (NOP) filing for Commission approval. The NOP filing includes the evidence supporting a finding of a violation of one or more Reliability Standards, a proposed penalty, and a mitigation plan to remedy the violation(s) and prevent recurrence.

Rigorous audits and investigations of potential violations, coupled with appropriate penalties and adequate mitigation plans, should reduce the frequency of repeat violations of the Reliability Standards. In order to determine the effectiveness of the compliance program, the Commission will track the number and type of violations, particularly violations of Reliability Standards involving high Violation Risk Factors.

3. STRATEGY | Identify reliability parameters that affect national goals of reducing carbon and increasing the penetration of renewable energy resources on the electric transmission grid

Long Term Performance Goal

- By FY 2014, reliability parameters that could affect national goals of reducing carbon and increasing the penetration of renewable energy resources on the electric transmission grid will be finalized.

ANNUAL PERFORMANCE TARGETS	
FY 2010:	Establish contacts and develop research, data collection and reporting processes
FY 2011:	Track studies and identify or propose reliability parameters. Perform initial analysis to assess if they are feasible for the bulk power system
FY 2012:	Track studies and identify or propose reliability parameters. Perform expanded analysis to assess if they are feasible for the bulk power system
FY 2013:	Present analysis to industry
FY 2014:	Consider industry input and finalize the parameters

The President and Members of Congress are currently drafting and proposing policies and legislation to advance renewable energy and drive clean energy production. In FY 2010, Commission staff will establish processes to track studies that are related to the development of reliability parameters associated with the integration of these initiatives. Using this data, the Commission will perform analyses to see if these reliability parameters are feasible for the bulk power system. In subsequent years, more detailed analysis will be performed and documented to determine if the selected reliability parameters are feasible. The Commission also will seek input from industry and will coordinate and

work with other government agencies to identify reliability issues that affect the national goals of reducing carbon and increasing the penetration of renewable energy resources.

The Commission's strategy to identify these reliability parameters includes: tracking current, past and future studies performed in the interconnections, regions, ISOs, RTOs, international arena and state commissions; participating in industry groups in the areas of renewable energy resources, carbon-based generation, and carbon sequestration; researching legislation and regulation in the U.S. and in the international arena to gauge the success of similar or proposed reliability parameters; tracking equipment and developing technologies on the products that impact a particular reliability parameter; and developing, analyzing and presenting proposals to form the basis of a study that will identify reliability parameters by using the expertise in the Commission, industry, educational institutions and the Department of Energy's National Labs.

APPENDIX A

FACTORS THAT MAY AFFECT GOAL ACHIEVEMENT

EXTERNAL FACTORS

The Commission faces a number of external and internal challenges in its efforts to meet its strategic goals.

Market Dynamics

While the Commission seeks to encourage investment in energy infrastructure by establishing rules that allow for non-discriminatory market access to all resources, the financial community may decide that other investments are better uses of limited capital.

Several factors affect the supply and demand for energy, which in turn, affect the business operations of the public utilities subject to the Commission's jurisdiction and its ability to implement Commission policies. For example, changes in economic conditions impact the supply and demand for energy and the related need for energy infrastructure investment. Weather conditions such as cooler than normal temperatures in the summer, or warmer than normal temperatures in the winter, can reduce the amount of electricity and natural gas needed to cool and heat homes. Severe weather can damage existing energy infrastructure and impede the development of new facilities.

Stakeholder Actions

The Commission encourages the development of competitive markets by approving efficient market rules, reducing barriers to participation by all supply-side and demand-side resources, and preventing the exercise of market power. However, the Commission cannot control the actions or preferences of individual market participants. Support for particular types of products or resources will be driven by consumer demand and, as a result, markets may develop in different ways and at a different pace.

The Commission encourages broad stakeholder participation in the development of new regulatory programs and market rules. However, the ability and willingness of stakeholders to engage in the process of identifying and implementing reforms is beyond the control of the Commission.

Government Actions

Congress or state legislatures could enact legislation that prevents, inhibits or accelerates the effectiveness of reforms pursued by the Commission. Congress may not appropriate adequate funds for the Commission to achieve its strategic goals.

