

FERC Podcast Transcript
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Coronavirus Update: Chairman Chatterjee on FERC's Response

Mary O'Driscoll: Welcome to Open Access, I'm Mary O'Driscoll. Since mid-March, when President Trump declared a national emergency concerning COVID-19, the Commission and the energy industry that it regulates have faced unprecedented challenges in responding to these emergency conditions. Joining us today - at a safe social distance via Skype - is Chairman Neil Chatterjee to talk about what the Commission is doing to meet those challenges. Welcome back to the podcast, Chairman.

Chairman Neil Chatterjee: Thanks Mary, it's good to be here. I want to start by saying that in these exceedingly difficult times, the health and safety of FERC staff and everyone who is doing such a terrific job in keeping our energy flowing, are paramount. We are all in this together.

Mary: Chairman, in the past several weeks the Commission has taken some important steps to give the energy industry regulatory guidance and some certainty on reliability and security matters. Tell us about that.

Chairman: Well, first and foremost, I think that ensuring the reliability and security of our nation's vital energy infrastructure is critical, and it is our top priority. With that as our goal, we are doing all we can to lift regulatory burdens and uncertainty, so that the focus remains on critical front-line efforts.

One of the first steps I took was to name Caroline Wozniak as the Commission's point of contact for all industry inquiries related to impacts of their COVID-19 preparations and responses on their jurisdictional activities. Mary, I understand that Caroline soon will be doing a podcast with you to discuss her role as Pandemic Liaison.

Mary: That's correct. And we've created a Coronavirus Updates page on the FERC.gov web site where folks can find links to the Commission's actions and other helpful information.

Chairman: So, in addition to establishing the Pandemic Liaison, we've issued a Policy Statement expressing our intent to give highest priority to processing filings made for the purpose of assuring the business continuity of energy infrastructure during this extraordinary time. We understand that companies may need to implement new procedures, update and/or suspend existing procedures, and take other measures to safeguard the business continuity of their systems. Let me assure them, we will expeditiously review and act on requests for relief, including but not limited to, requests for cost recovery necessary to assure their business continuity.

Mary: You've expressed concern about financial impacts on the energy industry.

Chairman: That's right Mary. We need to make sure that we don't have liquidity concerns once the emergency is over, when we get into the cost recovery for these utilities that are keeping the lights on and potentially may not be able to recover some of those costs. In addition, NARUC President Brandon Presley and I sent a letter to Federal Reserve Chairman Jerome Powell supporting the extension of Commercial Paper Funding Facility purchasing to commercial paper programs that are rated at A2/P2/F2 Tier 2 by at least two of the major credit rating agencies.

That covers most utilities. Ready access to short-term debt will support both the financial stability of those companies and their ability to continue to support the country's essential infrastructure.

Mary: What are some of the other actions you and your colleagues have taken?

Chairman: Among other things - and, again, I would remind everyone that they can find links to everything we are doing on the Coronavirus update page on the FERC.gov website - we are prioritizing the efficient processing of requests for waiver and other requests for relief by delegating additional authority to some of our program office directors. We've provided more flexibility on deadlines for certain required filings and waived tariff provisions that require in-person meetings.

I also want to highlight our enforcement activities. First, FERC's enforcement staff continues to monitor, without interruption, its surveillance data feeds and screening processes. Second, as I've said before, and I'll say it again: We will not second-guess the good-faith actions that regulated entities take in the face of this emergency. Enforcement staff will not begin any new audits until July 31, 2020, and staff will take the emergency into account when it evaluates compliance programs as part of its analyses under the Penalty Guidelines, or as part of an audit for operations.

Finally, we continue to be in contact with our colleagues at the North American Electric Reliability Corporation and our fellow commissioners in the states to ensure that the operators of our electric system can primarily focus their resources on safety and keeping the lights on.

Mary: Chairman, thanks so much for joining us today. And to you, your family and all our listeners, everyone, please, stay safe and healthy.

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. Unless otherwise noted, the views expressed in these podcasts are personal views and do not necessarily express the views of individual Commissioners or the Commission as a whole. This podcast is a production of the Federal Energy Regulatory Commission's Office of External Affairs. We will be updating our posts when we've got more news, so be sure to check out our website, www.ferc.gov, and follow us on Facebook, Twitter and LinkedIn to find out when our next podcast airs.