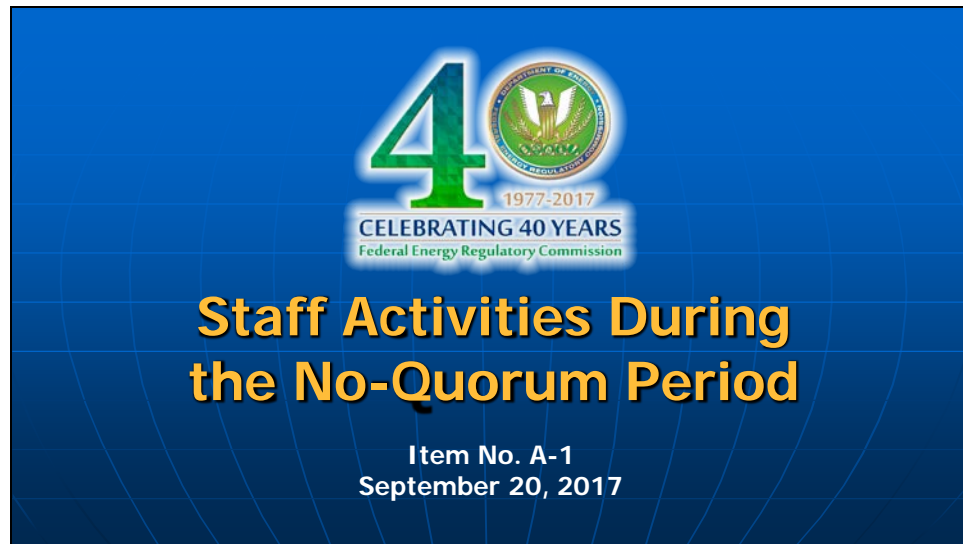


Slide 1



Good morning, Mr. Chairman and Commissioners.

Thank you for the opportunity to make a presentation about Commission staff activities during the period that the Commission lacked a quorum. During the no-quorum period, from February 4th through August 9th, the work of all of the Commission's Program Offices moved forward as staff continued to perform much of the day-to-day work of the agency. In addition, staff exercised the additional authority delegated to it to ensure the orderly processing of certain items consistent with the public interest. Staff also made preparations for the Commission to act upon restoration of a quorum.



Delegated Authority

- February 3 Commission Order on Delegated Authority; terminated Aug. 23
- Staff issued 200 orders under new delegated authority
- 68 orders subject to further Commission order
- Pre-existing delegations continued

On February 3rd, in anticipation of the loss of quorum, the Commission issued an order related to staff's delegated authority. The February 3rd order affirmed all previous delegations of authority to staff and granted staff additional authority to act on certain matters, including on: (i) filings under section 205 of the Federal Power Act, section 4 of the Natural Gas Act, and section 6 of the Interstate Commerce Act with statutory action dates falling while the Commission lacked quorum; (ii) uncontested settlements filed under Rule 602 of the Commission's Rules of Practice and Procedure; and (iii) certain uncontested requests for waiver.

Office of Energy Market Regulation staff issued 200 orders under the new delegated authority. Of those 200 orders, 68 were subject to further Commission order. The February 3rd order expired by its terms on August 23rd.

During the no-quorum period, staff also continued to issue orders under the various delegations that existed prior to the loss of quorum.

