



FERC Podcast Transcript  
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## Commissioner LaFleur Says Farewell to FERC

**Mary O’Driscoll:** Welcome to Open Access, I’m Mary O’Driscoll. Today our honored guest is Commissioner Cheryl LaFleur, who will be leaving FERC at the end of August after nine years at the Commission. In those nine years she not only served as a Commissioner, but as acting Chairman and Chairman as well. And, she had the distinction of heading the Commission during an unprecedented, seen month no-quorum period in 2017. Commissioner, Cheryl, it’s great to have you here.

**Cheryl LaFleur:** Thank you. Nice to be here.

**Mary O’Driscoll:** So, you’re coming up on the end of your time at FERC after nine years as a Commissioner. How are you feeling as your time winds down?

**Cheryl LaFleur:** Well, I’m really feeling pretty wistful and sad about leaving the Commission after nearly 10 years here. All the people I’ll say goodbye to who’ve become dear friends. I’ve had a rather long transition because I announced in January that I’d be leaving during 2019. But all of a sudden it seems imminent, and the weeks are flying by at warp speed. It’s really hard to even describe how much the last decade has added to my life.

Every Commissioner I’ve spoken to has said it’s hard when he or she leaves, and it’s an adjustment, and I’m sure that will be true for me too, but I’m excited about the future.

**Mary O’Driscoll:** OK. So, what are you most satisfied with accomplishing during your time here at FERC?

**Cheryl LaFleur:** I think I’m most satisfied that I really tried to do my best and decide each case on the merits. Even things that were very political or things that I thought might affect my own renomination, I just tried to do what was right. And I think that’s what I tried to have as my consistent philosophy.

I’m also proud that I was able to lead the Commission during two somewhat unsettled times – the first in 2013 through 2015, it seems like ancient history now, but the Ron

Binz nomination being withdrawn, Jon Wellingshoff leaving, I was named, Norman Bay was nominated, all the uncertainty about what was going to happen next, whether I was going to be renominated. And we kept the work going. And our wonderful staff and our wonderful team of employees just kept everything moving.

And then what was even more traumatic was the no-quorum period, when we first had nine days to get out 80-something cases, and then had, I believe it was seven months without a quorum, and again, staff carried me and did a lot of work to get ready for when the new Commissioners came.

**Mary O'Driscoll:** Yeah, I wanted to add too, that you were, that was the time when the whole Oroville Dam situation happened, and you had to go out, and that was, that was pretty, pretty intense.

**Cheryl LaFleur:** Yes, it was a really interesting time.

I'm also just, beyond the Chairmanship, I'm just glad that I stayed. A lot of people thought I was going to leave when I wasn't Chairman anymore, in 2015, but it was an adjustment, and I stayed, and I wouldn't have missed the last four years for anything.

**Mary O'Driscoll:** OK. So, talking about your accomplishments, what about things you've accomplished on a substantive basis, like on the policy level?

**Cheryl LaFleur:** Well, I try to think of things that might be different if I weren't here. You know, because we're part of a multi-member Commission, we're each just part of a body, and I always try to compromise and get things 20 percent or 25 percent my way. When I think of things where my personal involvement made a difference, one is certainly my work on reliability and grid security. I think the geomagnetic disturbance standard and the physical security standards, which was developed after the whole nine-substation developments of early 2014, were ones where I personally made a difference.

I also think I made a contribution to the demand response rule, Order 745. Even though of course it was Jon Wellingshoff's brainchild, I worked with Commissioner Marc Spitzer to work out the net benefits test in the rule and that was positively cited by the Supreme Court in upholding the rule. And I was chairman when we lost the case in the D.C. Circuit and had to work to get a bipartisan compromise, which was difficult, in order to go up on appeal. So I feel like I had an impact on that.

Another thing I look back on is all my separate statements and all my work on transmission and cost allocation, especially on the PJM remand on the Seventh Circuit

case, in which I proposed a hybrid cost allocation that was partly flow based and partly regional. I was really excited when that was later adopted by the region, it's still the thing that PJM has in place.

Finally, I hope I've contributed to the Commission's progress on how we do our pipeline and LNG work. The story is by no means written, but I hope I've added value in raising issues about how we decide need and how we consider climate impacts.

**Mary O'Driscoll:** OK. Well, what was the one that got away, or the two, or whatever, the ones that got away – during your time here? I mean ....