State commissions could take actions that affect the desire of companies to invest in new technologies and other resources or that otherwise affect reforms pursued by the Commission.

Technology

The ability of companies to enhance operational efficiency will be driven by advancements in technology. Delays in the development and deployment of software and hardware could therefore affect the Commission's efforts to increase efficiency in the operations of companies subject to its jurisdiction.

INTERNAL FACTORS

The Commission's ability to meet its strategic goals also depends on using its limited resources productively and efficiently. The Commission's most valuable resource is its staff, which includes highly qualified economists, attorneys, engineers, industry analysts, information technology experts, administrative staff and other experts. The Commission's ability to recruit, hire, train, motivate and retain qualified staff in a competitive job market is critical to its ability to meet its strategic goals.

Technology also drives the ability of the Commission to gather and analyze data regarding energy markets. The Commission must continue to upgrade its own infrastructure in order to achieve its strategic goals.

APPENDIX B

PROGRAM EVALUATION

To prepare for the update of the Strategic Plan, Commission staff met with OMB to discuss ways in which the document could be improved. Commission staff and OMB focused on four major initiatives that will improve the current Strategic Plan and lay the foundation for future updates:

- Develop a focused and well-defined mission statement;
- Align strategic goals with statutory authorities;
- Develop a short list of long-lasting performance measures; and
- Create a more user-friendly document that is written clearly and in plain English.

To begin the update, a cross-office team was assembled to discuss the four major initiatives. This team worked with the Chairman and his Chief of Staff to develop the new Mission Statement. The new Mission Statement, which is derived from statutory authorities, reflects the shifting national focus and priorities for the country's energy future.

The team compiled a list of statutory authorities and worked with the Chairman and his staff to write the new strategic goals and objectives. The strategies to achieve the objectives were then written. The strategies reflect the Commission's priorities and direction. The senior leaders of the Commission developed long term performance measures that will be used to gauge progress towards achievement of strategic objectives.

Each year during the Congressional Performance Budget cycle, results for these performance measures will be gathered and evaluated. The Commission will take advantage of this opportunity to track the success of each measure and determine if the actual results will lead to the accomplishment of each long term performance measure, thus leading to the achievement of the Commission's long term performance goals and objectives. Through this annual evaluation process, the Commission will be able to identify when means and strategies must be adapted to changing circumstances.

The Commission will also identify indicators that can be monitored by the program offices throughout the year to assess progress in between the annual evaluation cycle. The Chairman will meet at least semiannually with senior leaders to discuss progress towards performance measures, external and internal factors affecting success and the indicators. The Chairman and staff will use the information discussed in these meetings to make decisions about means and strategies.

Because the Strategic Plan's structure is rooted in statutory authority, we are confident it will lead to a long lasting document that will enable long term evaluation of goals and objectives. Only through consistent evaluation and monitoring can the Commission stay on course to achieve its strategic goals.

Further, the Commission's future performance budgets and performance reports will be aligned with this new Strategic Plan. This will allow the Commission to examine the full-time equivalent (FTE) and funding associated with each strategic goal and objective.

The Commission is committed to high-quality management practices and internal controls to ensure that all resources are used effectively and efficiently, and in accordance with established laws and regulations. The Commission will also continue to undergo an annual financial audit, conducted by independent auditors. Further, the Commission's Division of Internal Audits will continue to review and make recommendations on performance measures, data collection methodologies and reporting of results.