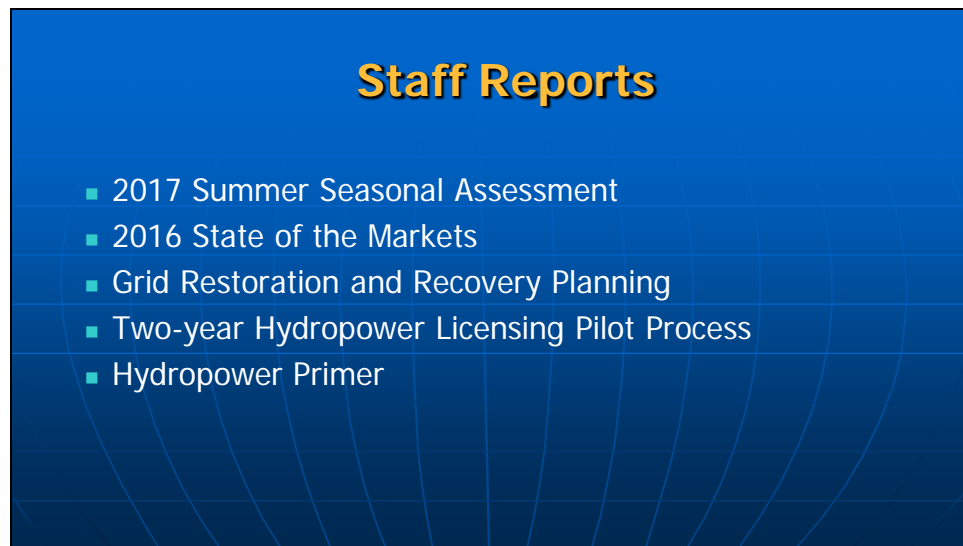
Lastly, in preparation for the restoration of quorum, staff continued to analyze filings that were submitted to the Commission but could not be acted on under delegated authority. Where appropriate, staff sought more information through data requests, deficiency letters, or staff-led workshops or technical conferences.



During the no-quorum period, staff held a number of technical conferences and workshops to engage with industry, state representatives, and interested stakeholders on a range of Commission-jurisdictional matters. These technical conferences and workshops helped to develop a record for the Commission's consideration upon restoration of a quorum. For example:

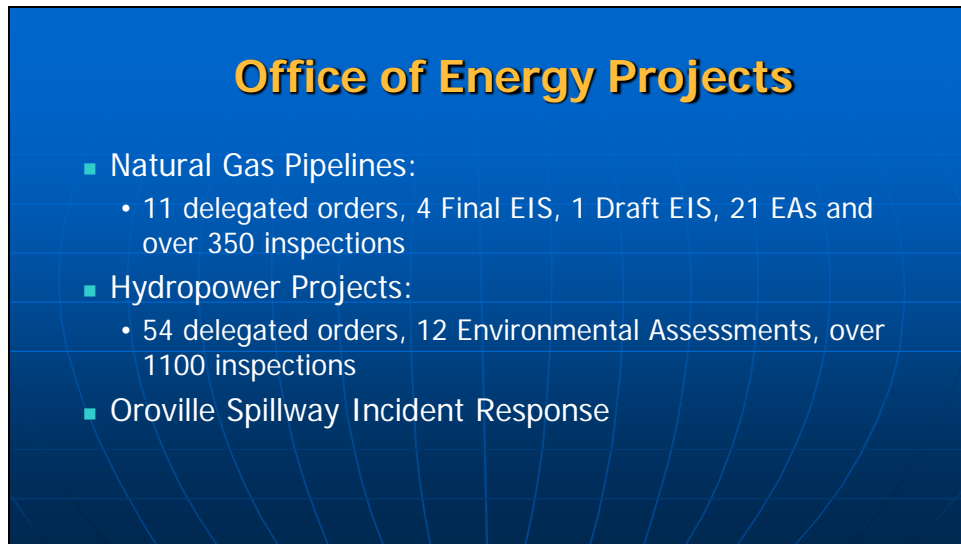
- On May 1st and 2nd, staff held a technical conference to discuss the interplay between state policy goals and the wholesale capacity markets operated by ISO New England, the New York Independent System Operator, and PJM Interconnection. Following the technical conference, staff invited comments and reply comments on the topics discussed during the technical conference. Staff received 81 sets of initial comments and 27 sets of reply comments from a wide range of interested parties.
- On June 22nd, the annual reliability technical conference was held, covering topics including the state of and risks to reliability, cybersecurity, and high-impact low-frequency threats to the grid.
- And on June 29th, staff held a technical conference on developments in natural gas index liquidity and transparency to, among other things, understand the state of liquidity in the physical natural gas markets, explore current trends in physical natural gas trading and price reporting, and how the use of natural gas indices have evolved over time.
- Finally, in March, May and June, respectively, staff led workshops on:
 - issues raised in the filings made by PJM Interconnection and the Midcontinent ISO regarding Targeted Market Efficiency Projects;
 - potential improvements to the Electric Quarterly Reports (EQR) program and the EQR filing process; and

- the effectiveness of the hydropower licensing program's two-year pilot process.