**Cheryl LaFleur:** I was just having this conversation with Commission McNamee, because he was remarking that he's come in, and he had to jump into things where there was a notice of proposed rulemaking, and now he's here for the final rule, and something was decided that he has to do the rehearing, and it's the same when you're leaving. Things are always going forward. It's like a moving river, and you're just swimming in it for so long.

But there's a few big things that I think are unresolved as I leave. One, which I just mentioned, was our pipeline reviews. We've gotten some guidance from the courts, in the Sierra Club case, the recent Birkhead case, and I think the Commission has to figure out what changes we're going to make, and how we assess need, and how we consider climate impacts. That saga is going to be going on for a while. It's certainly not going to happen fully on my watch.

Another big, big one is how the wholesale competitive markets have to adapt for the state initiatives, either to choose specific resources or to retain resources that are getting a market signal to retire. There's a lot of work on that, obviously, most notably the long, outstanding PJM capacity reform docket, and that work, some of that work will certainly go on while I'm not here and I'll be watching it closely.

Another area that I point to that I wish I would be here for would be the next steps on Order No. 1000. I think the rule has done some good things, but the onset of competitive transmission processes has been more trouble than anticipated, and clearly, the country is going to need a lot more transmission for all the new resources. We're going to have to figure that out but it'll be beyond my time.

**Mary O'Driscoll:** All right, OK. What kind of advice do you have for your successor, whomever he or she may be?

**Cheryl LaFleur:** I hope we get the seats filled soon. I thought a lot about this one I think I would first say, to come in and recognize that you're on a learning curve. No matter how qualified someone is, everyone knows a lot about – hopefully, someone who would be appointed, with an energy background knows – a lot about some parts of FERC's work, but not as much about other parts. Or a lot about some regions of the country, but not a lot about other regions. And I would say, don't be afraid to ask questions, ask for staff briefings, visit places you haven't been, and really embrace that learning process, which goes on the whole time you're here.

Secondly, I would say compromise. As I said, I tried to take the attitude of, it's a success if I get the order whatever percent my way I am of the Commission, because we are a multi-member body. Sometimes things are so important, and such a high matter of principle, that I have to dissent. But try to compromise with your colleagues. That's going to be really necessary to take us forward on these big issues.

I'd say build a good relationship with FERC staff, your own staff in your office, of course, but the whole staff is who makes everything go around here, and helps you learn, helps you decide cases.

And finally, I would just say enjoy your time. It goes by really fast. Even I'm one of the longest-serving and it's gone by really fast.

**Mary O'Driscoll:** Right, right. OK. Any parting thoughts for FERC staff?

**Cheryl LaFleur:** Well, I talked about this at my last open meeting last week, you know, and it's really the employees who make FERC what it is and who make it hardest to leave. I just think we're really lucky to have a big team of people here in this building where we're sitting as we tape in 888, but down the street in OAL and around the country in our regional offices, who care about our mission and do what's right to keep electric, gas and oil rates just and reasonable, keep the markets running correctly through our enforcement work, keep the grid reliable, and keep the facilities we oversee safe. Our employees care deeply about our independence, which is also really important to me, and the quality of the Commission's work. They care about the community, they always win awards in the Combined Federal Campaign, and they care about each other. So, we are just very fortunate to have the group that we have. There's a lot of people I'm going to deeply miss, but I look forward to following their future work and their career progression of our future leaders, some of whom I think I've worked with at an early stage. Of course, I'm still here for several weeks, so I hope to see a lot of the people I care about between now and then to say goodbye.

**Mary O'Driscoll:** OK. One last question I have to ask this before we go: How are the Patriots going to do this year?

**Cheryl LaFleur:** Well, you always think they could not possibly outwit the NFL system one more year, but they always seem to do well. So I hope they have another good season. I'm certainly not counting on another Super Bowl, but should that happen, I'm going to take Chairman Chatterjee up on his offer to come back and wear my jersey.

**Mary O'Driscoll:** Great. Well, thank you so much for joining us.

**Cheryl LaFleur:** Thank you, Mary.

**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, Leonard Tao, director. We will be updating our posts when we've got more news, so be sure to check out our website, [www.ferc.gov](http://www.ferc.gov), and follow us on Facebook, Twitter and LinkedIn to find out when our next podcast airs.