

Open Access Podcast
Catching Up With Chairman Glick
March 4, 2020

Mary O’Driscoll: Welcome to Open Access, I’m Mary O’Driscoll. We’re excited today to have FERC Chairman Rich Glick as our guest for his first Open Access podcast interview as Chairman. Welcome to the pod, Chairman!

Chairman Glick: Thanks Mary, glad to be back.

Mary O’Driscoll: You’ve been Chairman now for a little more than one month, and it has really been a busy month! We’ve seen cold weather forcing power outages in the Southern Plains and a number of new initiatives that you announced right at the start.

Chairman Glick: Yes, it’s been a really busy time. We’ve initiated a number of initiatives going forward and, I think, one of them is in terms of Texas. As you mentioned, we had the cold snap a couple of weeks ago. We’ve initiated an inquiry into Texas and surrounding states as to what happened, to make the grid more reliable in the face of climate change and extreme weather.

We are soon going to begin a series of technical conferences to consider potential reforms to organized markets that accommodate and not block state energy policies. And we are starting to take a look at policies designed to spur transmission investment to facilitate growth in remotely located renewable resources. We’ve also re-initiated a notice of inquiry proceeding that the Commission started three years ago to examine whether FERC’s approach to siting natural gas pipelines needs reform.

And finally, we are trying to improve our decisionmaking process by increasing the public’s role with FERC’s new Office of Public Participation and creating a new senior-level position for environmental justice and equity.

Mary O’Driscoll: Okay, well I wanted to kind of do a little bit of a deep dive with what happened in Texas and in the Southern Plains last month with the cold weather, the polar vortex, and all of that. What is FERC doing regarding that with the power outages, and what can FERC do in response to something like that and what can FERC do to make sure that something like that doesn’t happen again?

Chairman Glick: Sure. Well the first thing that we are doing is that we announced a couple of weeks ago, along with NERC, that we are engaged in a joint inquiry with NERC to examine actually what happened. Hopefully we will have a report back certainly by the end of summer if not early fall. And I think the first thing there is to try and figure out what actually went wrong, and if there are things that went wrong that can be fixed the next time that we experience extreme weather we have to look into those issues.

FERC has a limited role with regard to the Texas market either on the electricity side or the natural gas side. But we do actually have responsibility, along with NERC, over the reliability of the bulk-power system, and that includes Texas and the rest of the United States. So, my goal is to ensure that this event doesn’t happen again, whether it is cold weather in Texas, whether it is warm weather elsewhere, whether it is other threats to our grid, whether it be

weather-related or other impacts such as cybersecurity. We have a solemn responsibility to protect the reliability of the bulk-power system.

The best thing that we can try to do here is to try and figure out what went wrong, try to make sure it doesn't happen again.

Mary O'Driscoll: All right, well I wanted to ask you about the grid reliability and climate change proceeding that the Commission announced, because it came on the heels of the Commission voting to close the resilience proceeding that's been around for the past few years. Why did you do that? What's the difference between this new climate change proceeding and the resilience proceeding that was going on before?

Chairman Glick: I'm glad you asked that Mary, I've been getting a lot of questions about that particular issue. You know, the grid resilience proceeding that you referenced actually was initiated in January of 2018, and it came about in large part as essentially an answer to a proposal the Secretary Perry - at the time the Secretary of Energy - had made in 2017 to FERC to subsidize baseload generation plants in the name of grid resilience. That particular proposal was rejected on a 5-0 vote, but what the Commission did in lieu of that was initiate a new proceeding, which essentially focused on two issues: 1.) finding what grid resilience is and 2.) figuring out if there was anything that FERC could do to promote or enhance grid resilience.

In fact, that particular proceeding lay dormant for three years, nothing happened. We did not actually even, we couldn't even get to an agreement or even a discussion about how you define grid resilience. So, I thought it was better to close out that proceeding, in large part because that proceeding had originally emanated from, again, Secretary Perry's proposal that was very controversial and considered political. So, I thought the best thing to do was to close out that proceeding but move forward with the very important topic of grid reliability and grid resilience.