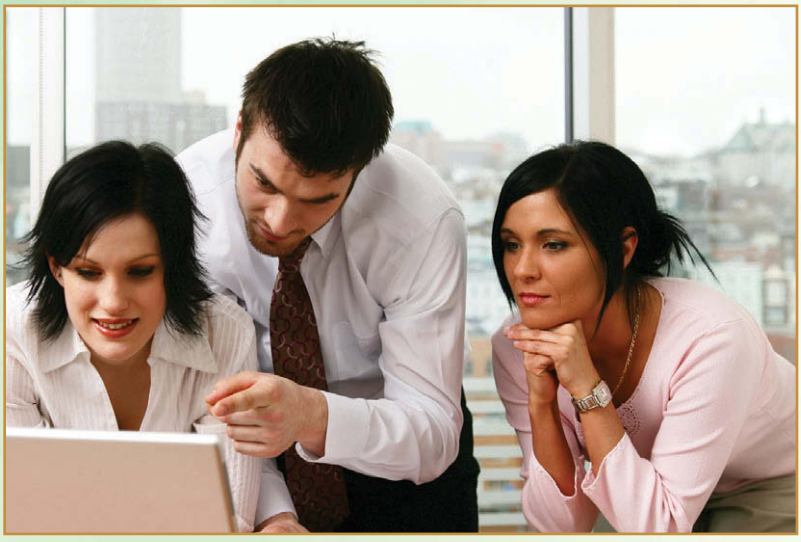
APPENDIX C

GUIDING PRINCIPLES THAT STRENGTHEN THE COMMISSION'S OVERALL PERFORMANCE

Five principles guide the Commission as it exercises its jurisdiction under its governing statutes. Whether the Commission is adjudicating a rate filing, ruling on a permit application, or developing a new policy, it strives to meet these criteria as a means of ensuring that each of its actions is consistent with the public interest.

Organizational Excellence

Above all, the Commission strives to use its resources efficiently and effectively to achieve its strategic priorities. The Commission performs targeted recruiting and hiring and has developed a markets-oriented training curriculum for entry-level as well as experienced staff. The Commission also makes efficient use of its information technology to receive filings, produce reports and orders, and maintain data repositories. The Commission tracks the activities of its staff to ensure that they meet the Commission's strategic goals and objectives.



Due Process and Transparency

Paramount in all of its proceedings is the Commission's determination to be open and fair to all participants. All significant initial filings submitted to the Commission are announced by way of public notice published in the *Federal Register*. Material issues of fact are litigated at public hearings governed by due process rules. The Commission encourages the use of alternative dispute resolution procedures, which provide for effective public participation in resolution of a proceeding. The Commission often conducts conferences to receive input from members of the public on controversial issues. The Commission also provides free webcasts on its Web site of major technical conferences held at the Commission and of open Commission meetings where many of its major decisions are announced and discussed.

Regulatory Certainty

In each of the thousands of orders, opinions and reports issued by the Commission each year, the Commission strives to provide regulatory certainty through consistent approaches and actions. Without an assurance that the Commission's policies will be internally consistent and applied fairly, investors may be unwilling to bear the risks associated with investing in critical energy infrastructure. Where it is appropriate, the Commission provides generic direction to industry participants in the form of guidance orders, policy statements or rulemakings, to avoid the uncertainty present in case-by-case adjudications. The Commission also has adopted market rules designed to help prevent market manipulation, provide a more stable marketplace, and create an environment that will attract needed investment capital.