During the no-quorum period, staff released numerous reports. For example:

- In June, staff issued the 2017 Summer Seasonal Assessment. This is staff's annual opportunity to share its summer outlook on the electricity and natural gas markets and reliability matters.
- In April, the Office of Enforcement's Division of Energy Market Oversight published the 2016 State of the Markets Report. The annual report shares staff's views of natural gas, electric, and other energy markets developments during the past year to better inform the Commission's understanding of current trends.
- In consultation with staff from the North American Electric Reliability Corporation, staff issued a report in June on Grid Restoration and Recovery Planning absent Supervisory Control and Data Acquisition (SCADA) and Energy Management System (EMS) functionality.
- On May 17th, staff sent Congress a report and recommendations on the two-year hydropower licensing pilot process as required by the Hydropower Regulatory Efficiency Act of 2013. Staff also issued a Hydropower Primer, a handbook of hydropower basics, and issued updates to guidance manuals for environmental report preparation and for reporting cultural resource investigations for natural gas projects.

A presentation slide with a blue background and a grid pattern. The title "Office of Energy Projects" is centered at the top in a bold, orange font. Below the title, there are three bullet points, each starting with a small orange square. The first bullet point is "Natural Gas Pipelines:" followed by a sub-bullet "• 11 delegated orders, 4 Final EIS, 1 Draft EIS, 21 EAs and over 350 inspections". The second bullet point is "Hydropower Projects:" followed by a sub-bullet "• 54 delegated orders, 12 Environmental Assessments, over 1100 inspections". The third bullet point is "Oroville Spillway Incident Response".

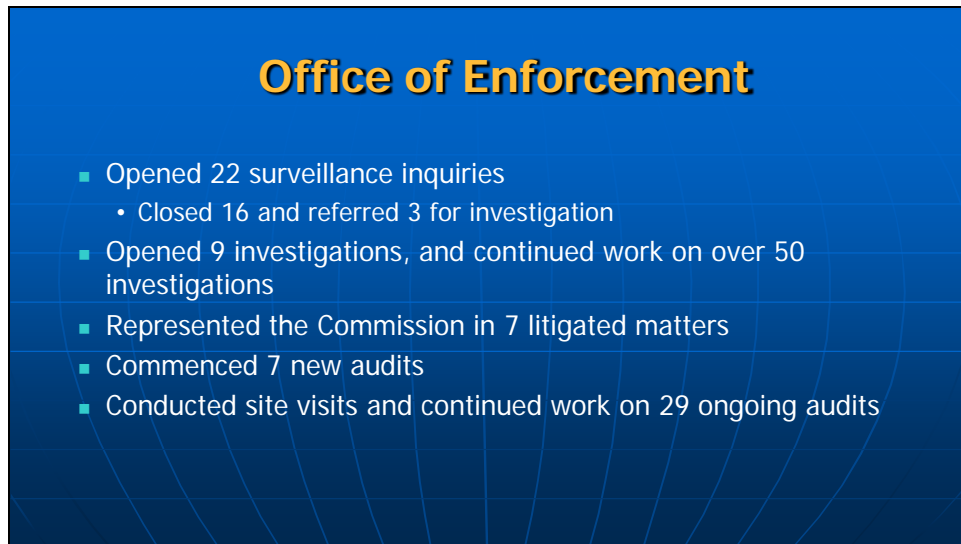
Office of Energy Projects

- Natural Gas Pipelines:
 - 11 delegated orders, 4 Final EIS, 1 Draft EIS, 21 EAs and over 350 inspections
- Hydropower Projects:
 - 54 delegated orders, 12 Environmental Assessments, over 1100 inspections
- Oroville Spillway Incident Response

During the no-quorum period, staff across all of the Program Offices continued its many activities under the Commission's jurisdiction.