So, we created a new docket, and that docket will be focused primarily on figuring out what we need to do to address the threats to grid reliability and resilience on a going-forward basis. And I certainly think, that in light of the events that occurred two weeks ago, the first threat that we need to take a look at is weather-related impacts. We are seeing extreme weather conditions occur throughout the country on a more-frequent basis, much more ferocious weather than we've seen in the past, as well. I'd expect it to continue. So, whether it is heat waves and wildfires in California and the rest of the West, hurricanes in the southeastern United States, extremely cold weather in the middle part of the country and the Northeast. Each region faces different weather challenges, but each of those challenges threatens the grid reliability in those regions.

What we are going to do is, first, hold a technical conference on that particular issue later on this spring, and then figure out where we go from there. But I think it is pretty clear when we saw what happened in Texas two weeks ago that sometimes we take electricity for granted. Yes it is an inconvenience when we lose our power for an hour or two, but when you lose power for four days or so, especially in extremely cold weather when your house is relying on electricity, whether it be a gas furnace or electric furnace, to get those furnaces working it is a matter of life and death. So, we need to take those matters seriously, and I think it is a good start to figure out what we need to do to guard against extreme weather conditions in the future.

Mary O'Driscoll: Okay, I just wanted to kind of double back on this a little bit because FERC and NERC have announced an inquiry into what happened with the cold weather event. But there was one that happened 10 years ago. We remember that there was a cold weather event in Texas that caused power outages, and FERC and NERC did a report that came up with some suggestions, but that didn't go anywhere. So, what will make this one different? What is it that you want to do to try to make sure that this [report] just doesn't kind of go away like the one from 2011 did?

Chairman Glick: I think we need to learn the lessons from what occurred in 2011. You are exactly right. Texas and actually New Mexico at the time experienced extreme cold weather, a number of power plants failed, and then NERC and FERC engaged in a joint inquiry. A big report came out in 2011. That report contained recommendations in part to address weatherization of generation facilities in both Texas and elsewhere. Then FERC and NERC took that report and instead of proposing reliability standards to address weatherization of the grid, they essentially issued just a series of guidances to the various generation owners around the country saying, "you should think about it."

Well I think we need to do more than think about it because, in large part, Texas is a very competitive market that has produced some benefits in the past. But because it is a competitive market, one generator is not going to winterize their plant if their competitor is not going to do it. We have the responsibility, along with NERC, to consider mandatory reliability standards, and in that particular event, 2011, for whatever reason it did not work out that way. Instead, voluntary guidance was produced.

As I have said several times in the recent weeks, I didn't come here to work on reports that sit on the bookshelf and gather dust. I think we need to take our reports seriously and if there is an action out of it that needs to be put forth, we need to do that and require utilities and other generators to take action to make sure that this doesn't happen again.

Mary O'Driscoll: Okay, well I'm going to jump now to the issue of environmental justice. You started off your chairmanship with an announcement that you soon will be hiring a new senior-level Environmental Justice position on FERC staff to work across all program offices to ensure that these issues get addressed. So, I just want to kind of lay out some basic questions here: What is environmental justice? And why is this such an important issue for FERC to address?

Chairman Glick: I think to start off with, we here at FERC need to be cognizant of the fact that our decisions have a real impact on people's everyday lives. Whether it be reliability, the issue we just talked about, whether it be the prices that they pay for electricity or natural gas or, in some cases, oil or other liquid fuels. Whether it be how the siting of natural gas pipelines and hydroelectric facilities, and how those facilities impact the local environment. Those are very important issues, and they affect lots of folks around the country.

