



# NEWS RELEASE

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## FERC Rescinds Policy on Notices of Alleged Violations

The Federal Energy Regulatory Commission (FERC) today rescinded its policy on issuing Notices of Alleged Violations (NAVs) regarding investigations.

In 2009, the Commission authorized the issuance of NAVs after the subject of an investigation has the opportunity to respond to preliminary findings by the Office of Enforcement. The Commission's intent in adopting the NAV policy was to increase the transparency of non-public investigations by establishing a way for other market participants to provide information related to the subject's conduct and to help all market participants evaluate their own activities against the conduct alleged in the NAVs. FERC acknowledged the potential risk of reputational harm that might result from the issuance of a NAV but sought to strike a balance between protecting the confidentiality of investigations and promoting the public interest of heightened transparency. The first NAVs were issued in January 2011, following issuance of the NAV rehearing order.

The Commission committed to evaluating the effectiveness of the NAV policy when it was originally adopted. Based on this evaluation, today's order concludes that the policy's intended benefits have not materialized and the Commission now has better tools for providing transparency. For example, since 2009 FERC has gained access to several sources of market data that enable the Commission to detect potential manipulation and anticompetitive behavior in the energy markets. These include data from Order No. 760, which directed the regional grid operators to provide market data to FERC staff on an ongoing basis.

The Commission also has developed more informative methods of providing transparency to industry about investigations and enforcement actions, including providing guidance through orders on settlement agreements, orders to show cause and orders assessing civil penalties. Office of Enforcement staff also provides guidance through various means, such as the Annual Report on Enforcement, presentations at industry conferences and staff white papers.

Given these developments, the Commission's action today finds that the NAV policy is no longer warranted.

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