The **Office of Energy Projects** staff:

- continued its work to support energy infrastructure including issuing delegated orders, Environmental Impact Statements and Environmental Assessments and performing natural gas and hydropower facility inspections.
- Notably, they also responded to the Oroville Spillway Incident, working closely with the California Department of Water Resources in responding to the emergency and on the subsequent stabilization and reconstruction work.

A blue rectangular box with a grid pattern and a globe-like design at the bottom. The title "Office of Enforcement" is centered at the top in a bold, orange font. Below the title is a list of five items, each preceded by a small blue square bullet point. The first item has a sub-bullet point.

Office of Enforcement

- Opened 22 surveillance inquiries
 - Closed 16 and referred 3 for investigation
- Opened 9 investigations, and continued work on over 50 investigations
- Represented the Commission in 7 litigated matters
- Commenced 7 new audits
- Conducted site visits and continued work on 29 ongoing audits

The **Office of Enforcement** staff continued to perform its surveillance, investigative, oversight, auditing and accounting functions, including:

- opening surveillance inquiries into possible violations by participants in the electric and natural gas markets;
- continuing work on investigations;
- representing the Commission in litigated matters in the courts; and
- working on new and ongoing audits and issuing audit reports.

Office Of Energy Infrastructure Security

- 6 network architecture reviews
- 7 threat briefings
- 5 cyber security and physical security table top exercises
- Information sharing with state utility commissions

The Office of Energy Infrastructure Security staff:

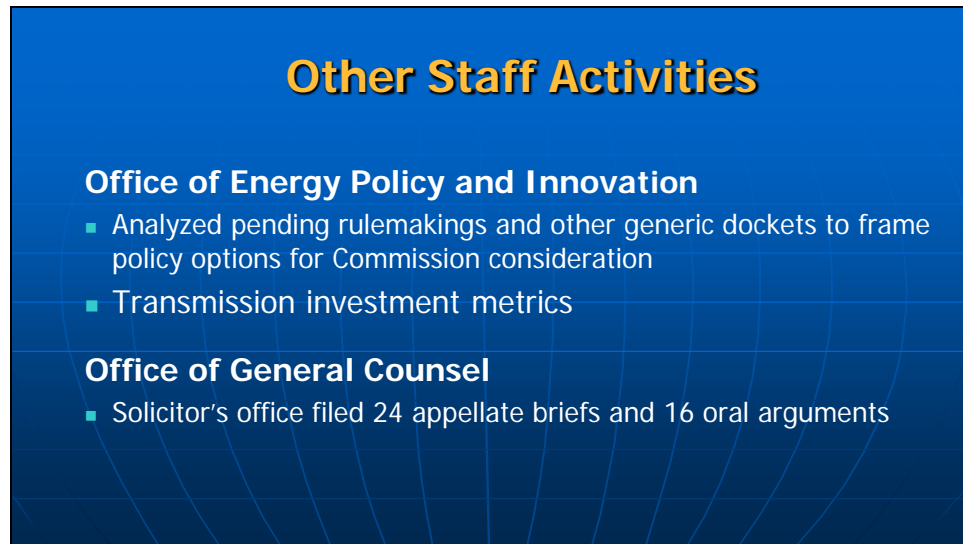
- provided information regarding cyber threats to private sector energy facilities;
- gave threat briefings to and continued information sharing with various federal and state governmental partners; and
- planned and participated in cyber security and physical security table top exercises.

Office of Electric Reliability

- Bulk power system monitoring
- Observed preparations for August solar eclipse
- Mitigation efforts following Aliso Canyon
- CIP audits and final reports
- Monitoring cyber-related threats and events

The Office of Electric Reliability staff:

- continued monitoring and reporting real-time events on the bulk power system through a 24/7 emergency reporting system;
- observed preparations for events like the August solar eclipse and mitigation efforts following the Aliso Canyon natural gas storage facility leak;
- participated in audits related to Critical Infrastructure Protection; and
- continued to monitor cyber-related threats, events, technologies, research, and practices.