Many people that are impacted, or some people that are impacted, are able to afford through their associations, through their businesses and so are able to afford to hire attorneys to participate in our proceedings. But a lot of people don't, and I think we need to take that into account when we engage in our decisionmaking process. And, in particular, some of the decisions that we make impact greatly communities that historically have kind of been on the short end of the stick, whether it be minorities - American tribes, for instance, or other

groups. I think it is incumbent upon us as a Commission, and us as an agency in the federal government, to do a better job of considering the impacts of our decisions on folks, including so-called environmental justice communities.

I think one way we can improve our decisionmaking process is to, what I announced a couple of weeks ago, is that we are going to create a senior-level position, and that senior-level person who is going to have that job is going to work with other people within FERC to make sure that when we site a natural gas pipeline or a hydroelectric facility, when we engage in a rulemaking regarding electricity prices or natural gas pipeline prices, that we take into account their concerns as well. And I think that is going to improve our decisionmaking process greatly.

Mary O'Driscoll: Okay, and related to that, you've begun the Commission's effort to follow congressional direction to stand up an Office of Public Participation at FERC. Can you tell us more about this, what it is you are looking to do?

Chairman Glick: Right, and this is certainly a related matter. Back in 1978, Congress passed legislation creating an Office of Public Participation at FERC, and for some reason since 1978 that office never actually was created. So back in this past December when Congress passed the stimulus bill related to the COVID-19 epidemic, they included language in the bill that called upon FERC to within six months submit a report to Congress indicating how we are actually going to proceed to carry out the authority that Congress enacted back in 1978 for the Office of Public Participation.

So that is pretty clear evidence to me that Congress wants us to move forward with this office. I've announced that we are definitely creating the office, so we are moving forward with it. I've asked Commissioner Clements to kind of lead the charge on this effort, to lead the Commission's charge, and she is doing a great job making sure we get a lot of input and trying to figure out how best to structure the office. How it should be staffed, what sort of issues it should address.

But overall, I think it is a very important element. As I mentioned before, FERC's decisions affect a lot of groups. The people that can afford the high-priced Washington, DC, law firms to participate in our proceedings, they are adequately represented. But a lot of other people aren't, their voices aren't heard. So, I think this particular office will focus on that particular effort to make sure that other folks that are affected greatly by our decisions have a voice and also understand exactly what the implications are of our decisions.

Mary O'Driscoll: Okay, one follow-up on that is a lot of people who have opined on this issue are looking at whether and if so, how, FERC will compensate intervenors if that will happen. Is that something you think you will be looking at?

Chairman Glick: I think at this point, everything is on the table. We will certainly be looking at that particular issue, we have to look at the legislation as well and see what is permitted and what is not pursuant to the underlying legislation. But that is a matter that is certainly under consideration. And I expect that when we get input from the public and from other stakeholders that we'll receive a lot of comments on that particular matter.

Mary O'Driscoll: Okay, Do you see this office as like a hands-on office that will help people navigate the FERC procedural maze? Or will it do kind of general things like outreach, conducting seminars for the public to understand what FERC is, that kind of thing?

Chairman Glick: Well, it is still being formed and its functions are still being, we still need to figure what it's functions will actually be. As I said before, Commissioner Clements is doing a great job of receiving input, taking comments from folks all over the country and trying to get a better sense of what people out there feel, how they would be best served by this particular Office of Public Participation. I would say, stay tuned and we'll be able to answer those questions better in the future.

Mary O'Driscoll: Okay. All right, well thanks so much for all the time you've given to us today. But if you'll allow me one final question. I'm a Dodgers fan, you're a Mets fan, so tell me: Who makes it to the World Series this year?

Chairman Glick: If Mookie Betts wasn't playing, I'd say the Mets. But I'll have to go with your Dodgers, unfortunately.

Mary O'Driscoll: Thank you, thank you so much! And that's it. Thank you, Chairman, so much for coming on and thanks so much for your time. We want to thank all you listeners for tuning in, and we will see you all next time on Open Access.

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.

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