Stakeholder Involvement

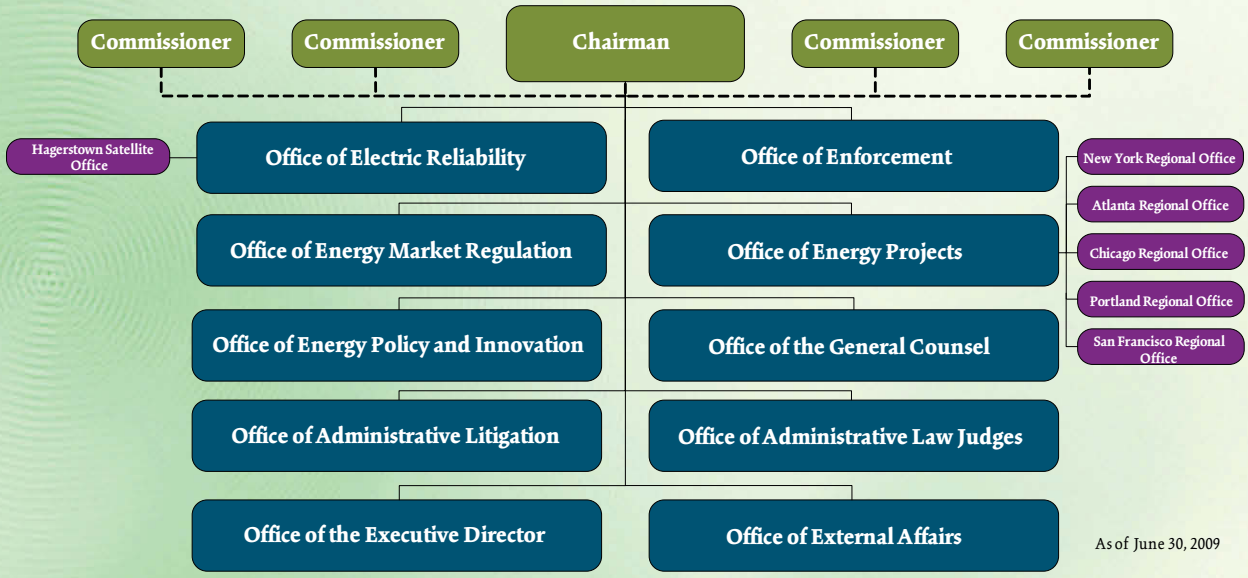
The Commission conducts regular outreach to ensure that interested parties have an appropriate opportunity to contribute to the performance of the Commission's responsibilities. The Commission also organizes technical conferences and workshops designed to explain and explore issues related to the development and implementation of its policies. The Commission also holds regional conferences to identify infrastructure conditions, needs and investment, as well as environmental and landowner concerns. Finally, in processing hydropower and gas related permit applications, the Commission conducts an extensive collaborative pre-filing process, during which it receives input from a multitude of stakeholders including citizen groups, environmental organizations, tribal interests, and local, state and federal resource agencies. The Commission has applied the same pre-filing process for resolution of certain transmission siting applications.

Timeliness

The Commission's goal is to reach an appropriate resolution of each proceeding in an expeditious manner. Toward that end, the Commission has steadily decreased the time it takes to act on projects, such as LNG import terminals, gas storage facilities and interstate natural gas pipelines. It has done so without compromising its environmental protection and public participation responsibilities. The Commission also sets and tracks compliance with goals for timely resolution of filings for cost recovery, new services or changes to existing services, as well as opinions resolving initial decisions, complaints and FPA section 203 applications.

APPENDIX D

ORGANIZATIONAL CHART AND OFFICE RESPONSIBILITY



As of June 30, 2009

Office of Administrative Law Judges (ALJ)
Resolves contested cases as directed by the Commission either through impartial hearing and decision or through negotiated settlement, ensuring that the rights of all parties are preserved.

Office of Administrative Litigation (OAL)
Litigates or otherwise resolves cases set for hearing. Represents the public interest and seeks to litigate or settle cases in an equitable manner while ensuring the outcomes are consistent with Commission policy. The Dispute Resolution Service (DRS) is located within OAL and provides neutral, third-party assistance using alternative dispute resolution (ADR) methods to parties in regulatory and environmental conflict; trains staff and energy stakeholders in collaborative problem-solving tools to develop and ensure a reliable infrastructure.

Office of Electric Reliability (OER)
Oversees the development and review of mandatory reliability and security standards; ensures compliance with the approved mandatory standards by the users, owners and operators of the bulk power system.

Office of Energy Market Regulation (OEMR)
Provides technical and policy advice on matters involving markets, tariffs and rates relating to electric, natural gas and oil pipeline facilities and services as well as demand response, energy efficiency, distributed generation, renewable energy issues, greenhouse gas emissions policies and advanced technologies relevant to the grid and wholesale markets.

Office of External Affairs (OEA)
Responsible for all external communications with the public and media for the Commission.

Office of Energy Policy and Innovation (OEPI)
Issues, coordinates and develops proposed policy reforms to address emerging issues affecting wholesale and interstate energy markets, including such areas as climate change, the integration of renewable resources, and the deployment of demand response and distributed resources, smart grid and other advanced technologies.

Office of Energy Projects (OEP)
Fosters economic and environmental benefits for the Nation through the approval and oversight of hydroelectric, natural gas (including pipelines, storage and liquefied natural gas (LNG) facilities) and electric transmission projects that are in the public interest.