Other Staff Activities

Office of Energy Policy and Innovation

- Analyzed pending rulemakings and other generic dockets to frame policy options for Commission consideration
- Transmission investment metrics

Office of General Counsel

- Solicitor's office filed 24 appellate briefs and 16 oral arguments

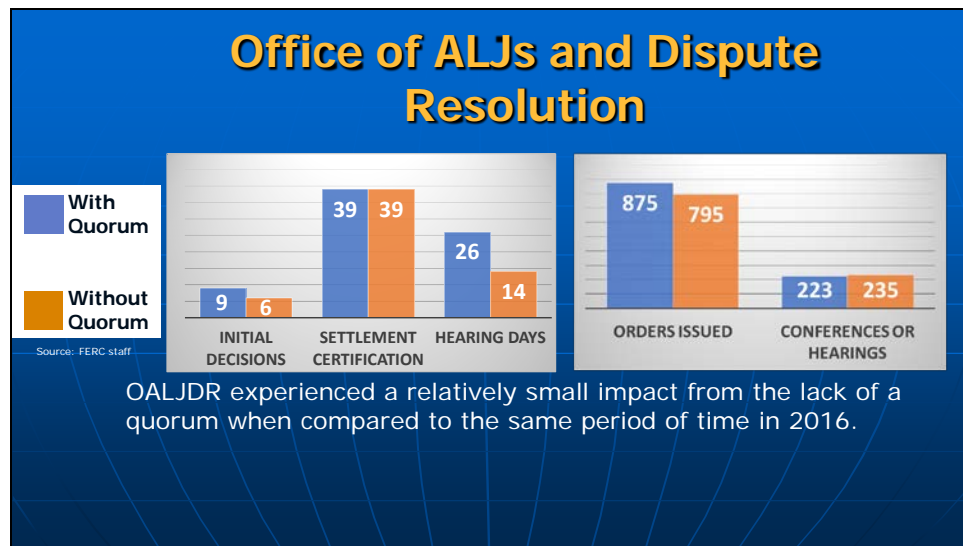
The **Office of Energy Policy and Innovation** staff, among other things, continued to analyze pending rulemakings and other generic dockets and to develop and refine objective and standardized measures to help assess the current state of transmission development and the effectiveness of the Commission's policies regarding transmission investment.

In the **Office of General Counsel**, the Solicitor's office filed appellate briefs and participated in oral arguments.

Office of Administrative Litigation

- 35 settlement comments
- 16 briefs in 8 litigated proceedings
- 10 rounds of testimony in 5 litigated proceedings

The **Office of Administrative Litigation** staff filed comments on settlements and briefs and testimony in litigated proceedings.



In the Office of Administrative Law Judges and Dispute Resolution:


- the *Administrative Law Judges* staff continued to issue initial decisions, certify settlements, and hold formal conferences and hearings.

Dispute Resolution Service

- Settled a number of complex contested matters
- Successfully completed 208 matters from the Landowner or ADR Helpline
- Trained over 135 FERC staff in the Four Lenses

The *Dispute Resolution Service* staff facilitated the settlement of a number of complex contested matters and helpline calls and provided training to Commission staff.

Slide 13



The logo features a large green number '4' with a glowing effect, positioned to the left of the official seal of the Federal Energy Regulatory Commission. The seal is circular and contains an eagle with wings spread, perched on a globe. Below the seal, the text '1977-2017' is written in a small font. Underneath that, the words 'CELEBRATING 40 YEARS' are written in a larger, bold, sans-serif font, followed by 'Federal Energy Regulatory Commission' in a smaller font.

**Staff Activities During
the No-Quorum Period**

Item No. A-1
September 20, 2017

This concludes our presentation. We would be happy to answer any questions you may have.