Office of Enforcement (OE)
Protects customers through understanding markets and their regulation, timely identifying and remedying market problems, assuring compliance with rules and regulations, and detecting violations and crafting appropriate remedies, including civil penalties.

Office of the Executive Director (OED)
Provides administrative support services to the Commission including human resources (HR), procurement, information technology (IT), organizational management, financial and logistic functions.

Office of the General Counsel (OGC)
Provides legal services to the Commission. Represents the Commission before the courts and Congress and is responsible for the legal aspects of the Commission's activities.

APPENDIX E

STATUTORY AUTHORITY

ELECTRIC, HYDROPOWER, & GENERAL STATUTES

- Federal Power Act (FPA)
- Energy Policy Act of 2005 (EPAct 2005)
- Energy Policy Act of 1992
- Power Plant and Industrial Fuel Use Act
- Department of Energy Organization Act
- Electric Consumers Protection Act (ECPA)
- Electronic Freedom of Information Act of 1996
- Energy Independence and Security Act of 2007 (EISA)
- Public Utility Holding Company Act of 1935 (PUHCA)
- Public Utility Regulatory Policies Act of 1978 (PURPA)
- Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA)
- Information Technology Management Reform Act of 1996 (ITMRA/Clinger-Cohen Act)

NATURAL GAS STATUTES

- Natural Gas Act
- Natural Gas Policy Act of 1978
- Alaska Natural Gas Pipeline Act of 2004
- Energy Policy Act of 2005 (EPAct 2005)
- Alaska Natural Gas Transportation Act of 1976
- Outer Continental Shelf Lands Act of 1978 (OCSLA)
- Natural Gas Wellhead Decontrol Act of 1989 (NGWDA)

OIL STATUTES

- Interstate Commerce Act
- Energy Policy Act of 1992

ENVIRONMENTAL AND OTHER STATUTES

- Clean Air Act
- Clean Water Act
- Rivers and Harbors Act
- Endangered Species Act
- Wild and Scenic Rivers Act
- Coastal Zone Management Act
- National Historic Preservation Act
- Fish and Wildlife Coordination Act
- National Environmental Policy Act (NEPA)

FERC RESPONSIBILITIES

What FERC Does:

- Regulates the transmission and wholesale sales of electricity in interstate commerce
- Reviews certain mergers and acquisitions and corporate transactions by electricity companies
- Regulates the transportation and sale of natural gas for resale in interstate commerce
- Regulates the transportation of oil by pipeline in interstate commerce
- Approves the siting and abandonment of interstate natural gas pipelines and storage facilities
- Reviews siting applications for electric transmission projects under limited circumstances
- Ensures the safe operation and reliability of proposed and operating LNG terminals
- Licenses and inspects private, municipal and state hydroelectric projects
- Protects the reliability of the high voltage interstate transmission system through mandatory reliability standards
- Monitors and investigates energy markets
- Enforces FERC regulatory requirements through imposition of civil penalties and other means
- Oversees environmental matters related to natural gas and hydroelectricity projects and other matters
- Administers accounting and financial reporting regulations and conduct of regulated companies

What FERC Does Not Do:

Many areas outside of FERC's jurisdictional responsibility are dealt with by state public utility commissions. Areas considered outside of FERC's responsibility include:

- Regulation of retail electricity and natural gas sales to consumers
- Approval for the physical construction of electric generation facilities
- Regulation of most activities of state and municipal power systems, federal power mar keting agencies like the Tennessee Valley Authority, and most rural electric cooperatives
- Regulation of nuclear power plants
- Issuance of state water quality certificates
- Oversight for the construction of oil pipelines
- Abandonment of service as related to oil facilities
- Mergers and acquisitions as related to natural gas and oil companies
- Responsibility for pipeline safety or for pipeline transportation on or across the Outer Continental Shelf
- Regulation of local distribution of electricity and natural gas
- Development and operation of natural gas vehicles
- Reliability problems related to failures of local distribution facilities
- Tree trimming near local distribution power lines in residential neighborhoods

For additional information on the
Strategic Plan, please contact:

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